

# 26<sup>TH</sup> ANNUAL REPORT 2016-17



**REALSTRIPS LTD.**

An ISO 9001:2008 Certified Company

<b>BOARD OF DIRECTORS</b>	<b>: SHRI A. K. KATARIA</b> (DIN 00435496)	CHAIRMAN
	<b>SHRI UGAMRAJ M. HUNDIA</b> (DIN 00435229)	JOINT MANAGING DIRECTOR
	<b>SHRI PRAKASHRAJ. S. JAIN</b> (DIN 00435076)	JOINT MANAGING DIRECTOR
	<b>SHRI PAWANKUMAR R. MURARKA</b> (DIN 00123602)	DIRECTOR
	<b>SHRI AMOL DALAL</b> (DIN 00458885)	DIRECTOR
	<b>SHRI PUKHRAJ JAIN</b> (DIN 02261061)	DIRECTOR
	<b>SHRI ASHISH SHAH</b> (DIN 00007201)	DIRECTOR
	<b>MS. NIPA P. SHAH</b> (DIN 07141281)	DIRECTOR

**AUDITORS** : **M/S MEHTA LODHA & CO.**  
CHARTERED ACCOUNTANTS

**BANKERS** : UNION BANK OF INDIA  
STATE BANK OF INDIA  
IDBI BANK LTD.

**REGISTERED OFFICE** : SURVEY NO. 245-246,  
VILLAGE: SARI, AHMEDABAD-BAVLA HIGHWAY  
TA.: SANAND, DIST.: AHMEDABAD  
382220, GUJARAT, INDIA.  
E-Mail ID: info@realstrips.com; ramcharan@realstrips.com  
Website: www.realstrips.com  
Telephone No - +91 92280 02011, +91 92280 02012  
CIN: L27100GJ1990PLC014383

**WORKS** : SURVEY NO.245  
VILLAGE : SARI  
AHMEDABAD-BAVLA HIGHWAY  
TALUKA : SANAND  
DIST : AHMEDABAD  
PIN CODE - 382 220.  
Mo.: 9824211499

**REGISTRAR AND SHARE  
TRANSFER AGENTS** : M/S MCS SHARE TRANSFER AGENT LIMITED  
101, SHATDAL COMPLEX,  
1<sup>ST</sup> FLOOR,  
OPP BATA SHOW ROOM,  
ASHRAM ROAD,  
AHMEDABAD - 380 009.

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## NOTICE

NOTICE is hereby given that the 26th Annual General Meeting of the members of REAL STRIPS LIMITED will be held on Friday the September 22, 2017 at the registered office of the company at Survey no. 245-246, Village - Sari, Ahmedabad-Bavla Highway, Taluka - Sanand, Dist.: Ahmedabad - 382220 at 11.30 a.m. to transact the following business:-

### ORDINARY BUSINESS

1. To consider and adopt the Audited Balance Sheet as on 31st March, 2017 and Statement of Profit and Loss for the year ended on 31st March, 2017 together with Directors' and Auditors' Report thereon.
2. To appoint a Director in place of Shri Ugamraj Mishrimal Hundia who retires by rotation and is eligible for reappointment.
3. To appoint a Director in place of Shri Amritlal Kisandas Kataria who retires by rotation and is eligible for reappointment.
4. To appoint the Auditors and to fix their remuneration and in this regard pass with or without modification(s), the following resolution as an Ordinary Resolution:

**"RESOLVED THAT** pursuant to the provisions of Section 139, 142 read with Companies (Audit and Auditors) Rules, 2014 and other applicable provisions, if any, of the Companies Act, 2013 M/s Hitesh Prakash Shah & Co., Chartered Accountants (Firm Registration No 127614W), be and is hereby appointed as the Statutory Auditor of the Company to hold office from the conclusion of this Annual General Meeting till the conclusion of the 31st Annual General Meeting subject to ratification by the shareholders annually, at a remuneration to be decided by the Managing Director in consultation with the Auditor plus applicable taxes and reimbursement of travelling and out of pocket expenses incurred by them for the purpose of audit."

### SPECIAL BUSINESS

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

**"RESOLVED THAT** pursuant to the provisions of Section 148 (3) and all other applicable provisions of the Companies Act, 2013 and the Companies (Cost Records and Audit) Rules, 2014 (including any statutory modification(s) or re-enactment thereof, for the time being in force), M/s. N.D Birla & Co. appointed by the Board of Directors of the Company, to conduct the audit of the cost records of the Company for the financial year ending 31st March, 2018, be paid the remuneration as set out in the statement annexed to the notice convening this meeting."

**"RESOLVED FURTHER THAT** the Board of Directors of the Company be and is hereby authorized to do all acts and take all such steps as may be necessary, proper or expedient to give effect to this Resolution."

By Order of the Board

Place: Ahmedabad  
Date: 12<sup>th</sup> August, 2017

A. K. Kataria  
Chairman

### Registered Office:

Survey No : 245-246, Village Sari, Ahmedabad-Bavla Highway, Taluka Sanand, Dist.: Ahmedabad - 382220, Gujarat, India.  
Phone : +91 92280 02011/ +91 92280 02012  
Email Id : info@realstrips.com; ramcharan@realstrips.com  
Website : www.realstrips.com  
CIN : L27100GJ1990PLC014383

### NOTES

1. A Member entitled to attend and vote at the Annual General Meeting ("Meeting/AGM") is entitled to appoint a proxy to attend and vote on a poll instead of himself/ herself and the proxy need not be a member of the company. A person can act as a proxy on behalf of members not exceeding 50 and holding in the aggregate not more than 10 percent of the total share capital of the company. However, A Member holding more than 10%, of the total share capital of the company carrying voting rights may appoint a single person as proxy and such person shall not act as proxy for any other person or member. The instrument appointing proxy in order to be valid and effective should be lodged/ deposited with the company at its Registered Office at least 48 (Forty Eight) hours before the commencement of the Meeting.

2. The relative Explanatory Statement, pursuant to Section 102 (2) of the Companies Act, 2013 in respect of the special business under item No. 5 is annexed hereto.
3. Additional information pursuant to section 102 of the Companies Act, 2013, on directors recommended for reappointment at the Annual General Meeting, is given in this notice.
4. The Register of Beneficial Owners, Register of Members and Share Transfer Book of the Company shall remain closed from 14th September, 2017 to 21st September, 2017 both days inclusive.
5. Members/ proxies should bring their copy of the Annual Reports and Accounts along with Attendance Slip (duly completed) when attending the Meeting.
6. Members who hold shares in dematerialised form are requested to write their Client - ID and DP - ID Numbers and those who hold shares in Physical form are requested to write their Folio Number in the Attendance Slip for attending the Meeting.
7. The Ministry of Corporate Affairs (vide circular nos. 17/2011 and 18/2011 dated April 21, 2011 and April 29, 2011 respectively) has undertaken a "Green Initiative in Corporate Governance" and allowed companies to share documents with its shareholders through an electronic mode. A soft copy of the Annual Report has been sent to all those shareholders who have registered their email address. Members are requested to support this Green Initiative by registering/ updating their email address for receiving electronic communication.
8. Pursuant to Section 124 and 125 and other applicable provisions, if any, of the Act, all unclaimed/ unpaid dividend and application money, remaining unclaimed/ unpaid for a period of seven years from the date they became due for payment, have been transferred to the IEPF established by the Central Government. No claim shall lie against the IEPF or the Company for the amounts so transferred nor shall any payment be made in respect of such claim.  
Members who have not yet en-cashed their dividend warrant(s) for the financial years 2010-11 onwards, are requested to make their claims without any delay.
9. All documents referred to in the accompanying notice and explanatory statement are open for inspection at the registered office of the Company on all working days, except Saturday between 11.00 a.m. to 1.00 p.m. prior to the date of AGM.
10. Members seeking any information with regard to accounts are requested to write to the Company at least 10 days before the meeting so as to enable the management to keep the information ready.
11. A route map showing directions to reach the venue of the 26th AGM is annexed.

#### **Voting in Electronic Form (E-Voting)**

12. Process and manner for members opting for voting through Electronic means:
  - (i). In compliance with the provisions of Section 108 of the Act read with Rule 20 of the Companies (Management and Administration) Rules, 2014 as amended and Regulation 44 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company is pleased to offer the facility of voting through electronic means and the business set out in the Notice above may be transacted through such electronic voting. The facility of voting through electronic means is provided through the e-voting platform of Central Depository Services (India) Limited ("remote e-voting").
  - (ii). Members whose names are recorded in the Register of Members or in the Register of Beneficial owners maintained by the Depositories as on the Cut-off date i.e. 15th September, 2017, shall be entitled to avail the facility of remote e-voting as well as voting at the AGM. Any recipient of the Notice, who has no voting rights as on the Cut-off date, shall treat this Notice as intimation only.
  - (iii). A person who has acquired the shares and has become a member of the Company after the dispatch of the Notice of the AGM and prior to the Cut-off date i.e. 15th September, 2017, shall be entitled to exercise his/her vote either electronically i.e. remote e-voting or through the Poll Paper at the AGM by following the procedure mentioned in this part.
  - (iv). The remote e-voting will commence on Monday, September 18, 2017 at 9.00 a.m. and will end on Thursday, September 21, 2017 at 5.00 p.m. During this period, the members of the Company holding shares either in physical form or in demat form as on the Cut-off date i.e. 15th September, 2017, may cast their vote electronically. The members will not be able to cast their vote electronically beyond the date and time mentioned above and the remote e-voting module shall be disabled for voting by CDSL thereafter.
  - (v). Once the vote on a resolution is cast by the member, he/she shall not be allowed to change it subsequently or

cast the vote again.

- (vi). The facility for voting through Poll Paper would be made available at the AGM and the members attending the meeting who have not already cast their votes by remote e-voting shall be able to exercise their right at the meeting through Poll Paper. The members who have already cast their vote by remote e-voting prior to the meeting, May also attend the Meeting, but shall not be entitled to cast their vote again.
- (vii). The voting rights of the members shall be in proportion to their share in the paid up equity share capital of the Company as on the Cut-off date i.e. 15th September, 2017.
- (viii). The Company has appointed CS Ashwin Shah, Practicing Company Secretary (Membership No. FCS: 1640; CP No: 1640), to act as the Scrutinizer for conducting the remote e-voting process as well as the voting through Poll Paper at the AGM, in a fair and transparent manner.
- (ix). The procedure and instructions for remote e-voting are, as follows:

Step 1 : Open your web browser during the voting period and log on to the e-voting website:  
<https://www.evotingindia.com/>

Step 2 : Now click on "Shareholders" to cast your votes.

Step 3 : Now, fill up the following details in the appropriate boxes:

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 the Folio Number registered with the Company.
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Step 4 : Next, enter the Image Verification as displayed and Click on Login.

If you are holding shares in demat form and had logged on to then your existing password is to be used.

Step 5 : If you are a first time user follow the steps given below:

<b>For members holding shares in demat form and physical form:</b>	
PAN	Enter your 10 digit alpha-numeric PAN issued by Income Tax Department Members who have not updated their PAN with the Company/Depository Participant are requested to use the first two letters of their name and the 8 digits of the sequence number in the PAN field.  In case the sequence number is less than 8 digits enter the applicable number of 0's before the number after the first two characters of the name in CAPITAL letters. e.g. If your name is Ramesh Kumar with sequence number 1 then enter RA00000001 in the PAN field.
DOB#	Enter the Date of Birth as recorded in dd/mm/yyyy format.
Dividend Bank for Details#	Enter the Dividend Bank Details as recorded in your demat account or the Company records for the said folio. If the details are not recorded with the Depository or Company, please enter the number of Shares held by you in the bank account column.

#Please enter the DOB or dividend bank details in order to login.

Step 6 : After entering these details appropriately, click on "SUBMIT" tab.

Step 7 : Members holding shares in physical form will then directly reach the Company selection screen. However, first time user 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 can also be used by the Demat holders for voting for resolution of any other Company on which they are eligible to vote, provided that the 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. If Demat account holder has forgotten the changed password then Enter the user ID and the image verification code and click on Forgot Password and enter the details as prompted by the System.

Step 8 : For members holding shares in physical form, the details can be used only for remote e-voting on the resolutions contained in this Notice.

Step 9 : Click on EVSN of the Company i.e. **170808020** to vote.

Step 10: On the voting page, you will see Resolution Description and against the same, the option "YES/NO" for voting. Select the relevant option as desired YES or NO and click to submit.

Step 11: Click on the resolution file link if you wish to view the entire Notice.

Step 12: 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. Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.

Step 13: You can also take print out of the voting done by you by clicking on "Click here to print" option on the Voting page.

Step 14: Instructions for Non-Individual Members and Custodians:

- Non-Individual Members (i.e. other than Individuals, HUF, NRI, etc.) and Custodian are required to log on to <https://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 scan 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.

- (x). Shareholders can also cast their vote using CDSL's mobile app m-Voting available for android based mobiles. The m-Voting app can be downloaded from Google Play Store. Please follow the instructions as prompted by the mobile app while voting on your mobile.
- (xi). The results declared along with the Scrutinizer's Report shall be placed on the Company's website [www.realstrips.com](http://www.realstrips.com) and on the website of CDSL i.e. [www.cdslindia.com](http://www.cdslindia.com) within three days of the passing of the Resolutions at the 26th Annual General Meeting of the Company and shall also be communicated to the Stock Exchanges where the shares of the Company are listed.
13. 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: 12th August, 2016**  
**Registered Office:**

Survey No: 245-246, Village Sari,  
Ahmedabad-Bavla Highway,  
Taluka Sanand, Ahmedabad - 382220  
Phone: +91 92280 02011/ +91 92280 02012  
Email Id: [info@realstrips.com](mailto:info@realstrips.com); [ramcharan@realstrips.com](mailto:ramcharan@realstrips.com)  
Website: [www.realstrips.com](http://www.realstrips.com)  
CIN: L27100GJ1990PLC014383

**A. K. Kataria**  
Chairman

## ANNEXURE TO NOTICE

### EXPLANATORY STATEMENT PURSUANT TO SECTION 102(1) OF THE COMPANIES ACT, 2013

#### Item No. 5

The Board, on the recommendation of the Audit Committee, has approved the appointment and remuneration of M/s N.D Birla & Co., Cost Accountants as the Cost Auditors of the Company to conduct the audit of the cost records of the Company for the financial year 2017-18, at a fee of Rs. 50,000/- plus applicable taxes and reimbursement of out of pocket expenses, as remuneration for cost audit services for the FY 2017-18.

In accordance with the provisions of Section 148 of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014, the remuneration payable to the Cost Auditors has to be ratified by the shareholders of the Company.

Accordingly, consent of the members is sought 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 for the financial year ending 31st March, 2018.

The Board of Directors recommends the above resolution for your approval.

None of the Directors, Key Managerial Persons and their relatives is interested in above resolution.

**Details of Directors seeking re-appointment as per Item No. 2 & 3 of the Ordinary Businesses in ensuing Annual General Meeting to be held on 22nd September, 2017 are as under:**

Name	Date of Birth	Date of Appointment	Qualification	Nature of Expertise	Directorships held in other companies	Membership/Chairmanships of committees of other companies (Includes only Audit committee and Shareholder/Investor or Grievance Committee)			No. of Shares held in the Company (Real Strips Limited)
						Name of company	Committee	Position	
Amritlal Kisandas Kataria	15.06.1942	19.09.1990	Graduate in Metallurgy	Technical and Administration	Nil	Nil			69000
Ugamraj Mishrimal Hundia	07.10.1954	19.09.1990	Commerce Graduate	Technical	Nil	Nil			71600

**By Order of the Board of Directors**

**Place: Ahmedabad**  
**Date: 12th August, 2017**  
**Registered Office:**

Survey No: 245-246, Village Sari,  
 Ahmedabad-Bavla Highway,  
 Taluka Sanand, Ahmedabad - 382220  
 Phone: +91 92280 02011/ +91 92280 02012  
 Email Id: info@realstrips.com; ramcharan@realstrips.com  
 Website: www.realstrips.com  
 CIN: L27100GJ1990PLC014383

**A. K. Kataria**  
**Chairman**

## DIRECTOR'S REPORT

To,  
The Members,

Your Directors have pleasure in presenting the 26th Annual Report together with the Audited Financial Statements of the company for the year ended 31st March 2017.

### 1. FINANCIAL HIGHLIGHTS :-

Particulars	2016-2017 (₹ In Lacs)	2015-2016 (₹ In Lacs)
Income for the Year	10845.82	19270.70
Profit before interest, depreciation and tax (PBIDT)	(1908.13)	(391.72)
<b>Less:</b>		
Financial Expenses	818.37	1202.55
Depreciation	402.74	426.14
Profit / (Loss) before tax	(3129.24)	(2020.41)
<b>Provision for taxation</b>	0.00	0.00
Current Income Tax, Wealth Tax, Deferred Tax	0.00	67.31
Profit / (Loss) after tax	(3129.24)	(2087.72)
Add / (Less): Prior Period / Extra Ordinary Items Adjustment	371.99	(2278.76)
Profit / (Loss) available for appropriation	(2757.25)	(4366.48)
<b>Appropriations</b>		
Opening Balance of Surplus	(2379.04)	1987.44
Add: Profit / (Loss) of the year	(2757.25)	(4366.48)
Closing Balance of Surplus	(5136.29)	(2379.04)

The Company has an adequate Internal Financial Control System, commensurate with the size, scale and complexity of its operations.

### 2. DIVIDEND:-

Due to loss, the directors do not recommend dividend for the current year.

### 3. INDUSTRIAL RELATIONS:-

Industrial relations remained cordial throughout the year. Your Directors place on record their deep appreciation of the contribution made by the employees at all levels. Measures have been taken for Human Resources Development.

### 4. Performance/ Statement of Company's Affairs

During recent years the market has been facing difficulties mainly because of huge import surge especially from china, which has primarily contributed to the deteriorating condition of the Indian Stainless Steel Industry. Stainless Steel imports into India has been more than 5 Lakh tonnes in 2015 -16 which is highest ever level and these imports almost fulfilled almost 25% of domestic demand and the industry has forecasted similar levels for 2016 - 17 as well. Company is trying to cope up with situation and has also tied up with the supplier to manufacture their finish product on their behalf so as to sustain this difficult situation.

During the year under review the income has decreased to Rs.10845.82 Lacs a decrease of 43.72% over previous year and Profit before Interest, depreciation and tax (PBIDT) has gone negative because of bad debt losses and provision of bad debts, overdumping of material from China and inability of Local Market to sustain the prices compared to them. Overall economic downward sentiment has affected the entire metal industry which has affected the production as well as sales which is reflected in the financial performance of the company. Also regular reduction in pricing of the raw material has affected both top and bottom line of the company which has in turn resulted into default of timely payment of bank dues.

### 5. Corporate Social Responsibility

Section 135 of the Companies Act, 2013 and framed Rules thereunder provides that certain Companies are require to spend 2% of its average net profit during 3 preceding years on CSR activities. It also provides formation of CSR committee of the Board. The Rules prescribe the activities qualify under CSR and the manner of spending the amount.

The company is not covered under section 135 of the companies Act 2013 and the Rules framed thereunder for the financial year under report. CSR Committee of the Board will be constituted at the time of applicability, of section 135 of the Act. Hence CSR report is no required to be annexed.



## 6. Disclosure under Companies Act 2013

### (i) Share Capital

The paid up equity capital as on March 31, 2017 was Rs. 598 Lakhs. During the year under review, the Company has not issued shares with differential voting rights nor granted stock options nor sweat equity nor bonus share.

### (ii) Board Meetings

A calendar of Meetings is prepared and circulated in advance to the Directors.

During the year Six Board Meetings were convened and held. The intervening gap between the Meetings was within the period prescribed under the Companies Act, 2013.

Sr. No.	Date
1	May 30, 2016
2	August 12, 2016
3	September 27, 2016
4	November 12, 2016
5	February 13, 2017
6	March 27, 2017

### (iii) Independent Directors' Meeting

The Independent Director met on 27.03.2017, without attendance of Non-Independent Directors and members of the Management. The Directors reviewed performance of the Non-Independent Directors and the Board as whole; the performance of the chairman of the company, taking into account the views of Executive Directors and Non-Executive Directors and assessed the quality, quantity and timeliness of flow of information between the Company Management and the Board that is necessary for the Board to effectively and reasonably perform their duties.

### (iv) Audit Committee Meeting

During the year under review, Audit Committee met four times on May 30, 2016, August 12, 2016, November 12, 2016 and February 13, 2017. The intervening gap between two meetings did not exceed four months.

Name	Category	No. of Meetings during the year	
		Held	Attended
Amol Rohitbhai Dalal	Independent Director	4	4
Prakashraj Sheshmalji Jain	Joint Managing Director	4	4
Pawankumar Ridhakaran Murarka	Independent Director	4	4

The Chief Financial Officer and representatives of Statutory Auditors are invited to the meetings of the Audit Committee.

The Committee discharges such duties and functions generally indicated in Section 177 of the Companies Act, 2013 and such other functions as may be specifically delegated to the Committee by the Board from time to time.

### (v) Nomination & Remuneration Committee

During the year under review Nomination & Remuneration Committee met one time on March 27, 2017

The composition of the Nomination & Remuneration Committee and details of meetings attended by the members are given below:

Name	Category	No. of Meetings during the year	
		Held	Attended
Amol Rohitbhai Dalal	Independent Director	1	1
Amritlal Kisandas Kataria	Independent Director	1	1
Pawankumar Ridhakaran Murarka	Independent Director	1	1

### (vi) Stakeholders Grievance Committee

During the year under review Stakeholders Grievance Committee met three times on August 8, 2016, November 12, 2016, and February 2, 2017.

The composition of the Stakeholders Grievance Committee and details of meetings attended by the members are given below:

Name	Category	No. of Meetings during the year	
		Held	Attended
Amol Rohitbhai Dalal	Independent Director	3	3
Pawankumar Ridhakaran Murarka	Independent Director	3	3
Prakashraj Sheshmalji Jain	Joint Managing Director	3	3

**(vii) Statement on declaration given by independent director**

All independent directors have given declarations that they meet the criteria of independence as laid down under section 149(6) of the Companies Act, 2013 and the applicable regulations of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

**(viii) Particulars of loans, guarantees or investments:**

The company has neither given any loans or guarantees nor made investments covered under the provisions of section 186 of the Companies Act, 2013.

**7. Risk management**

The Company has a Risk Management Committee to identify, assess, monitor and mitigate various risks to key business objectives. Major risks identified are systematically addressed through mitigating actions on a continuing basis. These are discussed at the meetings of the Audit Committee and the Board of Directors of the Company.

**8. Internal Control System**

The Company has an Internal Control System, commensurate with the size, scale and complexity of its operations. The scope and authority of the Internal Audit function is defined in the Internal Audit Manual. To maintain its objectivity and independence, the Internal Audit function reports to the Chairman of the Audit Committee of the Board & to the Chairman & Managing Director.

The Internal Audit Department monitors and evaluates the efficacy and adequacy of internal control system and Internal Financial control in the Company, its compliance with operating systems, accounting procedures and policies at all locations of the Company. Based on the report of internal audit function, process owners undertake corrective action in their respective areas and thereby strengthen the controls. Significant audit observations and recommendations along with corrective actions thereon are presented to the Audit Committee of the Board.

**9. Vigil Mechanism/whistle Blower policy**

The Company has a vigil mechanism named Fraud and Risk Management Policy to deal with instance of fraud and mismanagement, if any.

In staying true to our values of Strength, Performance and Passion and in line with our vision of being one of the most respected companies in India, the Company is committed to the high standards of Corporate Governance and stakeholder responsibility.

**10. Director and key managerial personnel**

**(i) Cessation**

- Mr. Jitendra Ujamsi Mamtara, Independent Director of the company resigned from the board w.e.f. 27.09.2016. The Board placed on record its appreciation for the valuable services rendered by Mr. Jitendra Ujamsi Mamtara.
- Mr. Ajaykumar Kantilal Patel, Company Secretary of the company resigned w.e.f. 13.10.2016. The Board placed on record its appreciation for the valuable services rendered by Mr. Ajaykumar Kantilal Patel.

**(ii) Retirement by rotation**

Directors Shri Ugamraj Mishrimal Hundia and Shri Amritlal Kisandas Kataria retire by rotation and, being eligible, offer themselves for re-appointment. The Directors recommend Shri Ugamraj Mishrimal Hundia and Shri Amritlal Kisandas Kataria for re-appointment.

**(iii) Appointment of Independent Director**

Independent Directors were appointed as per the requirements of section 149 of the Companies Act, 2013. Details of appointment of Independent Directors are as follows:

Sr. No.	Name of Director	Date of Appointment	Term
1	Ashish Virendrabhai Shah	23/09/2014	5 Years
2	Pawankumar Ridhakaran Murarka	23/09/2014	5 Years
3	Amol Rohitbhai Dalal	23/09/2014	5 Years