

# REMI ELEKTROTECHNIK LIMITED

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



**MOTORS**



**REAL ESTATE**



**LABORATORY EQUIPMENTS**



<b>Board of Directors:</b>	Shri Vishwambhar C. Saraf Shri Rajendra C. Saraf Shri Sunil Saraf Shri Ritvik V. Saraf  Shri Shyam Jatia Shri Ashish Kanodia Shri Mahendra Chirawawala Shri Harkishan Zaveri Smt. Archana Bajaj	Chairman and Managing Director  Director  Whole-Time Director  Whole-Time Director & Chief Financial Officer  Independent Director  Independent Director  Independent Director  Independent Director  Independent Director
<b>Company Secretary</b>	Ms. H. H. Joshi (w.e.f. 07/09/2016)	
<b>Bankers:</b>	STATE BANK OF INDIA	
<b>Auditors:</b>	M/s. Sundarlal, Desai & Kanodia Chartered Accountants 903, Arcadia, 195, N.C.P.A. Road, Mumbai- 400 021	
<b>Registered Office:</b>	REMI House, Plot No.11, Cama Industrial Estate, Goregaon (East), Mumbai – 400 063 Ph.: 022-40589888, Fax: 022-2685233	
<b>CIN:</b>	L51900MH1988PLC047157	
<b>Works:</b>	Survey No.65, Village Waliv, Vasai (East), Thane – 401 208	
<b>Wind Power:</b>	Village Brahmanwel, Taluka Sakri, District Dhule, Maharashtra	

## **NOTICE**

To  
The Members,  
**REMI ELEKTROTECHNIK LIMITED**

**NOTICE** is hereby given that the 37<sup>th</sup> Annual General Meeting of the Company will be held at the Company's Registered Office on **Thursday, the 28<sup>th</sup> September, 2017**, at 11.00 A.M. to transact the following ordinary business:

- 1) To consider and adopt the Audited Financial Statement of the Company for the financial year ended March 31, 2017, together with the reports of the Board of Directors and the Auditors thereon;
- 2) To re-appoint Shri Rajendra C. Saraf (DIN: 00161412) as Director, who retires by rotation.
- 3) To appoint Auditors and to fix their remuneration.

"RESOLVED THAT pursuant to the provisions of Section 139, 140, 142 and other applicable provisions of the Companies Act, 2013 and Companies (Audit and Auditors) Rules, 2014, M/s Shankarlal Jain & Associates LLP, Chartered Accountants (Firm Registration No.109901W), be and is hereby appointed as statutory auditors of the Company in place of retiring Auditors M/s Sundralal, Desai & Kanodia, Chartered Accountants, Firm Registration No. 110560W, at the ensuing Annual General Meeting (AGM), to hold office of the statutory auditors from conclusion of this 37<sup>th</sup> AGM until the conclusion of 42<sup>nd</sup> AGM, subject to ratification of the appointment by the members at every AGM held after this AGM, on such remuneration as may be decided by the Board of Directors of the Company."

### **Special Business : Ordinary Resolution**

- 4) To ratify the remuneration of Cost Auditors.

"RESOLVED THAT pursuant to the provisions of Section 148 and other applicable provisions of the Companies Act, 2013, and the Rules framed thereunder, as amended from time to time, remuneration payable to M/s Kejriwal & Associates, Cost Accountants, appointed by the Board of Directors as Cost Auditors of the Company for the year 2017-18, to conduct the audit of the cost records of the Company, on a remuneration of Rs.60,000/- (Rupees Sixty Thousand only) be and is hereby ratified and confirmed."

### **Special Business : Special Resolutions**

- 5) To appoint Shri Rajendra C. Saraf (DIN: 00161412) as Executive Director of the Company.

"Resolved that Shri Rajendra C. Saraf (DIN:00161412), be and is hereby appointed as the Executive Director of the Company, for a term of 3 years from the 1<sup>st</sup> June, 2017, on the following terms and conditions:

- i. A monthly salary of Rs.1,60,000/-
- ii. Leave Travel Concession for self and family once a year, in accordance with the rules of the Company.
- iii. Annual fees of not more than two clubs.
- iv. Free use of one or more Company car with driver for official purpose only.
- v. Telephone at residence and Mobile phone.
- vi. Gratuity as per the rules of the Company.
- vii. Encashment of Leave at the end of the tenure."

"FURTHER RESOLVED THAT the Board of Directors of the Company shall have power to grant annual increments to the Director upto a limit of 20% of the total emoluments. However the overall remuneration shall not exceed the limits specified in Section II, Part II of Schedule V to the Companies Act, 2013.

- 6) To revise the remuneration of Shri Sunil Saraf, Whole-Time Director of the Company.

"Resolved that the remuneration being paid to Shri Sunil Saraf, the Whole-Time Director of the Company, be and is hereby revised as follows, with effect from the 1<sup>st</sup> October, 2016.

- a) Basic Salary Rs.3,12,000/- per month.
- b) House Rent Allowance within a ceiling of 25% of the basic salary per month.
- c) Medical Expenses not exceeding 15 days of basic salary per annum.
- d) Bonus as per the rules of the Company with a ceiling of 20% of the annual basic salary.
- e) Children's Education allowance not exceeding 15 days of basic salary per annum.

- f) Leave Travel allowance not exceeding 15 days of basic salary per annum.
- g) Telephone at residence including Mobile Phone on Company's Account.
- h) Gratuity as per the rules of the Company.
- i) Car for office use without driver.
- j) Provident Fund as per the rules of the Company.

However the overall remuneration shall not exceed the limits specified in Section II, Part II of Schedule V to the Companies Act, 2013.

By order of the Board  
For **REMI ELEKTROTECHNIK LIMITED**

**Registered Office**

REMI House,  
Plot No.11, Cama Industrial Estate,  
Goregaon (E), Mumbai - 400 063,

Dated : 28<sup>th</sup> August, 2017

Sd/-

(VISHWAMBHAR C. SARAF)  
**CHAIRMAN & MANAGING DIRECTOR**  
(DIN:00161381)

**NOTES:**

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THIS MEETING WILL BE ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF. A PROXY NEED NOT BE A MEMBER. A person can act as a proxy on behalf of members not exceeding fifty and holding in the aggregate not more than ten percent of the total share capital of the Company carrying voting rights. A member holding more than ten percent 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 a proxy for any other person or shareholder.
2. The Register of Members and the Share Transfer Books of the Company will remain closed from **Thursday, the 21<sup>st</sup> September, 2017 to Thursday, the 28<sup>th</sup> September, 2017**, both days inclusive.
3. Relevant documents referred to in the accompanying Notice and the Statement are open for inspection by the members at the Registered office of the Company on all working days, during 4.00 P.M to 6 P.M. up to the date of the Meeting.
4. The Securities and Exchange Board of India (SEBI) has mandated submission of Permanent Account Number (PAN) by every participant in securities market. Members holding shares in demat form are, therefore, requested to submit PAN details to the Depository Participants with whom they are maintaining their demat accounts. Members holding shares in physical form can submit their PAN details to Registrar M/s. Bigshare Services Private Limited / Company.
5. **Green Initiative :**

**Pursuant to Section 101 and Section 136 of the Companies Act, 2013 read with relevant Rules made thereunder, companies can serve Annual Reports and other communications through electronic mode to those Members who have registered their email address either with the Company or with the Depository Participant(s). Members who have not registered their email address with the Company can now register the same to the Company by sending email at [rei\\_igrd@remigroup.com](mailto:rei_igrd@remigroup.com) or to M/s. Bigshare Services Private Limited or with the concerned depositories.**

**YOUR INITIATIVE WILL SAVE FOREST WEALTH OF OUR COUNTRY.**

6. Pursuant to provision of Section 108 of the Companies Act, 2013 read with rule 20 of the Companies (Management and Administration) Rules, 2014, as amended from time to time and Regulation 44 of SEBI (LODR) Regulations, 2015, the Company is pleased to provide its members facility to exercise their rights to vote on the resolution proposed to be considered at the 37<sup>th</sup> Annual General Meeting by the electronic means/ remote e-voting) and/or voting by ballot paper at the AGM. The facility of casting the votes by the members using an electronic voting system from a place other than the venue of the AGM ("remote e-voting") will be provided by National Securities Depository Limited (NSDL). The Notice is available on the website of the Company. The e-voting facility is available at the link <https://www.evoting.nsdl.com>.
7. The facility for voting through ballot paper shall be made available at the AGM and the members attending the meeting who have not cast their vote by remote e-voting shall be able to exercise their right at the meeting through ballot paper. A member may participate in the AGM even after exercising his/ her right to vote through remote e-voting but shall not be allowed to vote again at the AGM. Incase Members cast their vote through both the modes, voting done by e-voting shall prevail and votes cast through Ballot form shall be treated as invalid.

8. The remote e-voting period shall commence at 9.00 a.m. on **25<sup>th</sup> September, 2017** and will end at 5 p.m. on **27<sup>th</sup> September, 2017**. The remote e-voting module shall be disabled by NSDL for voting thereafter. 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.
9. As directed by SEBI, for payment of Dividend, Members are requested to provide the bank account number and the details required for making ECS payment to the respective depository participant in case of shares held in demat and to share transfer agent of the Company in case of shares held in physical.
10. **The detailed procedure for remote e-voting is set out below :**
  - (a) In case of Members receiving an e-mail from NSDL:
    - (i) Open email and open PDF file viz; "REL remote e-voting.pdf" with your Client ID or Folio No. as password. The said PDF file contains your user ID and password/PIN for remote e-voting. Please note that the password is an initial password.
    - (ii) Launch internet browser by typing the following URL: <https://www.evoting.nsdl.com/>
    - (iii) Click on Shareholder - Login.
    - (iv) put 'User ID' and Password' as initial password/PIN as noted in step (i) above and click 'Login'.
    - (v) Password change menu appears. Change the password/ PIN with new password of your choice with minimum 8 digits/ characters or combination thereof. Note new password. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
    - (vi) Home page of remote e-voting opens. Click on remote e-voting: Active Voting Cycles.
    - (vii) Select 'EVEN' (E-voting Event Number) of **REMI ELEKTROTECHNIK LIMITED**.
    - (viii) Now you are ready for remote e-voting as Cast Vote page opens.
    - (ix) Cast your vote by selecting appropriate option and click on 'Submit'. Click on 'Confirm' when prompted.
    - (x) Upon confirmation, the message 'Vote cast successfully' will be displayed.
    - (xi) Once you have voted on the resolution, you will not be allowed to modify your vote.
    - (xii) Institutional shareholders (i.e. other than individuals, HUF, NRI, etc.) are required to send scanned copy (PDF/JPG Format) of the relevant Board Resolution/ Authority Letter, along with attested specimen signature of the duly authorised signatory(ies) who are authorised to vote, to the Scrutinizer by an e-mail at [relscrutinizer@gmail.com](mailto:relscrutinizer@gmail.com) with a copy marked to [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in).
  - (b) **In case of Shareholders receiving physical copy of the Notice of AGM.**
    - (i) Initial Password is provided in the enclosed Form.
 

EVEN (Remote E-voting Event Number)	User ID	Password/ PIN
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    - (ii) Please follow all steps from Sr. No. (a) (ii) to Sr. No. (xii) above, to cast vote.
  - (c) **Other Instructions:**
    - i. In case of any queries, you may refer to the 'Frequently Asked Questions' (FAQs) and 'e-voting user manual' available in the downloads section of NSDL's e-voting website [www.evoting.nsdl.com](http://www.evoting.nsdl.com) or call on Toll free no. 1800-222-990.
    - ii. If you are already registered with NSDL for remote e-voting then you can use your existing user ID and password/PIN for casting your vote.
    - iii. You can also update your mobile number and e-mail id in the user profile details of the folio which may be used for sending future communication(s).
11. The voting rights of members shall be in proportion to their shares of the paid up equity share capital of the Company as on the cut-off date i.e. on **21<sup>st</sup> September, 2017** Members are eligible to cast vote electronically only if they are holding shares either in physical form or demat form as on that date.
12. Any persons who have acquired shares after the dispatch of the Notice and holding shares as on cut-off date i.e. **21<sup>st</sup> September, 2017**, may obtain the user ID and Password by sending a request at [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in) or to RTA. However, if you are already registered with NSDL for remote e-voting, then you can use your existing user ID and password for casting your vote. If you have forgotten your password, you can reset your password by using "Forgot User Details/Password" option available on [www.evoting.nsdl.com](http://www.evoting.nsdl.com) or contact NSDL at the following toll free no. 1800-222-990.

13. Shareholders who forgot the User Details/Password can use "Forgot User Details/Password?" or "Physical User Reset Password?" option available on **www.evoting.nsdl.com**. In case Shareholders are holding shares in demat mode, USER-ID is the combination of (DPID+ClientID). In case Shareholders are holding shares in physical mode, USER-ID is the combination of (Even No.+Folio No.).
14. The Company has appointed Shri Vishal Mehra, Practicing Company Secretary, to act as the Scrutinizer, to scrutinize the entire ballot voting/ e-voting process in a fair and transparent manner.
15. The Chairman shall, at the AGM, at the end of discussion on the resolutions on which voting is to be held, allow voting with the assistance of scrutinizer, by use of "Ballot Paper" for all those members who are present at the AGM but have not cast their votes by availing the remote e-voting facility.
16. The scrutinizer shall, after the conclusion of voting at the general meeting, first count the votes cast at the meeting, thereafter unblock the votes cast through remote e-voting in the presence of at least two witnesses not in the employment of the company and make, not later than two days of conclusion of the meeting, a consolidated scrutinizer's report of the total votes cast in favour or against, if any, to the Chairman or a person authorized by him in writing who shall countersign the same.
17. The results declared along with the consolidated Scrutinizer's Report shall be placed on the Company's website i.e. [www.remigroup.com](http://www.remigroup.com) and on the website of NSDL after the result is declared by the chairman or a person authorized by him. The result shall also be forwarded to The Bombay Stock Exchange Limited.
18. An Explanatory Statement relating to the item of special business set out in items No. 4, 5 and 6 accompanies.

**EXPLANATORY STATEMENT UNDER SECTION 102 OF THE COMPANIES ACT, 2013 – ANNEXURE TO THE NOTICE**

**Item No. 4**

In accordance with the provisions of Section 148 of the Act read with the Companies (Audit and Auditors) Rules, 2014, the remuneration payable to the Cost Auditors as recommended by the Audit Committee and approved by the Board of Directors, has to be ratified by the members of the Company. Accordingly, consent of the members is sought for passing an Ordinary Resolution as set out at Item No.4 of the Notice for ratification of the remuneration payable to the Cost Auditors for the financial year 2017-18.

None of the Directors / Key Managerial Personnel of the Company / their relatives are, in any way, concerned or interested, financially or otherwise, in the resolution set out at Item No.4 of the Notice.

**Item No.5**

Shri Rajendra C. Saraf has been appointed as Executive Director of the Company from the 1<sup>st</sup> June, 2017, within the limits of remuneration as specified in Schedule V, Part II section II (A) of the Companies Act, 2013.

The following additional information as required by Schedule V to the Companies Act, 2013 is given below:

- (i) The Remuneration Committee of Directors had approved of his remuneration.
- (ii) The Company has not made any default in repayment of its debts.
- (iii) Your approval is sought to be obtained by a Special Resolution.
- (iv) Additional information are as under:-

**I. General Information:**

- |  |  |
|--|--|
| (1) Nature of Industry   | : Manufacture of Electrical Motors, Laboratory and Medical Equipments and allied items.  |
| (2) Commencement of commercial production  | : 1970   |
| (3) In case of new companies, expected date of commencement of activities as per project approved by financial institutions appearing in the prospectus. | : Not a new Company  |
| (4) Financial performance  | : The Company has a turnover of Rs.11471.35 Lacs and net profit of Rs.45.47 Lacs, for the financial year ended 31 <sup>st</sup> March, 2017. |
| (5) Foreign investments or collaborations  | : None   |

## II. Information about the Appointee:

- 1) Shri Rajendra C. Saraf (62) is a commerce graduate from the University of Bombay. He hails from a family of business people of fifty years' standing. After his college education, he joined his family business and has received from his elders in the family very good training in business management. He has more than 35 years of business experience. He holds 108 equity shares in the Company. He attended 5 (five) meetings of the Board of Directors during the year 2016-17. He is Managing Director of Remi Process Plant And Machinery Ltd. and on the Board of Remi Edelstahl Tubulars Limited, Pudumjee Industries Ltd., Pudumjee Hygiene Products Limited and Calplus Trading Pvt. Ltd. He is Chairman of Finance Committee and Member of Audit Committee, Nomination & Remuneration Committee and Stake holder Relationship Committee of Remi Edelstahl Tubulars Limited. He is Member of Corporate Social Responsibility Committee of the Company.
- 2) Past remuneration : ----
- 3) Recognition or awards : ----
- 4) Job profile and his suitability : He has vast and rich experience in field of production, sales, finance, accounts, legal and other administrative matters.
- 5) Remuneration Proposed : As set out in the Special Resolution.
- 6) Comparative Remuneration profile : In similar Companies, this package is the norm.
- 7) Pecuniary relationship : His family has a good financial stake in the Company.

## III. Other information

- (i) Reason for inadequate profit: Due to slow down in economy in General and capital goods industry and Real estate in particular.
- (ii) Steps taken for Improvement: The Company has taken various steps for cost cutting and improvement in productivity.
- (iii) It is impractical to measure the productivity and profits due to volatility in the market and introduction of GST.

## IV. Disclosure

- (1) Remuneration Package : Set out in the Special Resolution
- (2) Report under the heading 'Corporate Governance' in Directors' Report
  - (i) Salary etc. of all other Directors: Stated in Corporate Governance Report
  - (ii), (iii) and (iv) : Not Applicable.

Shri Rajendra C. Saraf, Shri Vishwambhar C. Saraf, his brother also Directors of this Company, are to be deemed to be interested in the item of business.

### Item No.6

The remuneration package of Shri Sunil Saraf was revised by the Board at its Meeting held on the 14<sup>th</sup> February, 2017. The remuneration being paid to him has been revised with effect from the 1<sup>st</sup> October, 2016, within the limits of remuneration as specified in Schedule V, Part II section II (A) of the Companies Act, 2013.

The following additional information as required by Schedule V to the Companies Act, 2013 is given below:

- (v) The Remuneration Committee of Directors had approved of his remuneration.
- (vi) The Company has not made any default in repayment of its debts.
- (vii) Your approval is sought to be obtained by a Special Resolution.
- (viii) Additional information are as under:-

## I. General Information:

1. Nature of Industry : Manufacture of Electrical Motors, Laboratory and Medical Equipments and allied items.
2. Commencement of commercial production : 1970
3. In case of new companies, expected date of commencement of activities as per project approved by financial institutions appearing in the prospectus. : Not a new Company

4. Financial performance : The Company has a turnover of Rs.11471.35 Lacs and net profit of Rs.45.47 Lacs, for the financial year ended 31<sup>st</sup> March, 2017.
5. Foreign investments or collaborations : None

## **II. Information about the Appointee:**

1. Shri Sunil Saraf (57), is a commerce graduate of Nagpur University, After his graduation he joined REMI Group where he has been all these years. From the position of Management Trainee, by his sheer ability and concentration on the duties assigned to him, he rose to this position of the Company. The Company is rewarding him for his sincere contribution to the growth of the Company. He was first appointed on the board of the director on 31/01/2007. He holds 100 equity shares in the Company. He attended 5 (five) meetings of the Board of Directors during the year 2016-17. He is on Board of Rajendra Finance Private Limited. He has reappointed as Whole-Time Director of the Company from the 1<sup>st</sup> October, 2016 for term of 3 years.
2. Past remuneration : Rs.2.6 Lacs per month plus other benefits and perquisites.
3. Recognition or awards : ----
4. Job profile and his suitability : He is in-charge of production, sales and other administrative matters.
5. Remuneration Proposed : As set out in the Special Resolution.
6. Comparative Remuneration profile : In similar Companies, this package is the norm.
7. Pecuniary relationship : ----

## **III. Other information**

- (i) Reason for inadequate profit: Due to slow down in economy in General and capital goods industry and Real estate in particular.
- (ii) Steps taken for Improvement: The Company has taken various steps for cost cutting and improvement in productivity.
- (iii) It is impractical to measure the productivity and profits due to volatility in the market and introduction of GST.

## **IV. Disclosure**

- (1) Remuneration Package : Set out in the Special Resolution
- (2) Report under the heading 'Corporate Governance' in Directors' Report
- (i) Salary etc. of all other Directors: Stated in Corporate Governance Report
- (ii), (iii) and (iv) : Not Applicable.

Shri Sunil Saraf is to be deemed to be interested in this item of business.

Your Directors commend the resolutions for your approval.

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## **DIRECTORS' REPORT**

To  
The Members,  
**REMI ELEKTROTECHNIK LIMITED**

Dear Shareholders,

The Directors are pleased to present herewith the Annual Report and Audited Statements of accounts of the Company for the year ended 31<sup>st</sup> March, 2017.

(₹ in Lacs)

<b>Financial Results</b>	<b>2016 – 2017</b>		<b>2015 – 2016</b>	
Gross Turnover		11471.35		10874.78
Profit before Finance Cost, Depreciation and Tax (EBIDTA)		593.86		1163.78
Finance Cost	329.02		331.90	
Depreciation	188.97		194.24	
Taxation	30.40	548.39	213.53	739.67
Profit for the period		45.47		424.11
Balance brought forward		2539.74		2458.40
		<b>2585.21</b>		<b>2882.51</b>
<b><u>Appropriations</u></b>				
Transfer to General Reserve		25.00		50.00
Interim Dividend Paid		--		243.25
Distribution Tax on Interim Dividend		--		49.52
Net surplus in the Statement of Profit & Loss		2560.21		2539.74
		<b>2585.21</b>		<b>2882.51</b>

### **OPERATIONS:**

The Company achieved a turnover of Rs.114.71 Crores during the year as against Rs.108.75 Crores in previous year. The Company achieved EBIDTA and net profit of Rs.5.94 Crores and Rs.0.45 Crores respectively during the year as against Rs.11.64 crores and Rs.4.24 crores respectively in previous year.

Revenue as well as profitability of electrical motor division continue to be affected adversely due to de-growth in user industries and severe competition. During the year revenue and profitability of instrument division has improved. The profitability of the real estate division has adversely affected during the year. The real estate project has received occupation certificate during the year.

During the year, the Company transferred a sum of Rs.0.25 Crores to the General Reserves. There are no changes in the share capital during the year.

There are no Companies which have become or ceased to be its Subsidiaries, Joint Ventures or associate Companies.

### **CORPORATE SOCIAL RESPONSIBILITY COMMITTEE:**

As stipulated under Section 135 of the Companies Act, 2013 the Company has constituted 'Corporate Social Responsibility Committee' (CSR Committee) comprising of Shri Vishwambhar C. Saraf (DIN:00161381), Shri Rajendra C. Saraf (DIN:00161412), and Shri Shyam Jatia (DIN:00049457).

The Company has formulated a Corporate Social Responsibility policy. The Annual Report on CSR activities is annexed as "**Annexure A**" and forms part of this report and is also available at the website of the Company i.e. **www.remigroup.com**.

## **DIRECTORS:**

All Independent Directors have given declarations that they meet the criteria of independence as laid down under Section 149(6) of the Act and Regulation of SEBI (LODR) Regulations, 2015.

## **BRIEF DETAILS OF DIRECTORS SEEKING APPOINTMENT /RE-APPOINTMENT:**

Shri Rajendra Saraf (DIN:00161412) retires by rotation and is to be re-appointed.

Shri Rajendra C. Saraf (62) is a commerce graduate from the University of Bombay. He hails from a family of business people of fifty years' standing. After his college education, he joined his family business and has received from his elders in the family very good training in business management. He has more than 35 years of business experience.

## **BOARD MEETINGS:**

During the year, five Board meetings were held, with gap between Meetings not exceeding the period prescribed under the Act. Details of Board and Committee meetings held during the year are given in the Corporate Governance Report.

## **POLICY ON APPOINTMENT AND REMUNERATION OF DIRECTORS:**

The Board has on the recommendation of the Nomination & Remuneration Committee, formulated criteria for determining qualifications, positive attributes and independence of a Director and also a policy for remuneration of Directors, Key Managerial Personnel and senior management. The details of criteria laid down and the Remuneration Policy are given in the Corporate Governance Report.

## **AUDITORS:**

The current statutory auditors, M/s Sundarlal, Desai & Kandodia, Chartered Accountants (Firm Registration No. 110560W) were last re-appointed by the members in the annual general meeting held on 30<sup>th</sup> September, 2014 to hold the office of auditors from the conclusion of the 34<sup>th</sup> annual general meeting till the conclusion of this 37<sup>th</sup> annual general meeting.

As per the provisions of section 139 of the Companies Act, 2013, no listed company shall appoint an audit firm as auditors for more than two terms of five consecutive years. The Act also provided for an additional transition period of three years.

The term of the current auditors expires at the conclusion of the ensuing annual general meeting.

The Board of Directors at its meeting held on 28<sup>th</sup> August, 2017, based on the recommendation of the Audit Committee has recommended the appointment of M/s Shankarlal Jain & Associates LLP, Chartered Accountants (Firm Registration No.109901W) as the statutory auditors of the Company for approval by the members.

M/s Shankarlal Jain & Associates LLP, Chartered Accountants (Firm Registration No.109901W) has consented to the said appointment and confirmed that their appointment, if made, would be within the limits specified under section 141(3) (g) of the Act and that they are not disqualified to be appointed as statutory auditors in terms of section 143 of the Act.

M/s Shankarlal Jain & Associates LLP, Chartered Accountants (Firm Registration No.109901W) will be appointed as the statutory auditors of the Company from the conclusion of the ensuing annual general meeting till the conclusion of the 42<sup>nd</sup> annual general meeting, subject to ratification of their appointment by the members at every intervening annual general meeting on a remuneration as may be decided by the Board of Directors from year to year.

The members are therefore requested to appoint M/s Shankarlal Jain & Associates LLP, Chartered Accountants (Firm Registration No.109901W), as statutory auditors of the Company for a term of five years from the conclusion of the ensuing annual general meeting till the conclusion of the 42<sup>nd</sup> annual general meeting, to be scheduled in 2022, subject to ratification at each annual general meeting.

The statutory audit report for the financial year ended 31<sup>st</sup> March, 2017 does not contain any qualification, reservation or adverse remark or disclaimer made by statutory auditors.