



# **31st ANNUAL REPORT**

---

**2016-17**

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# **CORPORATE INFORMATION**

## **BOARD OF DIRECTORS**

<b>SHRI AJAY GOENKA</b>	:	CHAIRMAN & MANAGING DIRECTOR
<b>SHRI RAHUL MAHESHWARI</b>	:	EXECUTIVE DIRECTOR
<b>SHRI KANTIBHAI PATEL</b>	:	INDEPENDENT DIRECTOR
<b>SMT. AANAL TRIVEDI</b>	:	INDEPENDENT DIRECTOR
<b>SHRI ABHILASH DELWADIA</b>	:	INDEPENDENT DIRECTOR
<b>SHRI INDRASINH B. ZALA</b>	:	INDEPENDENT DIRECTOR

## **COMPANY SECRETARY**

SHRI SHASHIKANT THAKAR

## **STATUTORY AUDITORS**

M/S. MEHTA LODHA & Co.  
CHARTERED ACCOUNTANTS  
AHMEDABAD

## **COST AUDITORS**

SHRI V. H. SHAH  
COST ACCOUNTANT  
AHMEDABAD

## **INTERNAL AUDITORS**

RNCA & ASSOCIATES  
CHARTERED ACCOUNTANTS  
AHMEDABAD

## **BANKERS**

- INDIAN OVERSEAS BANK
- CORPORATION BANK
- UNION BANK OF INDIA
- ALLAHABAD BANK
- AXIS BANK
- BANK OF INDIA
- PUNJAB NATIONAL BANK
- DENA BANK

## **LISTINGS**

### **FOR EQUITY SHARES:**

BOMBAY STOCK EXCHANGE LIMITED (SCRIP CODE 523523)  
NATIONAL STOCK EXCHANGE OF INDIA LIMITED (STOCK SYMBOL RAINBOWPAP)

## **REGISTERED OFFICE**

801, Avdhesh House  
Opp. Shri GuruGovind Gurudwara  
Sarkhej-Gandhinagar Highway, Thaltej  
Ahmedabad-380054. Gujarat. INDIA  
Phone: 079-26855714/16  
Email: info@rainbowpapers.com  
**www.rainbowpapers.com**  
CIN: L21010GJ1986PLC008772

## **WORKS**

### **Rajpur Unit I (Master Cote)**

1423, VILLAGE RAJPUR,  
TAL: KADI, KALOL-MEHSANA HIGHWAY (N.G.)  
PIN 382 715

### **Rajpur Unit II**

1453, VILLAGE RAJPUR,  
TAL: KADI, KALOL-MEHSANA HIGHWAY (N.G.)  
PIN 382 715

## **REGISTRAR & SHARE TRANSFER AGENTS**

LINK INTIME INDIA PVT. LTD.  
506-508, Amarnath Business Centre-1(ABC-1)  
Besides Gala Business Centre  
Near Xt Xavier's College Corner  
Off C G Road , Ellisbridge, Ahmedabad - 380 006.  
Phone No. +91 79 26465179 /86 / 87  
Email: ahmedabad@linkintime.co.in

## FROM THE CMD'S DESK

Dear Shareholders,

It's my humble privilege to bring to your notice the present scenario of the Company for the year under review. The Company has been passing through the most critical phase of its life time, due to the some unavoidable reasons beyond the control of the Management. During the FY 2016-17, since it's an most difficult year for the Company, the performance of the Company was adversely affected due to higher interest cost, frequent stoppages of the machines, under utilization of the plant capacity, higher amount of variable cost, discontinuation of production etc due to various reasons. The severe liquidity crunch and various outside factors beyond the reach of the management, has resulted the Company's operations become unviable and we could not make the plant fully operational throughout the year to avoid any further losses to the Company, however the Management has been making sincere efforts to come over all the adversities and bring back the operations on right track and re-gain the glory.

The management of the Company is working continuously day and night to look after the long term interest of all the stake holders of the Company, who have been extending their support to the company during its critical time. The Company management ensures to come out with all possible corrective actions and revival measures to improve the current situation and further envisage wider steps to put the Company on progressive path in the coming days with high ambitions and aspirations for the better future of the Company.

The current market situation of Paper Industry is quite encouraging and we expect the same trend to continue in future.

Finally, I would like to take this opportunity to express my sincere gratitude to our stake holders for showing their continued support and confidence on us and we hope to receive the same support in future also.

AJAY GOENKA

CHAIRMAN & MANAGING DIRECTOR

## NOTICE

NOTICE is hereby given that the THIRTY FIRST ANNUAL GENERAL MEETING of the members of M/s. RAINBOW PAPERS LIMITED will be held on Thursday, the 28<sup>th</sup> day of September, 2017, at 11.00 a.m., at Gujarat Paper Makers' Association, 802, 8<sup>th</sup> Floor, Avdhesh House, Opp. Guru Govind Gurudwara, Sarkhej - Gandhinagar Highway, Thaltej, Ahmedabad- 380 054, to transact the following business :

### ORDINARY BUSINESS:

01. To receive, consider and adopt the Audited Balance Sheet of the Company as at 31<sup>st</sup> March, 2017 and the Statement of Profit and Loss for the year ended on that date together with Directors' and the Auditors' Report thereon.
02. To appoint a Director in place of Mr. Ajay Goenka (DIN 00139512) who retires by rotation and being eligible, offer themselves for re-appointment.
03. To appoint a Director in place of Mr. Indrasinh Zala (DIN 02137365), who retire by rotation and being eligible, offer themselves for re-appointment.
04. To consider, and if thought fit, to pass with or without modification, the following resolution as an Ordinary Resolution:-

"RESOLVED THAT pursuant to the provisions of Section 139 and other applicable provisions, if any, of the Companies Act, 2013 and the rules framed thereunder, as amended from time to time, the Company hereby ratifies the appointment of M/s. Mehta Lodha & Co. (Firm Registration No. 106250W) , Chartered Accountants, Ahmedabad, as the Statutory Auditors of the Company to hold office for a period of 3 years commencing from the conclusion of this Annual General Meeting of the Company till the conclusion of 33<sup>rd</sup> Annual General Meeting of the Company to be held in the year 2019, at a remuneration as may be decided by the Board of Directors of the Company as per the recommendation of the Audit Committee".

### SPECIAL BUSINESS:

05. To consider and, if thought fit, to pass with or without modification(s), the following resolution as an Ordinary Resolution:

#### PAYMENT OF REMUNERATION TO COST AUDITORS

"RESOLVED THAT pursuant to the provisions of Section 148 and all other applicable provisions of the

Companies Act, 2013 and the Rules framed thereunder, and as amended from time to time, and such other permissions as may be necessary, the payment of the remuneration of Rs. 30,000/- (Rupees Thirty Thousand Only) with applicable Taxes plus reimbursement of out of pocket expenses if any, to Mr. V. H. Shah, who were appointed by the Board of Directors of the Company, as "Cost Auditor" to conduct the audit of cost records maintained by the Company for Financial Year ending 31<sup>st</sup> March, 2018, be and is hereby ratified and approved.

06. To consider and, if thought fit, to pass with or without modification(s), the following resolution as an Special Resolution:

#### RE-APPOINTMENT OF RAHUL MAHESHWARI AS WHOLE TIME DIRECTOR

"RESOLVED THAT pursuant recommendation of Nomination and Remuneration Committee and the approval of the Board and subject to Sections 196, 197, 203 and rules made thereunder (including any statutory modification or re-enactment thereof) read with Schedule V of the Companies Act, 2013 and Articles of Association of the Company approval of members of the Company be and is hereby accorded to the re-appointment of Mr. Rahul Maheshwari (DIN : 00289730) as Whole time Director of the Company with effect from 14.08.2017 to 13.08.2022 on the remuneration and terms and conditions as set out in the explanatory statement attached hereto, which is approved and sanctioned with authority to Board of Directors of the Company to alter and vary any terms and conditions of the said re-appointment and / or agreement in such manner as may be agreed between the Board of Directors and Mr. Rahul Maheshwari."

"RESOLVED FURTHER THAT remuneration payable to Mr. Rahul Maheshwari, shall not exceed overall ceiling of the Total Managerial Remuneration as provided under Section 197 of the Companies Act, 2013 or such other limits as may be prescribed from time to time."

"RESOLVED FURTHER THAT that the Board be and is hereby authorized to do all acts, deeds and things and execute all the documents, instruments and writings as may be required and to delegate all or any of its powers herein conferred to any committee or Directors or Director(s) to give effect to aforesaid resolution."

07. To consider and, if thought fit, to pass with or without modification(s), the following resolution as an Ordinary Resolution:

**RE-APPOINTMENT OF SMT. AANAL N. TRIVEDI AS DIRECTOR**

“RESOLVED THAT pursuant to Section 149, 152 read with Schedule IV and all other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Qualification of Directors) Rules, 2014, Mrs. Aanal N. Trivedi (DIN 06931339), who was appointed as an Director with effect from 12<sup>th</sup> August, 2014, and holds office upto the date of ensuing Annual General Meeting, be and is hereby appointed as an Director of the Company”.

08. To consider and, if thought fit, to pass with or without modification(s), the following resolution as an Ordinary Resolution:

**RE-APPOINTMENT OF MR. KANTIBHAI PATEL AS INDEPENDENT DIRECTOR**

“RESOLVED THAT pursuant to the provisions of Sections 149, 152 read with Schedule IV and all other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Qualification of Directors) Rules, 2014, Mr. Kantibhai Patel, who has submitted a declaration that he meets the criteria for independence as provided in Section 149(6) of the Companies Act, 2013 and who is eligible for re-appointment, be and is hereby re-appointed as an Independent Director of the Company to hold office for a period of five years up to 36<sup>th</sup> Annual General Meeting of the Company.”

BY ORDER OF THE BOARD OF DIRECTORS

PLACE : AHMEDABAD                      SHASHIKANT THAKAR  
DATE : 29<sup>th</sup> August, 2017              COMPANY SECRETARY

**NOTES:**

01. A member entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and vote on poll instead of himself and such proxy need not be a member of the Company. A person can act as proxy on behalf of members not exceeding fifty (50) who are holding, in the aggregate, not more than ten percent of the total share capital of the Company.

The enclosed proxy form, if intended to be used, should reach the registered office of the Company duly completed not less than forty eight hours before the scheduled time of the meeting.

02. The Register of Members and Share Transfer Books shall remain closed from 21<sup>st</sup> September, 2017 to 28<sup>th</sup> September, 2017 (both days inclusive).

03. Please bring your copy of the annual report to the meeting as the Company would not provide any copy at the venue of the AGM.

04. The relevant explanatory statement pursuant to Section 102 of the Companies Act, 2013 in respect of the special businesses set out above is annexed hereto.

05. All documents referred to in the notice are open for inspection at the registered office of the Company between 11.00 am to 5.00 pm on any working day prior to the date of the meeting and will also be available at the meeting venue on the date of the meeting.

06. Members intending to require information about accounts to be explained at the meeting are requested to write to the Company at least ten days in advance of the Annual General Meeting.

07. Members holding shares in dematerialized mode are requested to intimate all changes with respect to their bank details, mandate, nomination, power of attorney, change of address, e-mail address, change in name etc. to their Depository Participant. These changes will be automatically reflected in the Company's records which will help the Company to provide efficient and better service to the members.

08. Members holding shares in physical form are requested to intimate all changes with respect to their bank details, mandate, nomination, power of attorney, change of address, e-mail address, change in name etc. immediately to the Company/RTA.

09. Those members who have so far not encashed their dividend warrants for the below mentioned financial years, may claim or approach the Company for the payment thereof as the same will be transferred to the “Investor Education and Protection Fund” of the Central Government pursuant to Section 205C of the Companies Act, 1956 on the respective dates mentioned there against. Kindly note that after such transfer, the members will not be entitled to claim such dividend.

Year	Date of transfer of dividend
2009-10	16 <sup>th</sup> August, 2017
2010-11	3 <sup>rd</sup> November, 2018
2011-12	3 <sup>rd</sup> November, 2019
2012-13	20 <sup>th</sup> October, 2020
2013-14	29 <sup>th</sup> October, 2021

10. The Company has implemented the “Green Initiative” as per Circular Nos. 17/2011 dated April 21, 2011 and 18/2011 dated April 29, 2011 issued by the Ministry of Corporate Affairs (MCA) to enable electronic delivery of notices/documents and annual reports to shareholders.

Henceforth, the email addresses indicated in your respective depository participant accounts which will be periodically downloaded from NSDL/CDSL will be deemed to be your registered email address for serving notices/documents including those covered under section 136 of the Companies Act, 2013 (corresponding to section 219 of the erstwhile Companies Act, 1956). The Notice of AGM and the copies of audited financial statements, directors' report, auditors' report etc. will also be displayed on the website ([www.rainbowpapers.com](http://www.rainbowpapers.com)) of the Company and the other requirements of the aforesaid MCA circular will be duly complied with. Members holding shares in electronic mode are therefore requested to ensure to keep their email addresses updated with the Depository Participants. Members holding shares in physical mode are also requested to update their email addresses by writing to the RTA of the Company quoting their folio number(s).

11. The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in securities market. Members holding shares in electronic form are, therefore, requested to submit the PAN to their depository participants with whom they are maintaining their demat accounts. Members holding shares in physical form are requested to submit their PAN details to the Company.
12. Information under Regulation 36(3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 in respect of Directors seeking appointment/ re-appointment at the Annual General Meeting is given hereinafter.

### 13. Voting through electronic means:

- (i) The voting period begins on 25<sup>th</sup> September, 2017 (09:00 a.m.) and ends on 27<sup>th</sup> September, 2017 (05:00 p.m.). During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date (record date) of 21<sup>st</sup> September, 2016, may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
- (ii) The shareholders should log on to the e-voting website [www.evotingindia.com](http://www.evotingindia.com).
- (iii) Click on Shareholders.
- (iv) Now Enter your User ID
  - a. For CDSL: 16 digits beneficiary ID,
  - b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
  - c. Members holding shares in Physical Form should enter Folio Number registered with the Company.
- (v) Next enter the Image Verification as displayed and Click on Login.
- (vi) If you are holding shares in demat form and had logged on to [www.evotingindia.com](http://www.evotingindia.com) and voted on an earlier voting of any company, then your existing password is to be used.
- (vii) If you are a first time user follow the steps given below:

For Members holding shares in Demat Form and Physical Form	
PAN	<p>Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders)</p> <p>- Members who have not updated their PAN with the Company/Depository Participant are requested to use the sequence number which is printed on Postal Ballot / Attendance Slip/ Address Slip.</p>
DOB	<p>Enter the Date of Birth as recorded in your demat account or in the company records for the said demat account or folio in dd/mm/yyyy format.</p>
Dividend Bank Details	<p>Enter the Dividend Bank Details as recorded in your demat account or in the company records for the said demat account or folio.</p> <p>· Please enter the DOB or Dividend Bank Details in order to login. If the details are not recorded with the depository or company please enter the member id / folio number in the Dividend Bank details field as mentioned in instruction (iv).</p>

- (viii) After entering these details appropriately, click on "SUBMIT" tab.
- (ix) Members holding shares in physical form will then directly reach the Company selection screen. However, members holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- (x) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- (xi) Click on the EVSN for the relevant "Rainbow Papers Limited" on which you choose to vote.
- (xii) On the voting page, you will see "RESOLUTION DESCRIPTION" and against the same the option "YES/NO" for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
- (xiii) Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.
- (xiv) After selecting the resolution you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.
- (xv) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.
- (xvi) You can also take out print of the voting done by you by clicking on "Click here to print" option on the Voting page.
- (xvii) If Demat account holder has forgotten the same password then Enter the User ID and the image verification code and click on

Forgot Password & enter the details as prompted by the system.

(xviii) Note for Non – Individual Shareholders and Custodians

- Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodian are required to log on to [www.evotingindia.com](http://www.evotingindia.com) and register themselves as Corporates.
- A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).
- After receiving the login details a compliance user should be created using the admin login and password. The Compliance user would be able to link the account(s) for which they wish to vote on.
- The list of accounts should be mailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) and on approval of the accounts they would be able to cast their vote.
- A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.

- (xix) In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions ("FAQs") and e-voting manual available at [www.evotingindia.com](http://www.evotingindia.com), under help section or write an email to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).

BY ORDER OF THE BOARD OF DIRECTORS

PLACE : AHMEDABAD  
DATE : 29<sup>th</sup> August, 2017

SHASHIKANT THAKAR  
COMPANY SECRETARY



## ANNEXURE TO NOTICE

### EXPLANATORY STATEMENT PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013

#### Item No. 5

The Board, on the recommendations of the Audit Committee, has approved the appointment of Mr. V. H. Shah as the Cost Auditor of the Company at a remuneration of Rs. 30,000/- (Rupees Thirty Thousand Only) with applicable Taxes plus reimbursement of out of pocket expenses if any, to conduct the audit of the cost records of the Company for the financial year ending 31<sup>st</sup> March, 2018.

In accordance with the provisions of Section 148 of the Companies Act, 2013 read with Companies (Audit and Auditors) Rules, 2014 the remuneration payable to the Cost Auditor needs to be ratified by the Shareholders of the Company. Accordingly, approval of the members is requested for passing an Ordinary Resolution as set out at item no. 5 of the Notice for ratification of the remuneration payable to the Cost Auditors to conduct audit of the cost records of the Company for the Financial Year ending March 31, 2018.

None of the Directors, Key Managerial Personnel of the Company or their relatives are, in any way, concerned or interested in the resolution set out at item No. 5 of the Notice.

The Board recommends the Ordinary Resolution as set out at item no. 5 for approval by the shareholders.

#### Item No. 6

Shri Rahul Maheshwari is a graduate and a qualified Cost Accountant. He started his career in 1998-99 and got associated with the Company since 2003. Prior to his appointment as Executive Director, he was working with the Company as a Vice President (Commercial). He is responsible for marketing of finished goods & procurement of raw materials as well as exploring Indian and foreign markets for sourcing raw material and marketing finished goods. Considering his knowledge, expertise and ability, he was promoted as a Director on the Board of the Company w.e.f. 30/08/2011.

The Board of Directors of the Company at its meeting held on 10<sup>th</sup> August, 2017 had subject to approval of members in a general meeting re-appointed Mr. Rahul Maheshwari as the Whole Time Director of the Company for a period of 5 years from August 15, 2017 to August 14, 2022 (both days inclusive).

The terms of his appointment and the payment of remuneration have also been approved by Remuneration Committee at its meeting held on 10<sup>th</sup> August, 2017.

The principal terms and conditions as contained in the draft agreement are as under:-

The re-appointment shall be for a period of 5 years from August 15, 2018 to August 14, 2022.

Mr. Rahul Maheshwari, subject to such instructions and directions as may from time to time be given to him by the

Board of Directors of the Company (hereinafter referred to "the Board") shall endeavor to comply with such directions and subject to such restrictions as the Board may in its sole discretion impose. Mr. Rahul Maheshwari shall have powers to look after day to day affairs of the Company and enter into contracts on behalf of the Company in the ordinary course of business and to do and perform all other acts and things, which, in the ordinary course of business, he may consider necessary or proper or in the best interest of the Company.

During the period of his employment, Mr. Rahul Maheshwari shall whenever required by the Company, undertake such travelling in India and abroad as the Board may from time to time direct in connection with or in relation to the business of the Company.

#### Remuneration and Perquisites:

Mr. Rahul Maheshwari shall be entitled to the following remuneration and perquisites:-

- a. Salary  
Salary: Rs. 2,00,000/- per month
- b. Perquisites  
The Whole Time Director will be entitled to the following perquisites subject to maximum ceiling of Rs. 1,00,000/- p.m. as under:
  - (i) Housing  
Furnished accommodation with the electricity, gas and water supply.
  - (ii) Medical Reimbursement  
All expenses incurred by the Whole Time Director for self, parents and family shall be reimbursed by the company.
  - (iii) Contribution to Provident Fund  
Company's contribution to Provident Fund as per Rules of Company.
  - (iv) Gratuity  
As per the Gratuity Act and rules of Company, but shall not exceed half month's salary for each completed years of service.
  - (v) Leave Encashment:  
The Managing Director shall be entitled to fully paid leave as per the Company's Rules. Encashment of leave at the end of the tenure is permitted.  
The retirement benefits as provided in item (iii) and (iv) shall not be included in the computation of ceiling on remuneration of Mr. Rahul Maheshwari to the extent provided in Schedule V of the Companies Act, 2013.
  - (vi) Other Allowances
    - a. The company shall provide a chauffeur driven car for use on Company's business and also



for personal purpose and telephone at the residence of the Whole Time Director.

- b. The company shall provide for self and family, once in a year, to and fro fare for any place in India / abroad in accordance with rules of the company.
- c. Annual fees of club subject to maximum of one club.
- d. Reimbursement of all entertainment expenses and other expenses properly incurred for the business of the Company.
- e. The Whole Time Director in addition to above shall also be entitled to such other benefits or amounts as may be approved by the Board subject to such modification as may be made by the Board within the limits on remuneration prescribed from time to time under Schedule V of the Companies Act, 2013.

(vii) Minimum Remuneration

In the event of absence or inadequacy of profits in any financial year during the tenure of the Whole Time Director, salary and perquisites shall be subject to the limits stipulated under Schedule V read with Section 196 and 197 of the Companies Act, 2013 are payable.

(viii) Overall Remuneration

The aggregate of salary, commission and perquisites in any financial year shall not exceed the limits stipulated under Schedule V read with Section 196 and 197 of the Companies Act, 2013. None of the directors of the Company except Mr. Rahul Maheshwari be deemed to be concerned or interested in the said resolution, since it relates to his re-appointment as the Whole Time Director of the Company.

The Directors recommend the resolution for set out at item No. 6 of the accompanying Notice for your approval.

Item No. 7

Mrs. Aanal Trivedi (DIN 06931339), was appointed as Director of the Company with effect from 12<sup>th</sup> August, 2010 and later re-appointed in the 28<sup>th</sup> Annual General Meeting of the Company and to hold office for further period of three years. She holds office of Director up to the date of ensuing Annual General Meeting and being eligible offers himself for re-appointment.

Mrs. Aanal Trivedi and Mr. Shashikant Thakar are concerned or interested in the resolution of the accompanying notice relating to her concerned appointment. None of the other Directors, and Key Managerial Personnel of the Company and their relatives are concerned or interested, in the resolution set out at item No. 7 of the accompanying Notice.

Item No. 8

Mr. Kantibhai Patel (DIN 02325787), was appointed as Independent Director of the Company with effect from 12<sup>th</sup> August, 2010 and later re-appointed in the 28<sup>th</sup> Annual General Meeting of the Company and to hold office for further period of Five years. He holds office of Independent Director up to the date of ensuing Annual General Meeting and being eligible offers himself for re-appointment.

The aforesaid Director have given declaration to the Board that he meets the criteria of independence as provided under Section 149(6) of the Companies Act, 2013 and in the opinion of the Board, he fulfill the conditions specified in the Act and the Rules framed there under for re-appointment as Independent Director

The Board considers that it is desirable to continue to avail his services as Independent Directors and accordingly, the Board recommends the above resolution for the approval of the members of the Company.

Mr. Kantibhai Patel, is concerned or interested in the resolution of the accompanying notice relating to his concerned appointment. None of the other Directors, and Key Managerial Personnel of the Company and their relatives are concerned or interested, , in the resolution set out at item No. 8 of the accompanying Notice.

BY ORDER OF THE BOARD OF DIRECTORS

PLACE : AHMEDABAD  
DATE : 29<sup>th</sup> August, 2017

SHASHIKANT THAKAR  
COMPANY SECRETARY

Details of the Directors seeking appointment/re-appointment in the ensuing Annual General Meeting :

Sr. No.	Name	Age (In Years)	Date of Appointment	Qualification	Experience (In Years)
1.	Mr. Ajay Goenka	58	11/09/1990	B.Com	38
2.	Mr. Indrasinh Zala	68	12/08/2015	B.Com	45
3.	Mr. Rahul Maheshwari	41	30/08/2011	ACMA	15
4.	Mr. Aanal Triwedi	33	30/12/2015	MBA (Finance)	7
5.	Mr. Kantibhai Patel	71	12/08/2010	B.Sc., LL.B., MLW	44

## DIRECTORS' REPORT

Dear Shareholders,

Your Directors have pleasure in presenting the 31<sup>st</sup> Annual Report of the Company together with the Audited Accounts for the financial year ended 31<sup>st</sup> March, 2017.

### 1. Financial Highlights

The standalone and consolidated financial results of the company for the year ended 31<sup>st</sup> March, 2017, are as under:

(` in Lacs)

FINANCIAL RESULTS	STANDALONE		CONSOLIDATED	
	2016-17	2015-16	2016-17	2015-16
Revenue from Operations	5273	—	35763	44275
Depreciation	13648	—	13642	13642
Profit before Exceptional & Extraordinary Items & Tax	(16946)	—	(43978)	(55785)
Prior Period items / Exceptional items	—	—	(2781)	(2781)
Taxation: Less/ (Add) Current Tax	—	—	0	0
MAT credit reversal of earlier years /mat credit entitlement	—	—	(2463)	(2463)
Deferred Tax	—	—	(2555)	(2554)
Short/Excess Provision of Earlier Years	—	—	(181)	(181)
Net Profit After Tax For The Year	(16946)	—	(51958)	(64155)
Add: Balance brought forward	(33080)	—	18622	30819
Net Surplus Available For Appropriation	(50027)	—	(33336)	(33336)
Capital Reserve on Consolidation	—	—	-	-
Dividend Paid / Dividend Add Back	—	—	212	212
Corporate Tax on Dividend /	—	—	43	43
Corporate Tax on Dividend Add Back	—	—	-	-
Transfer to General Reserve	—	—	-	-
Surplus carried forward to Balance Sheet	(50027)	—	(33080)	(33080)
EPS (Face Value of Rs. 2 per share)				
Basic	(15.95)	—	(48.92)	(60.40)
Diluted	—	—	-	-

### 2. Dividend

Considering the continued losses in the Financial Year 2016-17, Board of Directors do not recommend any dividend for the year.

### 3. Finance

Since all the credit facilities provided to your Company has been classified as Non – Performing Asset (NPA) as on 31<sup>st</sup> March, 2016, a Joint Lender's Forum (JLF) was created by the secured lenders consisting of Bankers, Financial Institutions and Asset Reconstruction Company.. Many meetings are being held at regular intervals to discuss successful revival of the Company and a way forward to address the crisis in totality & bring the liquidity issues at manageable level. The Company is pursuing within & outside JLF for the long term resolution to the current financial issues.

### 4. Operations

During the period under review, the Company's operations continued to be affected due to non availability of adequate working capital which has adversely affected the plant.

Furthermore, the Company could not undertake necessary and regular capital expenditure as per industry norms for proper maintenance and upkeep of plant and equipment in the previous year due to paucity of funds.

### 5. OUTLOOK

Axis Bank has vide its assignment agreement dated 27<sup>th</sup> March, 2017 has assigned the total debts of Consortium Limits excluding the short term loan due from the Company alongwith the underlying rights, benefits and obligations to an Asset Reconstruction Company, M/s.