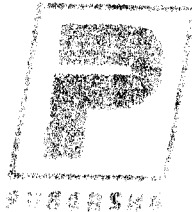


68TH

ANNUAL REPORT & ACCOUNTS

2015-2016



**PURBASHA RESOURCES LIMITED**



**PURBASHA RESOURCES LIMITED**  
**36TH ANNUAL REPORT & ACCOUNTS 2015-2016**

**BOARD OF DIRECTORS**

SHRI VIKASH AGARWAL BINJRAJKA  
SHRI RAMESH KUMAR LADDHA  
SHRI AMITABH KEJRIWAL  
SHRI LALIT PAREEK  
SHRI VITHIKA AGRAWAL BINJRAJKA  
SHRI RAMESH BANSAL  
— *Wholetime Director*

**AUDITORS**

AHMAD & NANAWATTY  
*Chartered Accountants*  
56 Elliot Road, Kolkata – 700 016

**REGISTERED OFFICE**

Purbasha House  
25, Park Lane, Kolkata - 700 016  
Phone : 2249 7567, Fax : 4062 5269  
E-mail : prl@purbasha.co.in  
Website : www.purbasha.in

**CIN : L65993WBI980PLC032908**

**SHARES LISTED ON**

CALCUTTA STOCK EXCHANGE

**SHARE REGISTRAR & TRANSFER AGENT**

Niche Technologies Pvt. Ltd.  
C-444, Bagree Market  
71, B.R.B.B. Road, Kolkata - 700 001  
Phone : 2234 3576  
E-mail : nichetechpl@nichetechpl.com



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## NOTICE

Notice is hereby given that the 36th Annual General Meeting of the Company will be held at 25, Park Lane, Kolkata – 700016 on Friday, 30th September, 2016, at 11.00 A.M. for transacting the following business.

### ORDINARY BUSINESS :

#### Item No. 1 – Adoption of Financial Statements

To receive, consider and adopt the audited Standalone and Consolidated Financial Statements of the Company for the Financial Year ended 31st March, 2016 along with report of Board of Directors and Auditors thereon.

#### Item No. 2 – Appointment of Director

To appoint a Director in place of Mr. Lalit Kumar Pareek (DIN: 01078494) who retires by rotation in terms of Section 152(6) of the Companies Act, 2013 and being eligible offers himself for reappointment.

#### Item No. 3 – Appointment of Auditors and fixing their remuneration

To appoint Mr. Alok Kumar Jain, Chartered Accountant (Membership No. 056239) as Statutory Auditor in place of retiring auditors M/s Ahmad & Nanawatty (FRN 322546E), Chartered Accountants, to hold office from the conclusion of this Meeting for 5 (five) consecutive years till the conclusion of the 41st Annual General Meeting of the Company to be held in the calendar year 2021 and in this regard, 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 139 of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014, (including any statutory modification(s) or re-enactment thereof and pursuant to the recommendations of the Audit Committee and the Board of Directors, Mr. Alok Kumar Jain, Chartered Accountant (Membership No. 056239), be and is hereby appointed as Statutory Auditor of the Company in place of retiring auditors M/S Ahmad & Nanawatty (FRN 322546E), Chartered Accountants, to hold office from the conclusion of this meeting for five years until the conclusion of the 41st Annual General Meeting to be held for the financial year ending 31st March, 2021, subject to ratification by the shareholders annually at a remuneration to be decided by the Audit Committee of the Board in consultation with the Auditors in addition to the service tax and actual out of pocket expenses incurred in connection with the audit of the accounts of the Company.

“**RESOLVED FURTHER THAT** any one of the Directors of the Company be and is hereby severally authorized to digitally sign the Form and Declaration and issue directions for filing of the same the Registrar of Companies, West Bengal.”

By Order of the Board

Sd/-

(VIKASH AGARWAL BINJRAJKA)

Whole-time Director

DIN : 00012978

Place : Kolkata

Date : 16th August, 2016



**NOTICE (Contd.)**

**Notes :**

1. **A MEMBER ENTITLED TO ATTEND AND VOTE AT THE ANNUAL GENERAL MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF/HERSELF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY.**

The proxy form duly completed and signed, should be deposited with the company, at its registered office at least 48 hours before the time of the meeting. Proxies are submitted on behalf of the Companies. A proxy form for the Annual General Meeting is enclosed.

A person can act as a proxy on behalf of the 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 members.

2. Corporate members intending to send their authorised representatives to attend the Meeting are requested to send to the Company a certified copy of the Board Resolution authorising their representative to attend and vote on their behalf in the meeting.
3. Pursuant to the provisions of Section 91 of the Companies act, 2013, the Register of Members and Share Transfer Books of the Company shall remain closed from Saturday, 24th September, 2016 to Friday, 30th September, 2016 (both days inclusive).
4. Members are requested to bring their copy of Annual Report at the Meeting and produce the enclosed attendance slip at the entrance to the place of the meeting.
5. All documents referred to in the accompanying Notice and the Explanatory Statement shall be open for inspection at the Registered Office of the Company on weekdays (3.00 p.m. to 5 p.m.) up to and including the date of the Annual General Meeting of the Company.
6. Members/proxies are requested to bring the attendance slips sent herewith duly signed for attending the meeting.
7. Copies of the Annual Report will not be distributed at the meeting. Members/proxies are requested to bring their copies of the same to the meeting.
8. The business set out in the Notice will be transacted through remote e-voting and ballot paper at the venue of the meeting and the Company is providing facility for the same. The complete details of the instructions for remote e- voting and voting at the venue of the AGM are annexed to this notice.
9. **VOTING THROUGH ELECTRONIC MEANS**
  1. In compliance with provisions of Section 108 of the Companies Act, 2013, Rule 20 of the Companies



**NOTICE (Contd.)**

(Management and Administration) Rules, 2014 as amended by the Companies (Management and Administration) Amendment Rules, 2015 and Regulation 44 of SEBI Listing Obligations & Disclosure Requirements Regulations, 2015, the Company is pleased to provide members facility to exercise their right to vote on resolutions proposed to be considered at the Annual General Meeting (AGM) by electronic means and the business may be transacted through e-Voting Services. The facility of casting the votes by the members using an electronic voting system from a place other than venue of the AGM ("remote e-voting") will be provided by Central Depository Services (India) Limited (CDSL).

II. 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. The members who have cast their vote by remote e-voting prior to the AGM may also attend the AGM but shall not be entitled to cast their vote again.

III. **The instructions for shareholders voting electronically are as under :**

- (i) The remote e-voting period commences on 27th September, 2016 (10:00 am) and ends on 29th September, 2016 (5:00 pm). During this period members' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date of 23rd September, 2016, may cast their vote by remote e-voting. The remote e-voting module shall be disabled by CDSL for voting thereafter. Once the vote on a resolution is cast by the member, the member shall not be allowed to change it subsequently.
- (ii) The shareholders should log on to the e-voting website [www.evotingindia.com](http://www.evotingindia.com) during the voting period.
- (iii) Click on "Shareholders" tab.
- (iv) Now Enter your User ID
  - a. For CDSL: 16 digits beneficiary ID,
  - b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
  - c. Members holding shares in Physical Form should enter Folio Number registered with the Company, excluding the special characters.
- (v) Next enter the Image Verification as displayed and Click on Login.
- (vi) If you are holding shares in demat form and had logged on to [www.evotingindia.com](http://www.evotingindia.com) and voted on an earlier voting of any company, then your existing password is to be used.



**NOTICE (Contd.)**

(vii) If you are a first time user follow the steps given below :

	For Members holding shares in Demat Form and Physical Form
<b>PAN</b>	Enter your 10 digit alpha-numeric PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders). <ul style="list-style-type: none"><li>• 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.</li><li>• 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.</li></ul>
<b>DOB</b>	Enter the Date of Birth as recorded in your demat account with the depository or in the company records for your folio in dd/mm/yyyy format
<b>Bank Account Number (DBD)</b>	Enter the Bank Account Number as recorded in your demat account with the depository or in the company records for your folio. <ul style="list-style-type: none"><li>• Please Enter the DOB or Bank Account Number in order to Login.</li><li>• If both the details are not recorded with the depository or company then please enter the member-id / folio number in the Bank Account Number details field as mentioned in above instruction ( iv ).</li></ul>

(viii) After entering these details appropriately, click on "SUBMIT" tab.

(ix) Members holding shares in physical form will then directly reach the Company selection screen. However, members holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.

(x) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.

(xi) Click on the EVSN for the relevant Company Name i.e. **PURBASHA RESOURCES 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.



**NOTICE** (Contd.)

- (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 Institutional Shareholders & Custodians :
- Institutional shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodians 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 they have to create a compliance user which should be created using the admin login and password. The Compliance user would be able to link the account(s) for which they wish to vote on.
  - The list of accounts should be mailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) and on approval of the accounts they would be able to cast their vote.
  - A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.
- (xix) In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions ("FAQs") and e-voting manual available at [www.evotingindia.com](http://www.evotingindia.com) under help section or write an email to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com). or contact them at 1800 200 5533.
- (xx) 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. iPhone and Windows phone users can download the app from the App Store and the Windows Phone Store respectively. Please follow the instructions as prompted by the mobile app while voting on your mobile.





**NOTICE** (Contd.)

10. The voting rights of shareholders shall be in proportion to their shares of the paid up equity share capital of the Company as on the cut-off date of 23rd September, 2016. A person who is not a member as on cut off date should treat this notice for information purpose only.
11. The notice of Annual General Meeting will be sent to the members, whose names appear in the register of members / beneficial owners position list provided by depositories as at closing hours of business, on 5th August, 2016.
12. Since the Company is required to provide members the facility to cast their vote by electronic means, shareholders of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date of 23rd September, 2016 and not casting their vote electronically, may only cast their vote at the Annual General Meeting.
13. Notice of the AGM along with attendance slip, proxy form along with the process, instructions and the manner of conducting e-voting is being sent electronically to all the members whose e-mail IDs are registered with the Company / Depository Participant(s). For members who request for a hard copy and for those who have not registered their email address, physical copies of the same are being sent through the permitted mode.
14. Investors who became members of the Company subsequent to the dispatch of the Notice / Email and holds the shares as on the cut-off date i.e. 23rd September, 2016 are requested to send the written / email communication to the Company at [prl@purbasha.co.in](mailto:prl@purbasha.co.in) by mentioning their Folio No. / DP ID and Client ID to obtain the Login-ID and Password for e-voting.
15. Ms. Amber Ahmad, Company Secretary in whole time practice (Certificate of Practice Number 8581) has been appointed as the Scrutinizer to scrutinize the remote e-voting process and voting at the AGM in a fair and transparent manner. The Scrutinizer will submit not later than 48 hours of the conclusion of the AGM, a consolidated Scrutinizer's Report of the total votes cast in favour or against, if any, to the Chairman of the Company or a person authorized by him in writing, who shall countersign the same and declare the result of the voting forthwith.
16. The Results declared along with the Scrutinizer's Report shall be placed on the Company's website [www.purbasha.in](http://www.purbasha.in) and on the website of CDSL. The same will be communicated to the stock exchange viz. Calcutta Stock Exchange Limited where the shares of the company are listed.

By Order of the Board

Sd/-

(VIKASH AGARWAL BINJRAJKA)

Whole-time Director

DIN : 00012978

Place : Kolkata

Date : 16th August, 2016



## INFORMATION

Information pursuant to Regulation 36(3) of the (Listing Obligations and Disclosure Requirements) Regulations 2015 on Directors recommended for appointment/reappointment at the 36th Annual General Meeting. Vide Item No.2 of the Notice as follows :

PARTICULARS	LALIT KUMAR PAREEK
DIN	01078494
Date Of Birth	18.04.1969
Date of appointment	21.04.2003
Qualification	B.COM
Experience	Mr. Lalit Kumar Pareek is a commerce graduate. He has been in this industry for more than 10 years. He has expert knowledge in the field of Finance and Management. He has vast experience of handling various business transactions and taking administrative decisions. He is also on board of several other Companies.
Directorship	1. Purbasha Resources Limited
	2. Ersa Textile Traders Limited
	3. Kotiratan Textiles Limited
	4. Nityadhara Sarees Limited
	5. Epic Marketing Company Private Limited
	6. Nirmalkunj Agritech Limited
	7. Maral Properties Private Limited
	8. Priyadarshni Housing Private Limited
	9. Ersa Pharma Traders Limited
	10. Stuti Initiative For Social Development
Membership & Chairmanship of Committees of Listed Entities(Including Audit Committee & Stakeholders Relationship Committee)	Chairman of Stakeholder Relationship Committee of Purbasha Resources Limited.
Number of shares held in the Company	500
Relationship with any director of the company	Not Applicable



## DIRECTORS' REPORT TO THE SHAREHOLDERS

Dear Shareholders,

### PERFORMANCE / OPERATIONS

The Directors have pleasure in presenting the 36th Annual Report together with the Audited Statement of Accounts of Purbasha Resources Limited ("the Company") and its subsidiaries for the year ended March 31, 2016.

### FINANCIAL PERFORMANCE

The summarized standalone and consolidated results of your Company and its associates/subsidiaries are given in the table below :

Rs. (in lacs)

Particulars	Financial Year ended			
	Standalone		Consolidated	
	31/03/2016	31/03/2015	31/03/2016	31/03/2015
Total Income	333.63	69.05	344.24	69.05
Profit/(loss) before Interest, Depreciation & Tax (EBITDA)	18.49	18.63	19.12	16.98
Finance Charges	-	-	-	-
Depreciation	1.24	1.18	1.25	1.18
Provision for Income Tax (including for earlier years)	2.25	1.07	2.66	0.65
Net Profit/(Loss) After Tax	14.99	16.38	66.23	117.34
Profit/(Loss) brought forward from previous year	70.11	67.87	171.09	67.87
Amount transferred consequent to Reserves	12.99	14.14	115.21	14.14
Profit/(Loss) carried to Balance Sheet	72.10	70.11	122.12	171.17

\*previous year figures have been regrouped/rearranged wherever necessary.

### OPERATIONAL REVIEW

During the year, the net revenue from operations of your Company increased from Rs. 69.05 Lacs to Rs. 333.63 Lacs. Your Company's profit after tax stood at Rs. 14.99 lacs vis-à-vis Rs. 16.38 lacs in the previous year.

### DIVIDEND

With a view to conserve resources the Company has not declared any dividend during the year.

### RESERVES

The Company proposes to carry Rs. 10,00,000/- to General Reserves and Rs.2,99,819/- to Statutory Reserves in terms of Section 45IC of RBI Act, 1934.



## **DIRECTORS' REPORT TO THE SHAREHOLDERS (Contd.)**

### **DEPOSITS**

Your company being a non deposit taking NBFC registered with RBI did not hold any public deposits at the beginning of the year nor has it accepted any public deposits during the year under review. The Board of Directors has duly passed a resolution in their meeting giving effect to the aforesaid statement.

### **CAPITAL/ FINANCE**

There has been no change in the Financial Structure of the Company during the year.

As on 31st March, 2016, the issued, subscribed and paid up share capital of your Company stood at Rs.3,00,10,000/-, comprising 30,01,000 Equity shares of Rs.10/- each.

### **EXTRACT OF ANNUAL RETURN**

Pursuant to section 92(3) of the Companies Act, 2013 ('the Act') and rule 12(1) of the Companies (Management and Administration) Rules, 2014, extract of annual return is Annexed as **(Annexure 1)**.

### **DETAILS OF BOARD MEETINGS**

During the year, 6(six) Board meetings as on 29th May, 2015, 29th July, 2015, 14th August, 2015, 29th October, 2015, 30th November, 2015 and 29th January, 2016 respectively and 4( four) Audit Committee meetings as on 29th May, 2015, 29th July, 2015, 29th October, 2015 and 29th January, 2016 and 1(one) Stakeholder's Committee on 29th October, 2015, & 1(one) Nomination & Remuneration Committee meeting on 29th October, 2015, were held and duly convened. The intervening gap between the Meetings was within the period prescribed under the Companies Act, 2013.

### **PARTICULARS OF LOAN, GUARANTEES AND INVESTMENTS UNDER SECTION 186**

Since your Company is a Non-Banking Financial Company (NBFC) registered with Reserve Bank of India having principal business of giving of loans and making investments in the ordinary course of business, the provisions of Section 186 of the Companies Act, 2013 do not apply to the Company.

### **PARTICULARS OF CONTRACTS OR ARRANGEMENTS WITH RELATED PARTIES**

Few contracts / arrangements / transactions were made in the ordinary course of business and on 'arm's length' basis with some of the related parties; and, therefore, the provisions of Section 188 of the Companies Act, 2013 do not apply to the said transactions. However, the Board advised, for the purpose of good governance, to enter the said transactions into the Register maintained under section 189 of the Companies Act, 2013 and also to disclose the same voluntarily in the Board's Report in the prescribed form. Therefore, the particulars of such contracts or arrangements with related parties for the Financial Year 2015-16 in the Form AOC-2 have been enclosed with the report as **(Annexure 2)**.

All proposed related party transactions were placed before the audit committee for approval at the beginning of the financial year. The transactions entered into pursuant to the approval so granted were placed before the audit committee for its review and ratification for modifications, if any, on a quarterly basis. None of the directors has any pecuniary relationship or transaction vis-à-vis the company.



## DIRECTORS' REPORT TO THE SHAREHOLDERS (Contd.)

Further the additional disclosure pursuant to Regulation 34(3) and 53(f) read with Para – A of Schedule – V of SEBI, Listing Obligations and Disclosure Requirements Regulations, 2015 is given in note no 17.2.b of notes to accounts.

Material changes and commitments, if any, affecting the financial position of the company which has occurred between the end of the financial year of the company to which the financial statements relate and the date of the report: The Company had four associate companies, which ceased to be associates during the financial year ended 31st March, 2016.

### COMPLIANCE WITH NON-BANKING FINANCIAL COMPANIES (RESERVE BANK) DIRECTIONS :

The Company has complied with relevant provisions of the Reserve Bank of India Act, 1934 and Non- Banking Financial (Non-Deposit Accepting or Holding) Companies Prudential Norms (Reserve Bank) Directions, 2007, as amended. The Company has also been submitting periodic returns and audited statements regularly.

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

Particulars as required under Section 134(3)(m) read with sub-rule 3(A) and (B) of Rule 8 of Companies (Accounts) Rules, 2014 regarding Conservation of Energy and Technology Absorption do not apply to the Company. There was no Foreign Exchange Earnings and Outgo during the FY 2015-16.

### SUBSIDIARIES, JOINT VENTURE OR ASSOCIATES :

As on 31st March, 2016 the Company does not have any Associate Company or joint venture company. The company has 5 (Five) subsidiary companies. Details of subsidiaries and associates which have now ceased to be associates are as under:

	Name	CIN	% of Shares Holding	Subsidiary / associate / joint venture
1.	Ersa Pharma Traders Limited	U74900WB2015PLC205820	100.00%	Subsidiary
2.	Ersa Textile Traders Limited	U17291WB2015PLC205823	100.00%	Subsidiary
3.	Kotiratan Textiles Limited	U17291WB2015PLC205854	100.00%	Subsidiary
4.	Nirmalkunj Agritech Limited	U51909WB2015PLC205885	100.00%	Subsidiary
5.	Nityadhara Sarees Limited	U17291WB2015PLC205886	100.00%	Subsidiary
6.	Geo Nutri Foods Private Limited	U15500WB2011PTC164583	42.55%	Associate till 10.03.16
7.	Epic Alloy Steel Private Limited	U13209CT2003PTC016111	31.73%	Associate till 10.03.16
8.	Vihar Vanijya Private Limited.	U51109WB1995PTC075049	31.78%	Associate till 27.10.15
9.	Epic Marketing Co. Pvt. Ltd.	U51109WB1992PTC054938	28.52%	Associate till 10.03.16



## **DIRECTORS' REPORT TO THE SHAREHOLDERS (Contd.)**

We have, in accordance with Section 129(3) of the Companies Act, 2013 prepared consolidated financial statements of the Company and all its subsidiaries, which form part of the Annual Report. Further, the report on the performance and financial position of each of the subsidiary and salient features of the financial statements in the prescribed Form AOC-1 is annexed to this report (**Annexure 3**).

In accordance with Section 136 of the Companies Act, 2013, the audited financial statements, including the consolidated financial statements and related information of the Company and audited financial statements of each of the subsidiary will be available on our website [www.purbasha.in](http://www.purbasha.in). These documents will also be available for inspection during business hours at the registered office of the Company.

### **Risk Management Policy :**

The Company's business exposure to the normal financial and market risks continue to be monitored and managed by experienced people commensurate with the volume of business activities and the perceived risk requirements.

### **Directors and Key Managerial Personnel :**

Mr. Lalit Kumar Pareek (DIN 01078494), Non-Executive Director of the Company, will retire by rotation at the ensuing Annual General Meeting and being eligible offers himself for re-appointment.

The statement containing the disclosure as required in accordance with the provisions of Section 197(12) of the Companies Act 2013 read with rule 5 (1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 is annexed as Annexure 4 and forms a part of the Board Report.

Further, none of the employees of the Company are in receipt of remuneration exceeding the limit prescribed under Rule 5 (2) of the Companies (Appointment and Remuneration of (Managerial Personnel) Rules, 2014, so statement pursuant to Section 197(12) of the Companies Act 2013 read with rule 5(2) and 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 is not required to be included.

Brief resumes in terms of Regulation 36(3) of the (Listing Obligations and Disclosure Requirements) Regulations 2015 of the Director being reappointed forms part of the notice of the ensuing Annual General Meeting.

### **Details of significant & material orders passed by the regulators or courts or tribunal :**

No such orders have been passed which has impact on the going concern status and company's operations in future.

### **Internal financial controls :**

The Company has adequate internal financial controls that commensurate with the size and nature of its business. The company has appointed internal auditors whose reports are reviewed by the Audit Committee of the Board. The Audit Committee of the Board periodically reviews the internal control systems/procedures for their adequacy and the extent of their implementation.

### **Declaration by Independent Director :**

The Company has received necessary declaration from each of the Independent Directors under section 149(7)



## DIRECTORS' REPORT TO THE SHAREHOLDERS (Contd.)

of the Companies Act, 2013 to the effect that the respective Director meets the criteria of independence laid down under Section 149 (6) of the Companies Act, 2013 read with Companies (Appointment & Qualification of Directors) Rules, 2014 and SEBI Listing Obligations & Disclosure Requirements, Regulations, 2015.

Receipt of any commission by MD / WTD from a Company or for receipt of commission / remuneration from its Holding or subsidiary: No such commission has been received.

### Corporate Social Responsibility (Policy) :

The provisions of Section 135 of the Companies Act, 2013 is not applicable to the Company.

### Audit Committee :

The details of composition of the Committees of the Board of Directors are as under :

**The Audit committee comprises of 2 Non-Executive Independent Directors and 1 Executive Whole-time Director, all of whom are financially literate. The composition of audit committee is as under :**

Sl. No.	Name	Chairman/ Members
1	Mr. Amitabh Kejriwal	Chairman, Non Executive Independent Director
2	Mr. Ramesh Kumar Ladha	Member, Non-Executive Independent Director
3	Mr. Vikash Agarwal Binjrajka	Member, Whole-time Director

During the year, the Committee had met on 29th May, 2015, 29th July, 2015, 29th October, 2015 and 29th January, 2016.

**Statement Indicating the Manner in which Formal Annual Evaluation has been made by the Board of its own Performance, its Directors, and that of its Committees :**

### Board Evaluation

Pursuant to the provisions of the Companies Act, 2013 and SEBI Listing Obligations & Disclosure Requirements, Regulations, 2015, the Board has carried out the annual performance evaluation of its own performance, the Directors individually as well as the evaluation of the working of its Audit, Appointment and Remuneration Committees. A structured questionnaire was prepared after taking into consideration inputs received from the Directors, covering various aspects of the Board' functioning such as adequacy of the composition of the Board and its Committees, Board culture, execution and performance of specific duties, obligations and governance.

A separate exercise was carried out to evaluate the performance of individual Directors including the Chairman of the Board, who were evaluated on parameters such as level of engagement and contribution, independence of judgment, safeguarding the interest of the Company and its minority shareholders etc.

The performance evaluation of the Independent Directors was carried out by the entire Board. The performance evaluation of the Chairman and the Non- Independent Directors was carried out by the Independent Directors



## **DIRECTORS' REPORT TO THE SHAREHOLDERS (Contd.)**

who also reviewed the performance of the Secretarial Department. The Directors expressed their satisfaction with the evaluation process.

### **Nomination & Remuneration Committee 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.

- (a) The Nomination and Remuneration Committee has adopted a policy which deals with manner of selection of individuals who are qualified to become Directors, CEO & Managing Director as well as senior management and their remuneration as per the said policy.
- (b) Criteria of selection of Non Executive Directors

The Non Executive Directors shall be of high integrity with relevant expertise and experience so as to have a diverse Board with Directors having expertise in the fields of manufacturing, marketing, finance, taxation, law, governance and general management. In case of appointment of Independent Directors, the Committee shall satisfy itself with regard to the independent nature of the Directors vis-à-vis the Company so as to enable the Board to discharge its function and duties effectively. The Committee shall ensure that the candidate identified for appointment as a Director is not disqualified for appointment under Section 164 of the Companies Act, 2013. The Committee shall consider the following attributes / criteria, whilst recommending to the Board the candidature for appointment as Director.

- i. Qualification, expertise and experience of the Directors in their respective fields;
- ii. Personal, Professional or business standing;
- iii. Diversity of the Board.

In case of re-appointment of Non Executive Directors, the Board shall take into consideration the performance evaluation of the Director and his engagement level.

The Committee met once during the year on 29.10.2015 and all three members attended the meeting.

### **Vigil Mechanism /Whistle blower policy :**

The company has adopted a Whistle Blower Policy, for employees to report about any unethical behaviour, actual or suspected fraud or violation of the company's ethics policy. No personnel have been denied access to the Chairman of the Audit Committee.

### **Code of conduct :**

The Board of Directors has approved a Code of Conduct which is applicable to the Members of the Board and all employees and senior members staff. The Board members and senior members staff have affirmed compliance with said code of conduct. The declaration of Chief Finance Officer of the Company in regarding affirmation of code of conduct is attached as (Annexure 6).



