



Shiva Global Agro Industries Ltd.



Annual Report 2016-17

Notice	2
Directors' Report	6
Management Discussion Analysis	10
Report On Corporate Governance	24
STANDALONE FINANCIAL STATEMENTS	
Auditor's Report	34
Balance Sheet	40
Statement of Profit and Loss	41
Cash Flow Statement	42
Notes on Financial Statements	44
CONSOLIDATED FINANCIAL STATEMENTS	
Auditor's Report	58
Balance Sheet	62
Statement of Profit and Loss	63
Cash Flow Statement	64
Notes on Financial Statements	66

COMPANY INFORMATION

Registered Office & Works

Shri Hanuman Nagar,
Osman Nagar Road,
Village - Dhakni,
Nanded 431708,
Maharashtra.

Auditors

M/s. Aditya Falor & Associates
Chartered Accountants
270, Vatsalya Nagar,
HUDCO,
Nanded 431603,
Maharashtra.

Bankers

Union Bank of India,
Santkripa Market,
G. G. Road,
Nanded 431601,
Maharashtra.

Registrar & Share Transfer Agent

Aarthi Consultants Pvt. Ltd.
1-2-285, Domalguda,
Hyderabad 500 029,
Andhra Pradesh.

NOTICE OF ANNUAL GENERAL MEETING



NOTICE

Notice is hereby given that the 25th Annual General Meeting of the Members of Shiva Global Agro Industries Limited will be held on Friday the 29th September, 2017 at 1.00 P.M. at the registered office of the company to transact the following business.

A) ORDINARY BUSINESS

- 1) To receive, consider and adopt:
 - a. the Audited Financial Statements of the Company for the financial year ended March 31, 2017, the Report of the Board of Directors and the Report of the Auditors thereon; and
 - b. the Audited Consolidated Financial Statements of the Company for the financial year ended March 31, 2017 and the Report of the Auditors thereon.
- 2) To appoint a Director in place of Mr. Deepak S. Maliwal (DIN 00452540), who retires by rotation and, being eligible, offers himself for re-appointment and in this connection to consider and if deemed fit, to pass with or without modification(s), the following Resolution as an Ordinary Resolution:
“**RESOLVED THAT** Mr. Deepak S. Maliwal, having DIN 00452540, be and is hereby re-appointed as a Director of the Company, liable to retire by rotation”.
- 3) To ratify the appointment of M/s. Aditya Falor & Associates, Chartered Accountants, as Auditors for the period from the conclusion of this Annual General Meeting until the conclusion of the next Annual General Meeting and in this connection, to consider and if deemed fit, to pass 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 read with the Companies (Audit and Auditors) Rules, 2014 and other Rules framed thereunder, as amended from time to time, the appointment of M/s. Aditya Falor & Associates, Chartered Accountants (Firm Registration No.127273W) as Auditors of the Company for a period of 5 consecutive years, made at the Twenty Fourth Annual General

Meeting (AGM) held on September 29, 2016, be and is hereby ratified to hold office for the period from the conclusion of this Annual General Meeting until the conclusion of the next Annual General Meeting on a remuneration of Rs.3,50,000/- (Rupees Three Lacs Fifty Thousand Only) plus reimbursement of out of pocket expenses and applicable taxes and the Board of Directors of the Company be and is hereby authorised to pay such increased audit fee as they may deem fit.”

B) SPECIAL BUSINESS

- 4) To ratify the remuneration of the Cost Auditors for the financial year ending March 31, 2018 and in this regard to consider and if thought fit, with or without modification(s), to pass the following resolution as an Ordinary Resolution:
“**RESOLVED THAT** pursuant to the provisions of Section 148 and all other applicable provisions of the Companies Act, 2013 and the Companies (Audit and Auditors) Rules, 2014, including any statutory modification(s) or re-enactment thereof, for the time being in force, Mr. Jayant B. Galande (Membership No.5255), Cost Accountant in Whole-Time Practice, Aurangabad, who was appointed as the Cost Auditor of the Company by the Board of Directors, for conducting the audit of the cost accounting records of the Company for the financial year ending March 31, 2018, at a remuneration of Rs.20,000/- (Rupees Twenty Thousand Only) excluding taxes, travelling and other out of pocket expenses incurred by him in connection with the aforesaid audit be and is hereby ratified and confirmed.”
“**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 the order of the Board
For Shiva Global Agro Industries Ltd.**

**Place : Nanded
Dated : 30th May, 2017**

**Omprakash Gilda
Managing Director**

Notes:

1. A member entitled to attend and vote at the Annual General Meeting ("the meeting") is entitled to appoint a proxy to attend and vote in the meeting and the proxy need not be a member of the company. The instrument appointing the proxy must be deposited at the registered office of the Company not less than 48 hours before the commencement of the meeting. Proxies submitted on behalf of companies, societies, etc. must be supported by an appropriate resolution/authority, as applicable.
 2. Members/proxies should bring duly filled Attendance Slips enclosed with the Annual Report and handover the same at the entrance of the meeting hall, duly signed.
 3. An Explanatory Statement pursuant to Section 102 of the Companies Act, 2013, in respect of the Special Business to be transacted at the Meeting is annexed hereto.
 4. The Register of Members and Share Transfer Books of the Company will remain closed from September 23, 2017 to September 29, 2017 (both days inclusive)
 5. Details of unpaid/unclaimed dividends lying with the Company as on the last Annual General Meeting of the Company is available on the website of the Company. Members are requested to address all correspondence, including unpaid or unclaimed dividend matters, to the Registrar and Share Transfer Agents, Aarthi Consultants Pvt. Ltd., 1-2-285, Domalguda, Hyderabad – 500 029.
 6. Members holding shares in dematerialized form are requested to intimate all changes pertaining to their bank details, National Electronic Clearing Service (NECS), Electronic Clearing Service (ECS), mandates, nominations, power of attorney, change of address, change of name, e-mail address, contact numbers, etc., to their Depository Participant (DP). Changes intimated to the DP will then be automatically reflected in the Company's records which will help the Company and the Company's Registrars and Transfer Agents, Aarthi Consultants Private Limited to provide efficient and better services. Members holding shares in physical form are requested to intimate such changes to the registrars and share transfer agents.
 7. Members holding shares in physical form are requested to consider converting their holding to dematerialized form to eliminate all risks associated with physical shares and for ease in portfolio management. Members can contact the Company or Aarthi Consultants Private Limited, for assistance in this regard.
 8. Members desiring any information concerning accounts are requested to send their queries at least seven days before the date of meeting to the company so that information required may be made available at the meeting.
 9. Members who have not registered their e-mail addresses so far, are requested to register their e-mail address for receiving all communication including Annual Report, Notices, Circulars, etc. from the Company electronically.
- 10. Voting through electronic means:**
- A. In compliance with the provisions of Section 108 of the Companies Act, 2013 read with Rule 20 of Companies (Management and Administration) Rules, 2014, the Company is pleased to provide members facility to exercise their right to vote at the 25th Annual General Meeting (AGM) by electronic means and the business may be transacted through e-Voting Services. Necessary arrangements have been made by the Company with Central Depository Services (India) Limited (CDSL) to facilitate e-voting. E-voting is optional and members shall have the option to vote either through e-voting or in person at the 25th Annual General Meeting. The process and instructions for e-voting are as under:
 - i. The remote e-voting period begins on 26th September, 2017 at 9.00 A.M. and ends on 28th September, 2017 at 5.00 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 September 22nd, 2017, may cast their vote electronically. The remote 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.
 - iii. Click on Shareholders.
 - iv. Now Enter your User ID
 - For CDSL: 16 digits beneficiary ID
 - For NSDL: 8 Character DP ID followed by 8 Digits Client ID
 - 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 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> <ul style="list-style-type: none"> 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. Eg. 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 your demat account or in the company records for the said demat account or folio in dd/mm/yyyy format.
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> <ul style="list-style-type: none"> 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).

- 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 remote 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 remote evoting on the resolutions contained in this Notice.
- xi. Click on the EVSN for the relevant <Company Name> (SHIVA GLOBAL AGRO INDUSTRIES 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 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
 - 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 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.
- In case you have any queries or issues regarding remote e-voting, you may refer the Frequently Asked Questions ("FAQs") and e-voting manual available at www.evotingindia.com, under help section or write an email to helpdesk.evoting@cdslindia.com
- B. Mr. Vijay R. Kalani, Chartered Accountant in practice (Membership No.129912) has been appointed as the Scrutinizer to scrutinize the e-voting process in a fair and transparent manner.
- C. The Scrutinizer shall within a period not exceeding three(3) working days from the conclusion of the e-voting period unblock the votes in the presence of at least two(2) witnesses not in the employment of the

ANNUAL REPORT 2016-17/5

Company and make a Scrutinizer's Report of the votes cast in favour or against, if any, forthwith to the Chairman of the Company.

- D. The results shall be declared at or after the Annual General Meeting of the Company. The results declared along with the Scrutinizer's Report shall be placed on the Company's website www.shivaagro.org and on the website of CDSL within two(2) days of passing of the

resolutions at the Annual General Meeting of the Company and communicated to the BSE Limited.

11. Details under Clause 49 of the Listing Agreement with the Stock Exchange in respect of the Director seeking appointment/re-appointment at the 25th Annual General Meeting, forms integral part of the notice. The Director has furnished the requisite declaration for his appointment/re-appointment.

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

Item no.4

The Board, on the recommendation of the Audit Committee, has approved the appointment and remuneration of the Cost Auditors to conduct the audit of the cost records of the Company for the financial year ending March 31, 2018, in their meeting held on May 30, 2017. Pursuant to provisions of Section 148 of the Companies Act, 2013 and Rules made thereunder, it was proposed to re-appoint Mr. Jayant B. Galande, Cost Accountant, as Cost Auditor of the Company. Mr. Jayant B. Galande has submitted a letter regarding their eligibility for appointment of Cost Auditors, which will be available for inspection at the Registered Office of the Company during 9.00 am to 5.00 pm on all working days except Saturday, upto and including the date of the 25th Annual General Meeting of the Company.

In accordance with the provisions of Section 148 of the Act read with Rule 14 (a) of the Companies (Audit and Auditors) Rules, 2014, the remuneration payable to the Cost Auditors approved by the Board has to be ratified by the shareholders of the Company.

Accordingly, consent of the shareholders is being sought for ratification of the remuneration payable to the Cost Auditors for the financial year ending March 31, 2018.

None of the Directors/Key Managerial Personnel of the Company/their relatives is, in any way, concerned or interested, financially or otherwise, in the above resolution.

The Board commends the Ordinary Resolution set out at Item No. 4 for approval by shareholders.

ANNEXURE TO NOTICE

Details of Director seeking appointment/re-appointment in the 25th Annual General Meeting:
(in pursuant to clause 49 of the Listing Agreement)

Name of the Director	Mr. Deepak S. Maliwal
Date of Birth	28/07/1959
Qualifications	Chartered Accountant
Date of Appointment	Since incorporation
Expertise	27 years of Business Experience
Chairman/ Member of the committees of Board of the Company	Yes
Chairman/ Member of the committees of Board of the other Company	Nil

DIRECTORS' REPORT



Your Directors are pleased to place before you the Twenty Fifth Annual Report and the Audited Accounts of the company for the year ended March 31, 2017.

PERFORMANCE OF THE COMPANY

Your company's financial results are summarized hereunder:

(Amount in Rs. Lacs)

Particulars	Consolidated		Standalone	
	2016-17	2015-16	2016-17	2015-16
Income				
From Operations	45,281.66	46,409.80	8,985.65	11,028.50
Other	123.20	93.52	76.05	64.88
Total	45,404.86	46,503.32	9,061.70	11,093.38
Profit Before Interest, Depreciation and Taxation	2,486.65	2,545.90	754.86	801.75
Less: Interest	1,146.52	1,424.81	355.85	405.75
Depreciation	290.10	295.77	97.68	94.47
Profit Before Tax	1,050.03	825.32	301.33	301.53
Less: Provision for Tax	320.21	309.46	95.07	108.33
(Including Deferred Tax and MAT Credit Entitlement)				
Profit After Tax	729.82	515.86	206.26	193.20
Add: Surplus brought forward	2,722.90	2,397.78	1,655.98	1,472.78
Less: Transfer to Minority Interest	219.77	171.25	-	-
Add: Adjustments on account of change in holding	14.20	-	-	-
Amount available for appropriations	3,218.75	2,742.39	1,862.24	1,665.98
Appropriations				
Transfer to General Reserve	19.47	19.47	10.00	10.00
Surplus retained in the Profit & Loss Account	3,199.29	2,722.90	1,852.24	1,655.98

TRANSFER TO RESERVES

The Company proposes to transfer Rs.10 Lacs to the General Reserve of the Company and retain Rs.1852.24 Lacs in the Statement of Profit and Loss.

REVIEW OF OPERATIONS

During the year 2016-17, fertiliser industry benefitted from the south west monsoon and reduction in raw material prices which further led to liquidation of the channel inventory.

During the year under review, the Company achieved turnover

of Rs. 8986 Lacs as against the previous year Rs. 11029 Lacs. The earnings before interest, depreciation and tax (EBIDTA) was Rs.755 Lacs against Rs. 802 Lacs of the previous year.

The company could achieve a consolidated turnover of Rs.45282 Lacs as compared to previous year's Rs. 46410 Lacs and Net Profit Before Tax of Rs.1050 Lacs for the year under review as against the previous year's consolidated Net Profit Before Tax of Rs. 825 Lacs. Inspite of fall in turnover the profitability ratio has improved.

MANAGEMENT DISCUSSION AND ANALYSIS

A report on Management Discussion and Analysis, which forms part of this Annual Report, inter-alia, deals with the operations as also current and future outlook of the company, is furnished separately.

DIRECTORS RESPONSIBILITY STATEMENT

Pursuant to the provisions of Section 134 (3) (c) and 134(5) of the Companies Act 2013, the Board of Directors of Shiva Global Agro Industries Limited make the following statements, to the best of their knowledge and belief and according to the information and explanations obtained by them:

- a) That in the preparation of the annual financial statements for the year ended March 31, 2017, the applicable accounting standards have been followed and there have been no material departures therefrom;
- b) That the accounting policies mentioned in Notes forming part of the Financials Statements have been selected and applied consistently and judgments and estimates have been made that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at March 31, 2017 and of the profits of the Company for the year ended on that date;
- c) That proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- d) That the annual financial statements have been prepared on a going concern basis;
- e) That proper internal financial controls have been laid down to be followed by the Company and such internal financial controls are adequate and operating effectively;
- f) That proper systems are in place to ensure compliance with the provisions of all applicable laws and such systems are adequate and operating effectively.

CONSOLIDATED FINANCIAL RESULTS:

Consolidated Financial Statements incorporating the operations of the Company and its subsidiaries is appended.

As required under the provisions of the Act, a statement showing the salient features of the financial statements of the subsidiaries in form AOC-1 is enclosed as an Annexure A to this Report.

However, the Accounts of the Subsidiary Companies and the related information will be made available to the Members of Shiva Global Agro Industries Limited and its Subsidiary Companies on request and will also be kept for inspection at the Registered Office of the Company.

SUBSIDIARY COMPANIES:

- i) **Shiva Parvati Poultry Feed Private Limited:**
The Company (a 51 % subsidiary) achieved a total turnover of Rs.15359.67 Lacs and earned Rs.124.23 Lacs of Profits After Tax.

- ii) **Ghatprabha Fertilizers Private Limited**
The Company (a 61.53% subsidiary) achieved a total turnover of Rs.4211.27 Lacs and earned Rs.51.79 Lacs of Profits After Tax.
- iii) **Shrinivasa Agro Foods Private Limited**
The Company (a 51.01 % subsidiary) achieved a total turnover of Rs.13142.89 Lacs and earned Rs.269.78 Lacs of Profits After Tax.
- iv) **Kirtiman Agrogenetics Limited**
The Company (a 64.50% subsidiary) achieved a total turnover of Rs.3641.78 Lacs and earned Rs.19.08 Lacs of Profits After Tax.

SAFETY, HEALTH AND ENVIRONMENT (SHE):

Company's focus on Safety, Health and Environment continued during the year under review across all locations with all manufacturing plants maintaining high safety standards. Your Company maintained high standards of environmental performances with all facilities operating well within norms. The overall safety environment continued to improve during the year under review.

PARTICULARS OF LOANS, GUARANTEES AND INVESTMENTS

Details of loans and guarantees given and investments made under Section 186 of the Act are given in the Notes to the Financial Statements.

FIXED DEPOSIT

Your Company is eligible to accept deposit from public pursuant to Section 73 of the Companies Act, 2013 ("the Act") and the Companies (Acceptance of Deposits) Rules, 2014 ("the Rules"). Pursuant to the Special Resolution passed by the members at the Annual General Meeting (AGM) of the Company held on September 30, 2014, the Board of Directors of the Company, approved the Fixed Deposit Scheme for acceptance of deposits from Members in accordance with the requirements of the Act and the Rules.

The Company has accepted deposits of Rs.72.70 Lacs during the year under review and total Rs.96.70 Lacs were outstanding as on March 31, 2017. There were no defaults in respect of repayment of any deposits or payment of interest thereon during the year under review.

The Company has not accepted any deposits which are not in compliance with the requirements of the Act.

The Company has no overdue deposits, other than the unclaimed deposits as at the end of the year under review.

PARTICULARS OF EMPLOYEES

A table containing the particulars in accordance with the provisions of Section 197(12) of the Act, read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, is appended as Annexure B to this Report.

The Company has no Employees whose salary exceeds

the limits prescribed under Rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.

EXTRACT OF THE ANNUAL RETURN

In accordance with Section 134(3)(a) of the Act, an extract of the Annual Return in the prescribed format is appended as Annexure C to this Report.

CORPORATE GOVERNANCE

The Company is committed to maintain high standards of Corporate Governance. As stipulated under the requirements of the Listing Agreement with Stock Exchanges, a report on Corporate Governance duly audited is appended as Annexure D for information of the Members. The requisite certificate from the Auditors of the Company confirming compliance with the conditions of Corporate Governance is attached to the Report on Corporate Governance.

DIRECTORS

In accordance with Article 31 of the Company's Articles of Association, read with Section 152 of the Companies Act, 2013, Mr. Deepak Shyamsunder Maliwal is retiring at the ensuing Annual General Meeting. Mr. Deepak Shyamsunder Maliwal, being eligible, offer himself for re-appointment.

All the Independent Directors of the Company have given declarations under sub-section (6) of Section 149 of the Act, and the same have been considered and taken on record by the Board.

FAMILIARISATION PROGRAMME FOR INDEPENDENT DIRECTORS

On their appointment, Independent Directors are familiarized about the Company's operations and businesses. Interaction with the Business Heads and key executives of the Company is also facilitated. Detailed presentations on the business of each of the Division are also made to the Directors. Direct meetings with the Chairman and the Managing Director are further facilitated for the new appointee to familiarize him/her about the Company/its businesses and the group practices.

The role, rights, duties and responsibilities of Independent Directors have been incorporated in the Letters of Appointment issued to them. The amendments / updates in statutory provisions are informed from time to time. The details of familiarisation programme as above are also disclosed on the Company's website.

NUMBER OF BOARD MEETINGS

A calendar of meetings is prepared and circulated in advance to the Directors. During the year 2016-17, Seven Board Meetings were held, the details of which are given in the Report on Corporate Governance.

INTERNAL FINANCIAL CONTROL SYSTEMS

The Company has adequate Internal Financial Controls commensurate with the nature, size, and complexity of the

businesses and operations. These are routinely tested and certified by Statutory as well as Internal Auditors. Significant audit observations and the follow up action are reported to the Audit Committee.

WHISTLE BLOWER POLICY

The Company believes in the conduct of the affairs of its constituents in a fair and transparent manner by adopting the highest standards of professionalism, honesty, integrity and ethical conduct. The Company has a Whistle Blower Policy which provides the employees, customers, vendors and directors an avenue to raise concerns on ethical and moral standards and legal provisions in conduct of the business operations of the Company.

The Whistle Blower Policy is also placed on the website of the Company at www.shivaagro.org.

PREVENTION OF SEXUAL HARASSMENT AT WORKPLACE POLICY

The Company has in place a Prevention of Sexual Harassment Policy in line with the requirements of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 (Act). An Internal Compliance Committee (ICC) has been set up to redress complaints received regarding sexual harassment. All employees are covered under this Policy. During the year 2016-17, there were no complaints received by the ICC.

BOARD EVALUATION

In accordance with the provisions of the Act and Clause 49 of the Listing Agreement, the Board has carried out evaluation of its own performance, the performance of Committees of the Board, namely, Audit Committee, Stakeholders Relationship Committee, and Nomination and Remuneration Committee and also the directors individually. The manner in which the evaluation was carried out and the process adopted has been mentioned out in the Report on Corporate Governance.

REMUNERATION POLICY

The Board has, on the recommendation of the Nomination & Remuneration Committee, framed a policy for selection and appointment of Directors, Senior Management and their remuneration. Salient features of the Remuneration Policy are set out in the Report on Corporate Governance.

RISK MANAGEMENT POLICY

The Company has constituted a Risk Management Committee. Details of constitution of the Committee and its terms of reference are set out in the Report on Corporate Governance. The Company has formulated a Risk Management Policy, under which various risks associated with the business operations are identified and the mitigation process are being taken up.

MATERIAL SUBSIDIARY POLICY

The Company has adopted a policy for determining material subsidiary, in line with the requirements of the Listing Agreement. The Policy on Material Subsidiary is available on the website of the Company.

RELATED PARTY TRANSACTIONS

All related party transactions that were entered into during the financial year were on arm's length basis and were in the ordinary course of business. There were no material significant related party transactions made by the Company with the Promoters, Directors, Key Managerial Personnel or the Senior Management which may have a potential conflict with the interest of the Company at large.

All related party transactions were placed before the Audit Committee / Board for approval. Prior approval of the Audit Committee was obtained for the transactions which are foreseen and are in repetitive in nature. The related party transactions entered into are reviewed by an independent audit firm to confirm that they were in the ordinary course of business and at arm's length basis. The Company has formulated a policy for Related Party Transactions which has been approved by the Board and is placed on the website of the Company.

None of the Directors had any pecuniary relationship or transactions with the Company, except the payments made to them in the form of remuneration, sitting fee and commission.

AUDIT COMMITTEE

The Audit Committee comprises of Mr. Deepak S. Maliwal, Chairman, Mr. Divakar Shetty and Mrs. Sandhya Maheshwari. All the recommendations made by the Audit Committee were accepted by the Board.

AUDITORS

M/s Aditya Falor & Associates, Chartered Accountants, were appointed as Auditors of the Company for a period of five years from the conclusion of the Annual General Meeting held on September 29, 2016. As required under the provisions of Section 139 of the Act, a resolution for the yearly ratification of their appointment is being placed before the shareholders for their approval.

COST AUDITORS

Pursuant to Section 148 of the Act, read with The Companies (Cost Records and Audit) Rules 2014, as amended, the cost records of the Company are required to be audited. Based on the recommendations of the Audit Committee,

your Board has appointed the following practicing Cost Accountants, Mr. Jayant B. Galande, to audit the cost records of the Company. The Cost Audit Report for the year 2015-16 has been filed with Ministry of Corporate Affairs within the prescribed time limit as per the Act.

SECRETARIAL AUDITOR

Pursuant to the provisions of Section 204 of the Act and the Companies (Appointment and Remuneration of Managerial Personnel) Rules 2014, the Board had appointed Mr. Pawan Kasat of M/s. PHK & Associates, Company Secretaries, to undertake the secretarial audit of the Company.

The report of the Secretarial Auditor is marked as Annexure E to this Report. The Secretarial Audit Report does not contain any qualification, reservation or adverse remark.

KEY MANAGERIAL PERSONNEL

Mr. Omprakash Gilda, Managing Director, Mr. Umesh Bang, Chief Financial Officer and Mrs. Rashmi Agrawal, Company Secretary are the Key Managerial Personnel (KMP) of the Company.

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNINGS AND OUTGO

The particulars as prescribed under Sub-section (3)(m) of Section 134 of the Act, read with Companies (Accounts) Rules, 2014, are enclosed as Annexure F to this Report.

ACKNOWLEDGEMENT

The Directors acknowledge and would like to place on record the commitment and dedication on the part of the employees of your Company for their continued efforts in achieving good results, in an adverse situation.

The Directors also wish to acknowledge and record their appreciation of the continued support and assistance received by the Company from Union Bank of India and other Banks, financial institutions, as well as from various Government bodies both at the Centre and the State.

By the order of the Board

Place: Nanded
Dated: 30th May, 2017

Omprakash Gilda
Managing Director