

**BOBSHELL ELECTRODES LIMITED**

**20<sup>th</sup> Audited Annual Report**

FOR THE YEAR 2013 - 14

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COMPANY REGISTRATION NO. : 04-023275

CIN NO. : L29308GJ1994PLC023275

Registered with Registrar of Companies, Gujarat State

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**BOBSHELL ELECTRODES LIMITED**

REGISTERED OFFICE

B-505, FAIRDEAL HOUSE, OPP. : ST. XAVIERS' LADIES HOSTEL,  
SWASTIK CHAR RASTA, NAVRANGPURA, AHMEDABAD-380009.

Email ID: [bobshellelectrodes@yahoo.co.in](mailto:bobshellelectrodes@yahoo.co.in)

## **20th ANNUAL GENERAL MEETING PROGRAMME**

**DATE :** 30<sup>th</sup> SEPTEMBER, 2014  
**DAY :** Tuesday  
**TIME :** 11.00 A.M.  
**VENUE :** Corporate office of the Company at  
802, 8<sup>th</sup> Floor, Swagat Building,  
Near Lal Bunglow,  
C.G.Road, Ellisbridge,  
Ahmedabad: 380 006.

### **NOTE TO SHAREHOLDER :**

As a measure of economy, copies of the Annual Report will not be distributed at the Annual General Meeting, Shareholders are requested to kindly bring their copies to the meeting.

### **DISCLAIMER STATEMENT :**

THIS AUDITED ANNUAL REPORT CONTAINING AUDITED BALANCE SHEET, PROFIT & LOSS ACCOUNT, SCHEDULES, NOTES TO THE ACCOUNTS FOR THE FINANCIAL YEAR ENDED 31/03/2014 AND THE DOCUMENTS ATTACHED THERETO I.E REPORT OF THE AUDITORS, BOARD OF DIRECTORS, REPORT ON THE CORPORATE GOVERNANCE AND ANY OTHER ATTACHMENTS ARE PREPARED IN ACCORDANCE WITH THE PROVISIONS OF THE COMPANIES ACT 1956 AS PER GENERAL CIRCULAR 08/2014 ISSUED VIDE LETTER NO. 1/19/2013-CL-V DATED 04.04.2014 AND APPLICABLE PROVISIONS OF VARIOUS SECTIONS OF COMPANIES ACT 2013 WHICH WERE MADE APPLICABLE W.E.F 12/09/2013. HOWEVER IN PREPARATION OF THIS REPORT AT SOME PLACES A REFERENCE OF VARIOUS SECTIONS OF COMPANIES ACT 2013 ARE ALSO MADE AS AN ABUNDUNT CAUTION.

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**BOARD OF DIRECTORS**

<b>Shri Shailesh. M. Joshi</b>	Chairman and Managing Director
<b>Shri Kashyap. P. Pathak</b>	Director
<b>Shri Kamlesh M. Shah</b>	Additional Director
<b>Shri Anish D. Bodawala</b>	Additional Director

**COMPANY SECRETARY (COMPANY LAW CONSULTANT)**

**M/s Bharatkumar Tank & Associates**

Company Secretaries,  
9-D, 10th Floor, Sumeru Centre, Nr. Parimal Crossing,  
C. G. Road, Paldi, Ahmedabad - 380 007.

**BANKERS OF THE COMPANY**

Union Bank of India, Industrial Finance Branch, Ahmedabad  
State Bank of Saurashtra, Sikka  
Dena Bank, Wanakbori  
Bank FD A/C  
Bank of Baroda, Dhuvaran  
Bank of Baroda, Ukai

**STATUTORY AUDITORS**

**DJNV & CO.**

Chartered Accountants  
58, White House, Panchvati Circle  
C.G. Road, Ellisbridge, Ahmedabad - 380006

**LISTING AT**

**MUMBAI**

The Stock Exchange Mumbai  
25<sup>th</sup> Floor, P.J. Towers, Dalal Street Fort, Mumbai - 400001.

**REGISTRAR & SHARE TRANSFER AGENTS**

**(Electronics Connectivity Only)**

SHAREPRO SERVICES (INDIA) PVT. LTD  
13/A-B, Samhita Warehousing Complex,  
2nd Floor, Sakinaka Telephone Exchange,  
Off Andheri-Kurla Road, Sakinaka,  
Andheri East, Mumbai-400072.

**SHARE DEPARTMENT**

802, Swagat Building,.  
8<sup>th</sup> Floor, C. G. Road,  
Ellisbridge,  
Ahmedabad - 380 006.

**COMPLIANCE OFFICER**

Mr. Shailesh. M. Joshi,  
Chairman and Managing Director  
802, Swagat Building, 8<sup>th</sup> Floor,  
C.G.Road, Ellisbridge, Ahmedabad-380006.

**NOTICE**

(Note: The business of meeting may be transacted through electronic voting system. For detailed information please refer note no. 14)

Notice is hereby given to the Members of **Bobshell Electrodes Limited** that the **20th Annual General Meeting** of the Members of the Company will be held on Tuesday the 30th September, 2014 at 11.00 A.M. at the Corporate Office of the Company at 802, 8th Floor, Swagat Building, Near Lal Bunglow, C. G. Road, Ellisbridge, Ahmedabad: 380 006 to transact the following Business.

**ORDINARY BUSINESS :**

- (1) To Receive, Consider, Approve and Adopt the Audited Statement of Accounts i.e. The Audited Balance Sheet as at 31.03.2014, the Profit and Loss Account for the year ended on that date, the Report of the Auditors and Director thereon.
- (2) To Appoint a Director in Place of Shri Shailesh M. Joshi who retires by rotation at this Annual General Meeting and being eligible offers himself for reappointment.
- (3) To Consider and if thought fit to pass with or without modification following Resolution as an ORDINARY RESOLUTION:

RESOLVED THAT pursuant to provisions of Section 139 (1) and other applicable provisions of the Companies Act 2013 (Corresponding provisions of Section 224(1B) of the Companies Act 1956) read with Rule 4 and 6 of the Companies (Audit and Auditors) Rules 2014 as in force, the consent of the members of the Company be and is hereby accorded to the Appointment of M/s. DJNV & Co., a firm of Chartered Accountants (CA FIRM Registration Number:115145W and CA Member No: 40650), as Statutory Auditors of the Company for the next three financial years i.e. for the financial years 2014-15, 2015-16 and 2016-17 and to fix their remuneration as per section 139(2) of the Companies Act 2013.

**SPECIAL BUSINESS :**

- (4) To Consider and if thought fit to pass following resolution as Ordinary Resolution.

To appoint Mr. Kamlesh M. Shah (holding DIN 00013228) as a Director of the Company.

RESOLVED THAT pursuant to the provisions of Section 161(1) of the Companies Act, 2013 (corresponding to Section 260 of the Companies Act, 1956) and the relevant article of Articles of Association of the Company Mr. Kamlesh M. Shah (holding DIN 00013228) who was appointed as an Additional Director of the Company by the Board of Directors with effect from 31st August, 2013 and whose term of office expires at the ensuing Annual General Meeting and in respect of whom the Company has received a notice in writing from a member proposing his candidature for the office of Director, be and is hereby appointed as a Director of the Company whose period of office shall be liable to determination by retirement of Directors by rotation.

RESOLVED FURTHER THAT particulars of

appointment as Director of Mr. Kamlesh M. Shah be entered in the statutory Register of Directors maintained by the company under section 170 of the Companies Act 2013 and all other statutory records of the company.

RESOLVED FURTHER THAT Mr. Shailesh M. Joshi, Chairman and Managing Director (DIN: 01453505) of the company be and is hereby authorized, empowered and instructed to file necessary form in the office of the Registrar of Companies under his digital signature, and Mr Bharatkumar Tank, a Practicing Company Secretary of M/s. B. Kumar Tank & Associates., be and is hereby requested to certify such forms under his digital signature, and also to intimate all other statutory authorities in time about changes in the constitution of the board of directors of the company within time with necessary supporting documents.

- (5) To Consider and if thought fit to pass following resolution as Ordinary Resolution.

To appoint Mr. Anish D. Bodawala (holding DIN 02197407) as a Director of the Company.

RESOLVED THAT pursuant to the provisions of Section 161(1) of the Companies Act, 2013 (corresponding to Section 260 of the Companies Act, 1956) and the relevant article of Articles of Association of the Company Mr. Anish D. Bodawala (holding DIN 02197407) who was appointed as an Additional Director of the Company by the Board of Directors with effect from 31st August, 2013 and whose term of office expires at the ensuing Annual General Meeting and in respect of whom the Company has received a notice in writing from a member proposing his candidature for the office of Director, be and is hereby appointed as a Director of the Company whose period of office shall be liable to determination by retirement of Directors by rotation.

RESOLVED FURTHER THAT particulars of appointment as Director of Mr. Anish D. Bodawala be entered in the statutory Register of Directors maintained by the company under section 170 of the Companies Act 2013 and all other statutory records of the company.

RESOLVED FURTHER THAT Mr. Shailesh M. Joshi, Chairman and Managing Director (DIN: 01453505) of the company be and is hereby authorized, empowered and instructed to file necessary form in the office of the Registrar of Companies under his digital signature, and Mr Bharatkumar Tank, a Practicing Company Secretary of M/s. B. Kumar Tank & Associates., be and is hereby requested to certify such forms under his digital signature, and also to intimate all other statutory authorities in time about changes in the constitution of the board of directors of the company within time with necessary supporting documents.

**BY ORDER OF THE BOARD OF DIRECTORS  
OF BOBSHELL ELECTRODES LIMITED**

**DATE : 27th May, 2014  
PLACE : AHMEDABAD**

**(SHAILESH M. JOSHI)  
CHAIRMAN AND  
MANAGING DIRECTOR**

**The Register of Members of the Company will remain closed from 26/09/2014 TO 30/09/2014 (both days inclusive).**

**NOTES :**

- 1) A Member of the Company entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and vote and that a proxy need not be a member of the company.
- 2) Proxies in order to be effective must be received at the Company's Registered Office not less than 48 hours before the meeting. Proxies submitted on behalf of limited companies, societies, Trusts, etc., must be backed by appropriate resolution / authority as applicable, issued on behalf of the nominating organization.
- 3) A person can act as proxy on behalf of members not exceeding fifty (50) and holding in the aggregate not more than ten percent of the total share capital of the Company. 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.
- 4) The Register of members and share transfer books of the Company shall remain closed from 26/09/2014 TO 30/09/2014 (Both days inclusive) as per the provisions of section 154 of the Companies Act 1956 and the provisions of the Clause 16 of the Listing Agreement.
- 5) The Explanatory Statement pursuant to Section 102 of the Companies Act, 2013, which sets out details relating to Special Business at the meeting, is annexed hereto.
- 6) Members desiring any information on accounts are requested to write to the company 7 days before the meeting to enable the management to keep the information ready.
- 7) Shareholders holding shares in physical form are requested to advise any change of address immediately to Company's Registrar and Share Transfer Agent, Sharepro Services (India) Pvt. Ltd. Shareholders holding shares in electronic form must advise to their respective depository participants about change in address and not to company.
- 8) All shareholders are requested to dematerialize their shareholding immediately as the shares are traded compulsorily in demat segment only.
- 9) The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in securities market. Members holding shares in electronic form are, therefore, requested to submit the PAN to their Depository Participants with whom they are maintaining their demat accounts. Members holding shares in physical form can submit their PAN details to the Company.
- 10) All documents referred to in the accompanying Notice and the Explanatory Statement shall be open for inspection at the Registered Office of the Company during normal business hours (10.00 am to 5.00 pm) on all working days except Saturdays, up to and including the date of the Annual General Meeting of the Company
- 11) The Notice of the Annual General Meeting and Annual Report of the Company for the year ended 31st March, 2014 is uploaded on the Company's website [www.bobshell.net](http://www.bobshell.net) and may be accessed by the members.
- 12) Electronic copy of the Annual Report for 2013-14 is being sent to all the members whose email IDs are registered with the Company / Depository Participants(s) for communication purposes unless any member has requested for a hard copy of the same. For members who have not registered their email address, physical copies of the Annual Report for 2013-14 is being sent in the permitted mode.
- 13) Electronic copy of the Notice of the Annual General Meeting of the Company inter alia indicating the process and manner of e-voting along with Attendance Slip and Proxy Form is being sent to all the members whose email IDs are registered with the Company / Depository Participants(s) for communication purposes unless any member has requested for a hard copy of the same. For members who have not registered their email address, physical copies of the Notice of the Annual General Meeting of the Company inter alia indicating the process and manner of e-voting along with Attendance Slip and Proxy Form is being sent in the permitted mode.
- 14) Instructions for e-voting:  
In compliance with provisions of Section 108 of the Companies Act, 2013 and Rule 20 of the Companies (Management and Administration) Rules, 2014 read with clause 35B of the Listing Agreement, the Company is pleased to provide members facility to

exercise their right to vote at the 20th Annual General Meeting (AGM) by electronic means and the business may be transacted through e-Voting Services provided by Central Depository Services (India) Limited (CDSL):

**In case of members receiving e-mail:**

- (i) Log on to the e-voting website [www.evotingindia.com](http://www.evotingindia.com)
- (ii) Click on “Shareholders” tab.
- (iii) Now, select the “COMPANY NAME” i.e. BOBSHELL ELECTRODES LIMITED from the drop down menu and click on “SUBMIT”
- (iv) Now Enter your User ID
  - a. For CDSL: 16 digits beneficiary ID,
  - b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
  - c. Members holding shares in Physical Form should enter Folio Number registered with the Company.
- (v) Next enter the Image Verification as displayed and Click on Login.
- (vi) If you are holding shares in demat form and had logged on to [www.evotingindia.com](http://www.evotingindia.com) and voted on an earlier voting of any company, then your existing password is to be used.
- (vii) If you are a first time user follow the steps given below:

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#	Enter the Dividend Bank Details as recorded in your demat account or in the company records for the said demat account or folio.
	<ul style="list-style-type: none"> <li>• 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.</li> </ul>

- (viii) After entering these details appropriately, click on “SUBMIT” tab.
- (ix) Members holding shares in physical form will then reach directly 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. BOBSHELL ELECTRODES 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

<b>For Members holding shares in Demat Form and Physical Form</b>	
PAN*	Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department (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>

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 changed password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
- Institutional shareholders (i.e. other than Individuals, HUF, NRI etc.) are required to log on to <https://www.evotingindia.co.in> and register themselves as Corporates.
  - They should submit a scanned copy of the Registration Form bearing the stamp and sign of the entity to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).
  - After receiving the login details they have to create a user who would be able to link the account(s) 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.
  - They should upload a scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, in PDF format in the system for the scrutinizer to verify the same.

**In case of members receiving the physical copy:**

Please follow all steps from sl. no. (i) to sl. no. (xvii) above to cast vote.

**General Instructions:**

- A. The voting period begins on 26th September 2014 at 10.00 a.m. and ends on 28th September 2014 at 06.00 p.m. During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date (record date) of 31st August 2014, may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
- B. 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.co.in](http://www.evotingindia.co.in) under help section or write an email to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).
- C. Mr. Bharatkumar Tank , Practicing Company Secretary, (Membership No. A20605 and COP No. 7563) (Address: 9-D, 10TH Floor, Sumeru Centre, Nr. Parimal Crossing, C. G. Road, Paldi, Ahmedabad: 380 009, Gujarat, India, has been appointed as the Scrutinizer to scrutinize the evoting process in a fair and transparent manner.
- D. The Scrutinizer shall unblock the votes in the presence of at least two (2) witnesses not in the employment of the Company and make a Scrutinizer's Report of the votes cast in favour or against, if any, forthwith to the Chairman of the Company.
- E. The Results declared along with the Scrutinizer's Report shall be placed on the Company's website [www.bobshell.net](http://www.bobshell.net) and on the website of CDSL within two(2) days of passing of the resolutions at the AGM of the Company and communicated to the BSE Limited.

**BOBSHELL ELECTRODES LIMITED**

**INFORMATION ABOUT THE DIRECTORS WHO ARE PROPOSED TO BE APPOINTED/RE-APPOINTED AT THE 20th ANNUAL GENERAL MEETING AS PER CLAUSE 49 OF THE LISTING AGREEMENT FORMING PART OF THE NOTICE CONVENING THE ANNUAL GENERAL MEETING OF THE COMPANY.**

<b>Particulars</b>	<b>Mr. Shailesh M. Joshi</b>
Director Identification Number.	01453505
Date of Birth.	19/11/1958
Age.	55 years
Educational Qualification.	B.E. (Mech.)
Experience (No. of Years)	18 years
Business field in which Experience.	He has vast experience in Business of manufacturing and marketing special purpose low heat Input Welding Electrodes for more than 18 years
Date of Appointment as Director in the Company.	14/10/1994
Directorship held in any other Company.	Birmingham Thermotech Limited
Member of any Committees of the Directors in the Company.	N.A.
Member of any committees of the Directors in other Companies with names of the Company.	N.A.
Member of any Trade Association/ Charitable Organization/ NGOs etc.	N.A.
<b>Particulars</b>	<b>Mr. Kamlesh M. Shah</b>
Director Identification Number.	00013228
Date of Birth.	22/06/1963
Age.	51 years
Educational Qualification.	B.Com, LLB, CS
Experience (No. of Years)	22 years
Business field in which Experience.	He is a Practicing Company Secretary. He has been working in this field for more than 22 years.
Date of Appointment as Director in the Company.	31/08/2013
Directorship held in any other Company.	Tristar Organisers Private Limited
Member of any Committees of the Directors in the Company.	- Audit Committee (Chairman)
	- Stakeholders Relationship Committee (Chairman)
	- Remuneration Committee (Chairman)
Member of any committees of the Directors in other Companies with names of the Company.	N.A.
Member of any Trade Association/ Charitable Organization/ NGOs etc.	N.A.
<b>Particulars</b>	<b>Mr. Anish D. Bodawala</b>
Director Identification Number.	02197407
Date of Birth.	24/10/1980
Age.	33 years
Educational Qualification.	M.Com., PGDHRM
Experience (No. of Years)	10 years
Business field in which Experience.	He has experience working in departments like customer service, business development, HR operations in telecom & HR domain for more than 10 years.
Date of Appointment as Director in the Company.	31/08/2013
Directorship held in any other Company.	N.A.
Member of any Committees of the Directors in the Company.	- Audit Committee (Member)
	- Stakeholders Relationship Committee (Member)
	- Remuneration Committee (member)
Member of any committees of the Directors in other Companies with names of the Company.	N.A.
Member of any Trade Association/ Charitable Organization/ NGOs etc.	N.A.



**AN EXPLANATORY STATEMENT PURSUANT TO THE PROVISIONS OF SECTION 102 OF THE COMPANIES ACT, 2013 TO THE RESOLUTIONS MENTIONED UNDER THE HEAD SPECIAL BUSINESS OF THE NOTICE CONVENING THE 20TH ANNUAL GENERAL MEETING.**

**ITEM NO 4 : APPOINTMENT OF MR. KAMLESH M. SHAH AS A DIRECTOR OF THE COMPANY**

The Board of Directors of the Company appointed, pursuant to the provisions of Section 161(1) of the Companies Act, 2013 and the relevant article of Articles of Association of the Company, Mr. Kamlesh M. Shah as an Additional Director of the Company with effect from 31st August, 2013. In terms of the provisions of Section 161(1) of the Act, Mr. Kamlesh M. Shah would hold office up to the date of the ensuing Annual General Meeting.

The Company has received a notice in writing from a member along with the deposit of requisite amount under Section 160 of the Act proposing the candidature of Mr. Kamlesh M. Shah for the office of Director of the Company. Mr. Kamlesh M. Shah is not disqualified from being appointed as a Director in terms of Section 164 of the Act.

The Board considers that the appointment of Mr. Kamlesh M. Shah as a Director of the Company would be of immense benefit to the Company keeping in view his vast expertise and knowledge. Accordingly, the Board of Directors recommends his appointment as a Director of the Company whose period of office is liable to determination by retirement of directors by rotation.

Except Mr. Kamlesh M. Shah, no other Directors may be deemed to be interested or concerned in the proposed resolution.

**ITEM NO 5 : APPOINTMENT OF MR. ANISH D. BODAWALA AS A DIRECTOR OF THE COMPANY**

The Board of Directors of the Company appointed, pursuant to the provisions of Section 161(1) of the Companies Act, 2013 and the relevant article of Articles of Association of the Company, Mr. Anish D. Bodawala as an Additional Director of the Company with effect from 31st August, 2013. In terms of the provisions of Section 161(1) of the Act, Mr. Anish D. Bodawala would hold office up to the date of the ensuing Annual General Meeting.

The Company has received a notice in writing from a member along with the deposit of requisite amount under Section 160 of the Act proposing the candidature of Mr. Anish D. Bodawala for the office of Director of the Company. Mr. Anish D. Bodawala is not disqualified from being appointed as a Director in terms of Section 164 of the Act.

The Board considers that the appointment of Mr. Anish D. Bodawala as a Director of the Company would be of immense benefit to the Company keeping in view his vast expertise and knowledge. Accordingly, the Board of Directors recommends his appointment as a Director of the Company whose period of office is liable to determination by retirement of directors by rotation.

Except Mr. Anish D. Bodawala, no other Directors may be deemed to be interested or concerned in the proposed resolution.

**DIRECTORS' REPORT**

To,  
The Members,  
**BOBSHELL ELECTRODES LIMITED**

Dear Shareholders,

Your directors have pleasure in presenting herewith the 20th Audited Annual Report for the year ended on 31st March, 2014 of your Company.

**FINANCIAL HIGHLIGHT :**

The Financial performance of the company during the year is as under:

<b>PARTICULARS</b>	<b>FOR THE YEAR ENDED ON 31/03/2014</b>	<b>FOR THE YEAR ENDED ON 31/03/2013</b>
Income From Sales(Net)	2,67,86,479	3,08,33,565
Other Income	8,52,679	8,17,445
Total Income.	2,76,39,158	3,16,51,010
Total Expenses	2,81,83,401	3,23,81,709
Profit Before Tax	(5,44,243)	(7,30,699)
Depreciation	9,30,138	7,90,717
Adjustment For Tax	0	0
Provision for FBT.	0	0
Profit / (Loss) After Tax.	(6,22,242)	(8,17,485)
Deferred Tax (Assets) Liability	77,999	86,786
Net Profit / (Loss) for the Year	(6,22,242)	(8,17,485)
Previous Year Balance B/F	(2,36,20,799)	(2,28,68,086)
Balance Carried to Balance Sheet	(2,50,60,526)	(2,44,38,284)
Earning Per Share (In Rupees)	(0.10)	(0.14)

**DIVIDEND :**

Due to negative Earning Per share, loss brought forward from the last year and loss after differed tax provision, your Directors do not recommend any amount to be paid as a dividend.

**TRANSFER OF UNPAID/ UNCLAIMED DIVIDEND :**

The Company does not have any outstanding unpaid/unclaimed dividend which is required to be transferred to the Investors Education and Protection funds as per the provision of Section 205C of the Companies Act, 1956. The Company does not have any outstanding liability on account of Interest and Principal on Deposits, Debentures or Share Application Money.

**BUY BACK OF SHARES :**

The Company had not made any Buy Back of its paid up equity shares during the year in terms of section 77A,

77AA and 77B of the Companies Act 1956. Hence no specific disclosure is required to be made in this report.

**SHARE CAPITAL STRUCTURE :**

There was no change in total value of Authorized, Issued, Subscribed and Paid up Share Capital Structure of the Company.

**YEAR UNDER REVIEW :**

During the year under review your company has earned a Total income of Rs 2,76,39,158 (Previous Year of Rs. 3,16,51,010), After deduction of all Expenses of Rs. 2,81,83,401 (Previous year Rs. 3,23,81,709) your company has incurred a net loss of Rs. 6,22,242/- (Previous Year Operating Loss of Rs. 8,17,485/-) which is carried to balance sheet. At the year end, total accumulated losses were at Rs. 2,50,60,526/-(Previous year were at Rs. 2,44,38,284). The Company still holds positive net worth and is not a sick Industry. During the year, the company has repaid all its bank's liabilities and there is no interest liability for next financial year. This will add the profitability of the company. Further the improved cash flow in the company will entitle it negotiate further for raw material cost and ultimately improve the possibilities of earning profit margin on per unit of production.

**COMPLIANCE TO CODE OF CORPORATE GOVERNANCE (CLAUSE 49 OF THE LISTING AGREEMENT)**

The present Board of Directors consists of 4 directors out of which two are the Promoter directors and two are Independent non-executive directors. Accordingly the present Board of Directors now complies with the provisions of clause 49 of the Listing Agreement. The detailed report on Corporate Governance is annexed.

**INFORMATION PURSUANT TO THE LISTING AGREEMENT AND SEBI CIRCULAR NO SMDRP / CIR-14 / 98 DATED APRIL 29TH, 1998**

The Company's shares are at present listed on Bombay Stock Exchange. The complete address is given elsewhere in this report. The Company has made all compliances of the Listing Agreement with the Bombay Stock Exchange during the year.

**DEMATERIALISATION OF THE SECURITIES OF THE COMPANY :**

The company has already signed Tripartite Agreement with NSDL & CDSL for Dematerializing of its Equity Shares. The Equity shares are now available for Dematerialization by investors. The company has paid the dues of depositories i.e. NSDL and CDSL and Registrar and Transfer Agent up to the date.

**ENVIRONMENT PROTECTION :**

The Company is engaged in the business of manufacture of welding rods. The process does not generate any type of Air or water pollution. The water is being used only for

sanitation purpose. The metal scrap is being disposed off in regular manner as per practice prevailing in the industry. The manufacturing process does not generate any type of pollution.

**INSURANCE AND PROTECTION OF ASSETS :**

The Company's all fixed assets and tangible movable assets are properly insured against all available commercial risks like fire, flood, earthquake and other extraneous perils from the approved and reputed insurance companies.

**DEPOSITS :**

During the year under review your company has neither invited nor accepted any public deposit or deposits from the public as defined under section 73(1) of Companies Act 2013 (section 58A of Companies Act, 1956).

**DIRECTORS :**

During the year under review Shri Shailesh M. Joshi shall retire by rotation. He is eligible for reappointment as director and has offered himself for directorship of the company. Your directors recommend reappointing him by passing the required resolution. Shri Manshanker T. Joshi has resigned from the post of Director w.e.f. 20/05/2014 due to old age and ill health and the Board has passed resolution on 30/05/2014 to give effect to his resignation. Your Directors put on record the word of appreciation for the valuable time and services provided by Shri Manshanker T. Joshi during his tenure as Director with the company and also thank him for the valuable guidance provided by him. Except this during the year there was no change in the constitution of the directors.

**DIRECTORS RESPONSIBILITY STATEMENT (SECTION 217(2AA)) :**

Pursuant to the provision contained in section 217(2AA) of the Companies Act 1956 the Directors of your Company Confirm :

- (A) That as far as possible and except for AS-15 on making provision for retirement benefits for Gratuity for employees, in the preparation of the annual account, the applicable accounting standards have been followed and no material departures have been made from the same;
- (B) That they have selected such accounting policies and applied them consistently and made judgments and estimated that are reasonable and prudent so as to give a true and fair view of the state of affair of the company for that period:
- (C) That they have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the company for preventing and detecting fraud and other irregularities.
- (D) That they have prepared the annual account on a going concern basis.

- (E) The Directors, in the case of Listed Company, had laid down internal financial controls to be followed by the company and that such internal financial controls are adequate and were operative effectively.
- (F) The Directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

**DECLARATION AS TO INDEPENDENT DIRECTORS: (Pursuant to Provisions of section 149(6) of the Companies Act 2013).**

All the Independent Directors of the Company do hereby declare that:

- (1) All the Independent Directors of the Company are neither Managing Director, nor a Whole Time Director nor a Manager or a Nominee Director.
- (2) All the Independent Directors in the opinion of the Board are persons of integrity and possesses relevant expertise and experience.
- (3) Who are or were not a Promoter of the Company or its Holding or subsidiary or associate company.
- (4) Who are or were not related to promoters or directors in the company, its holding, subsidiary or associate company.
- (5) Who has or had no pecuniary relationship with the company, its holding, subsidiary or associate company or their promoters or directors, during the two immediately preceding financial years or during the current financial year.
- (6) None of whose relatives has or had pecuniary relationship or transaction with the company, its holding, subsidiary, or associate company, or their promoters, or directors, amounting to two per cent or more of its gross turnover or total income or fifty lakh rupees or such higher amount as may be prescribed, whichever is lower, during the two immediately preceding financial years or during the current financial year,
- (7) Who neither himself, nor any of his relatives,
  - (a) Holds or has held the position of a key managerial personnel or is or has been employee of the company or its holding, subsidiary or associate company in any of three financial years immediately preceding the financial year in which he is proposed to be appointed.
  - (b) Is or has been an employee or proprietor or a partner, in any of the three financial years immediately preceding the financial years in which he is proposed to be appointed of
    - (i) A firm of auditors or company secretaries in practice or cost auditors of the company or its holding, subsidiary or associate company; OR

- (ii) Any legal or a consulting firm that has or had any transaction with the company, its holding, subsidiary or associate company amounting to ten per cent, or more of the gross turnover of such firm;
- (iii) Holds together with his relatives two per cent, or more of the total voting power of the company; OR
- (iv) Is a Chief Executive or director, by whatever name called, or any non-profit organization that receives twenty five per cent or more of its receipts from the Company, any of its promoters, directors or its holding, subsidiary or associate company or that holds two per cent or more of the total voting power of the company; OR
- (v) Who possesses such other qualifications as may be prescribed.

**STATUTORY AUDITOR :**

M/s. DJNV & CO., Present Statutory auditors of the company have given their letter of consent and confirmation under section 224(1B) of the Companies Act 1956 for reappointment as Statutory Auditors of the Company. The Board has now proposed to appoint the Statutory Auditors for a period of 3 years as per requirements of section 139 (1) of the Companies Act 2013 read with Companies (Audit and Auditors) Rules 2014. Necessary Resolution for their appointment as the Statutory Auditors and fixing their remuneration is proposed to be passed at the Annual General Meeting.

**AUDITORS OBSERVATION :**

The Auditor's Report for the Year ended 31<sup>st</sup> March 2014 and the notes forming part of accounts referred to in the Auditor's Report are self explanatory and give complete information.

**EMPLOYEES: (SECTION 217 (2A)) :**

There are no employees of the company who were in receipt of the remuneration of Rs.60,00,000/- in the aggregate if employed for the year and in receipt of the monthly remuneration of Rs. 5,00,000/- in the aggregate if employed for a part of the year under review. Hence the information required under Section 217 (2A) of the Companies Act, 1956 read with the Companies (Particulars of Employees), Rules, 1975 and Companies (Particulars of Employees) Amendment Rules, 2011 is not applicable to the Company.

**FORMATION OF AUDIT COMMITTEE IN COMPLIANCE TO SECTION 292 A OF THE COMPANIES ACT, 1956 AND CLAUSE 49 OF THE LISTING AGREEMENT ON CORPORATE GOVERNANCE :**

In Compliance with the provisions of Section 292A of the Companies Act 1956 your company has formed an Audit Committee within the Organization consisting of 2 independent directors and one promoter director. The area of operations and functional responsibilities assigned to the committee are as per the guidelines provided in Clause 49 of the Listing Agreement for implementation of code of corporate governance. The Committee meets at least once in a quarter and gives its report of each meeting to the Board for its approval, record and information purposes. The detail of powers, responsibilities and system of functioning of this committee is given in report on Corporate Governance forming part of this report.

**MATERIAL DEVELOPMENT :**

Except the information given in this report, no material development has taken place in the Company from the closure of the financial year till the date of this annual report and the same does not have any material impact on the financial conditions or operation of the Company.

**STATUTORY INFORMATION: (SECTION 217 (1) (E)) :**

The information required to be disclosed as per the provisions of Section 217 (1) (E) of the Company Act – 1956 and the Companies (Disclosure of particulars in the Report of Board of Directors) Rules 1988 are given in the annexure to this report.

**APPRECIATION :**

Your directors take this opportunity to acknowledge the trust reposed in your Company by its Shareholders, Bankers and Clients. Your Directors also keenly appreciate the dedication & Committee of all our employees, without which the continuing progress of the Company would not have been possible.

**ON BEHALF OF THE BOARD OF DIRECTORS  
OF BOBSHELL ELECTRODES LIMITED**

DATE : 27th May, 2014  
PLACE : AHMEDABAD

SD/-  
(SHAILESH M. JOSHI)  
CHAIRMAN AND  
MANAGING DIRECTOR

**ANNEXURE-A TO DIRECTORS REPORT**

**DETAILS ON ENERGY CONSUMPTION, RESEARCH AND DEVELOPMENT, TECHNOLOGY ABSORPTION AND ADOPTION, FOREIGN EXCHANGE EARNINGS AND OUTGO.**

**[A] ENERGY CONSUMPTION AND CONSERVATION.**

<b>Sr. Particulars No.</b>	<b>For the Yr. ended 31/03/2014</b>	<b>For the Yr. ended 31/03/2013</b>
<b>(1) CONSUMPTION OF ENERGY/POWER</b>		
<b>(a) Electricity Purchased</b>		
No. of Units consumed	65002	68452
Total Amount of Electricity	Rs.593661.52	Rs.605904.26
Cost per unit of Electricity	Rs.9.13	Rs. 8.85
<b>(b) Electricity Generated</b>		
No. of Units Generated.	NIL	NIL
Total Amount of Power Generation.	NIL	NIL
Cost per Unit of Power Generated.	NIL	NIL
<b>[c] CONSUMPTION OF FUEL</b>		
Type & Nature of Fuel Consumed		
Coal/ Firewood/ Bio Mass/ Furnace Oil/ Others	N.A.	N.A.
Total Quantity of Fuel Used	N.A.	N.A.
Total Amount of Fuel Used	N.A.	N.A.
Cost per Unit of Fuel Used	N.A.	N.A.
Cost per Unit of Product Manufactured	N.A.	N.A.
<b>[d] Unit of Production</b>		
Total Units of Products Produced	85237	101086
Total Cost of Power/ Fuel per unit of Production.	Rs.6.96	Rs.5.99

**RESEARCH AND DEVELOPMENT :**

The Company is running an in house small Research & Development unit for Quality testing of the products manufactured. In fact the Company's entire process of manufacturing right from the raw material procurements to dispatch of finished goods is ISO Certified. The Company is following strict quality control norms as per requirements of ISO Certification. The ISO Certificate granting authorities are also conducting operational audit of the Company's entire process flow system. The Company is continuously making research for reduction of manufacturing cost by

improvement in quality of products, flux used, quality of wire bars used in manufacture of welding rods. All successful research and innovations are immediately implemented in the manufacturing process.

**TECHNOLOGY UPGRADATION AND ADOPTION :**

As stated above, the Company is continuously making Research & Development within its own Quality Control Lab. All the successful research for quality control, quality improvement, cost control measures are immediately implemented within the manufacturing units of the Company. The results are that, the Company despite continuous increase in the cost of raw materials, steel prices in the world, able to control the cost of operations and has yet not drawn in to cash operational losses.

**FOREIGN EXCHANGE EARNINGS AND OUTGO :**

<b>Sr. Particulars No.</b>	<i>(Amount in Rupees)</i>	
	<b>For the Year 31/03/2014</b>	<b>For the year 31/03/2013</b>
<b>[A] FOREIGN EXCHANGE EARNED</b>		
(1) On Export of Revenue Goods & Services	NIL	NIL
(2) On Export of Technology/ Research and IPRs	NIL	NIL
(3) On Export of Capital Goods	NIL	NIL
(4) On Any Other Matters	NIL	NIL
<b>[A] FOREIGN EXCHANGE USED</b>		
(1) On Import of Revenue Goods & Services	NIL	NIL
(2) On Import of Technology/ Research and IPRs	NIL	NIL
(3) On Import of Capital Goods	NIL	NIL
(4) On Manpower Training or Remuneration paid to Foreign Technicians. Etc.	NIL	NIL
(5) On Any other Matters	NIL	NIL

**ON BEHALF OF THE BOARD OF DIRECTORS  
OF BOBSHELL ELECTRODES LIMITED**

**DATE : 27th May, 2014  
PLACE : AHMEDABAD**

**SD/-  
(SHAILESH M. JOSHI)  
CHAIRMAN AND  
MANAGING DIRECTOR**

**REPORT ON CORPORATE GOVERNANCE**

**MANAGEMENT PERCEPTION ON CORPORATE GOVERNANCE :**

The company believes that good Corporate Governance practices enable the Board to direct and control the affairs of the company in an efficient manner. Your Company conducts its affairs in a fair, transparent and professional manner. As such, the company steps to put in place the system of Corporate Governance as per the guidelines provided in Clause 49 of the Listing Agreement. Further with the formation of the various committees within the organizations, the company also complies with various provisions of the Companies Act, 1956 as well as SEBI and Stock Exchange requirements. As per the norms prescribed under Listing Agreement being applicable to the company and in compliance to Section to Section 177 of Companies Act, 2013 (section 292A of Companies Act, 1956), the company had complied with the code of corporate governance on 31st March, 2014.

**BOARD COMPOSITION :**

Name of the Director	Designation	Type	Executive / Non Executive
Mr. Shailesh M. Joshi	Chairman And Managing Director	Promoter Director	Executive
Mr. Kashyap P. Pathak	Director	Non-Independent Director	Executive up to 31/03/2014. Thereafter Non-Executive
Mr. Kamlesh M. Shah	Director	Independent Director	Non- Executive
Mr. Anish D. Bodawala	Director	Independent Director	Non-Executive

**DETAILS OF OTHER DIRECTORSHIP/COMMITTEE MEMBERSHIP OR CHAIRMAN OF ANY COMMITTEE IN OTHER COMPANIES :**

Sr. No.	Name of Directors	Directorship in other Company	Whether Directorship/ Chairman or Member of any Other Company?
1.	Mr. Shailesh M. Joshi	Birmingham Thermo-tech Ltd.	No Chairmanship Or Member of Any Committee Of Any Other Company
2.	Mr. Kashyap P. Pathak	NIL	No Chairmanship Or Member of Any Committee Of Any Other Company
3.	Mr. Kamlesh M. Shah	Tristar Organisers Pvt. Ltd.	No Chairmanship Or Member of Any Committee Of Any Other Company
4.	Mr. Anish D. Bodawala	NIL	No Chairmanship Or Member of Any Committee Of Any Other Company

**Note :** None of the above mentioned Directors hold directorship in more than 15 Public Limited Companies.

**COMPOSITION OF COMMITTEES :**

**A. AUDIT COMMITTEE**

Brief description of the terms of reference for a qualified and independent audit committee has been set up by the board. The terms of reference of the Audit Committee include;

- a. Review of quarterly and half yearly financial results with the management and the statutory auditors;
- b. Review with the management and statutory auditors of the annual financial statements before submission to the Board;
- c. Review with the management, statutory auditors and the internal auditors about the nature and scope of audits and of the adequacy of internal control system;
- d. Consideration of the reports of the internal auditors and discussion about their findings with the management and suggesting corrective actions wherever necessary;
- e. Review of the financial report process and disclosure of financial information;
- f. Review of the adequacy of the internal audit function;
- g. Look into the reasons for any substantial defaults in payments to the depositors, shareholders, creditors, if any;
- h. Recommending the appointment and removal of External Auditors, fixation of audit fees and approval for payment for any other services;

## BOBSHELL ELECTRODES LIMITED

- i. Authority to investigate into any matter covered by section 292A of the Company Act, 1956;
- j. Reviewing the Company's financial and risk management policies;

No.	Name	Type
1	Mr. Kamlesh Shah	Chairman (Independent Non-executive Director)
2	Mr. Anish Bodawala	Member (Independent Non-executive Director)
3	Mr. Manshanker Joshi (up to 20/05/2014)	Member (Non-executive Director)
4	Mr. Kashyap Pathak (after 20/05/2014)	Member (Non-executive Director)

### FUNCTIONS OF AUDIT COMMITTEE :

The Audit Committee is headed by Mr. Kamlesh M. Shah as Chairman and includes other directors namely Mr. Kashyap Pathak and Mr. Anish Bodawala. Mr. Manshanker Joshi was also member of Audit Committee till 20/05/2014. However, he vacated the position as member of Audit Committee w.e.f. 20/05/2014 due to his resignation from the Company. The Committee is regularly giving feedback on daily financial and accounting position of the company to the Board.

The Committee meets at least once in every quarter and prepare its minutes on the proceedings and business discussed, transacted. All committee Reports and minutes are placed before the Board in all its meetings for information, guidance, directions and taking the same on record.

Other functions, powers, duties etc. of the committee are defined taking into account the legal provisions of the Listing Agreement and the same are kept flexible to be decided by the Board from time to time.

### ESTABLISHMENT OF THE INTERNAL AUDIT SYSTEM :

The company has already established the Internal Audit System under the Chairmanship of the Audit Committee. The Managing Director and the Chief Financial Officer of the company both are jointly responsible for giving full accounts to the committee including to carry out any suggestions of the committee. The audit system ensures proper financial control and accounting of the transactions as per the established accounting standards

### B. STAKEHOLDERS RELATIONSHIP COMMITTEE :

#### FUNCTIONS OF STAKEHOLDERS RELATIONSHIP COMMITTEE :

This Committee looks in to all aspects and business related to Shares and retail investors. The Committee also looks after the Dematerialization process of equity shares.

The Committee is also empowered to keep complete records of Shareholders, Statutory Registers relating to Shares and Securities, maintaining of the complete records of Share Demated, Investors Grievances and complaints received from investors and also from various agencies.

The Committee also take advise and seek legal opinions from advocates to look after the legal cases and problems relating to the investors, shares etc.

The Committee meets every month to approve all the cases of shares demat, transfer, issue of duplicate share certificate and resolution of investors complaints, submission of information to various statutory authorities like NSDL/CDSL, SEBI, Stock Exchanges, Registrar of Companies periodically and from time to time.

Other functions, roles, duties, powers etc. have been clearly defined in line with the Clause 49 of the Listing Agreement and are kept flexible for modification by the Board from time to time.

No.	Name	Type
1	Mr. Kamlesh Shah	Chairman (Independent Non-executive Director)
2	Mr. Anish Bodawala	Member (Independent Non-executive Director)
3	Mr. Manshanker Joshi (up to 20/05/2014)	Member (Non-executive Director)
4	Mr. Kashyap Pathak (after 20/05/2014)	Member (Non-executive Director)

### C. REMUNERATION COMMITTEE :

The Company has one Managing Director Mr. Shailesh M. Joshi who was appointed as Managing Director w.e.f. 31st May 2013 for a period of 3 years. His remuneration was fixed by the Board and was further approved by the Members in Extra Ordinary General Meeting. No other directors are being paid any remuneration or salary or commission on net profits or sitting fees.

No Employees or Key Managerial Persons were given ESOP or Employee Stock Option Scheme (ESOS) during the year. However, the details of remuneration or other benefits paid to directors during the year is as under:

## BOBSHELL ELECTRODES LIMITED

No.	Name of the Director	Commission	Sitting Fees
1	Mr. Shailesh M. Joshi	NIL	NIL
2	Mr. Manshanker Joshi	NIL	NIL
3	Mr. Kashyap Pathak	NIL	NIL
4	Mr. Kamlesh Shah	NIL	NIL
5	Mr. Anish Bodawala	NIL	NIL

### COMPOSITION OF REMUNERATION COMMITTEE :

No.	Name	Type
1	Mr. Kamlesh Shah	Chairman (Independent Non-executive Director)
2	Mr. Anish Bodawala	Member (Independent Non-executive Director)
3	Mr. Manshanker Joshi (up to 20/05/2014)	Member (Non-executive Director)
4	Mr. Kashyap Pathak (after 20/05/2014)	Member (Non-executive Director)

### NO. OF BOARD AND COMMITTEE MEETINGS HELD DURING THE YEAR:

Name of the Committee	No. of Meetings held
Board	6
Audit Committee of Board	3
Stakeholders Relationship Committee	7
Remuneration Committee	1

### ATTENDANCE OF THE DIRECTORS IN VARIOUS MEETINGS :

No.	Name of the Director	Board Meeting	ACB Meeting	SRCB Meeting	RC Meeting
1	Mr. Shailesh M. Joshi	6	-	-	-
2	Mr. Kashyap Pathak	6	-	-	-
3	Mr. Kamlesh Shah	4	3	7	1
4	Mr. Anish Bodawala	4	3	7	1
5	Mr. Manshanker Joshi	6	3	7	1

### DIRECTORS PRESENT AT THE LAST ANNUAL GENERAL MEETING :

**DATED 30TH SEPTEMBER 2013 :**

1	Mr. Shailesh M. Joshi	Chairman & Managing Director
2	Mr. Manshankar T. Joshi	Director
3	Mr. Kashyap P. Pathak	Director
4	Mr. Kamlesh M. Shah	Additional Director
5	Mr. Anish D. Bodawala	Additional Director

### DETAILS OF ANNUAL GENERAL MEETINGS HELD DURING THE LAST 5 FINANCIAL YEARS :

1.	September 30, 2013	802, 8th Floor, Swagat Building, Near Lal Bungalow, C.G.Road, Ellisbridge, Ahmedabad: 380 006
2.	September 29, 2012	802, 8th Floor, Swagat Building, Near Lal Bungalow, C.G.Road, Ellisbridge, Ahmedabad: 380 006
3.	September 30, 2011	802, 8th Floor, Swagat Building, Near Lal Bungalow, C.G.Road, Ellisbridge, Ahmedabad: 380 006
4.	September 25, 2010	802, 8th Floor, Swagat Building, Near Lal Bungalow, C.G.Road, Ellisbridge, Ahmedabad: 380 006
5.	September 30, 2009	802, 8th Floor, Swagat Building, Near Lal Bungalow, C.G.Road, Ellisbridge, Ahmedabad: 380 006



**INVESTORS SERVICES :**

Press Releases and Financial Results are made available on the website of the Company i.e. [www.bobshell.net](http://www.bobshell.net). For the grievances of our investors the company has designated an e-mail id for investors i.e. [belinvestorgrievances@gmail.com](mailto:belinvestorgrievances@gmail.com).

**Website :**

[www.bobshell.net](http://www.bobshell.net) contains a sub menu on investor relations. It carries comprehensive information of interests to our investors including financial results of the company, quarterly report on corporate governance, quarterly shareholding patterns, Annual Reports, business activities of the company as well as corporate actions made by the company. Website is updated time to time for the investor's information and awareness.

**PASSING OF THE RESOLUTIONS BY POSTAL BALLOT SYSTEM :**

The Company had not passed any resolution by means of Postal Ballot at the last Annual General Meeting. The Company had during the financial year not passed any resolutions by means of Postal Ballot system.

**MANAGEMENT DISCUSSION AND ANALYSIS :**

Statement in this Management Discussion and Analysis of Financial Condition and Results of the Company describing the company's objectives expectations or predictions may be forward looking within the meaning of applicable securities laws and regulations. Forward looking statements are based on certain assumptions and expectations of future events.

The company cannot guarantee that these assumptions and expectations are accurate or will be realized. The company assumes no responsibility to publicly amend, modify or revise forward looking statements, on the basis of any subsequent developments, information or events. Actual results may differ materially from those expressed in the statement. Important factors that could influence the company's operations include interconnect usage charges, determination of tariff and such other charges and levels by the regulatory authority, charges in government regulations, tax laws, economics developments within the country and such factors globally.

The financial statements are prepared under historical cost convention, on accrual basis of accounting, and in accordance with the provision of the Companies Act, 1956(the Act) and comply with the Accounting Standards notified under section 211(3C) of the Act read with Companies (Accounting Standard) Rules, 2006. The management of Bobshell Electrodes Limited has used estimate and judgments relating to the financial statements on a prudent and reasonable basis, in order that the financial statements reflect in a true and fair manner, the state of affairs and loss for the years.

The following discussion on our financial condition and result of operations should be read together with our financial statements and the notes to these statements included in the Annual Report.

**(a) PRESENT STRENGTH OF THE COMPANY :**

Company is engaged in the business of manufacturing and marketing special purpose low heat Input Welding Electrodes. These are used for repairs & maintenance of costly spares & parts in various Industries. The product requires in depth technical knowledge of mechanical and metallurgy engineering for devising formulations of various products. The Managing Director of the Company Mr. Shailesh M. Joshi is Mechanical Engineer of 1980 batch and has done Diploma in Maintenance Welding Technology from Europe. Therefore, technology wise the Company is quite up to date. So far as market scenario is concerned, repair technology is considered as most handy tool for any industry and with more & more up gradation happening in industry, this has become more necessary. Hence, Company has very good potential for growth.

**(b) FUTURE OUT LOOK :**

The Company has good market in Power Industry and as the Power Sector is in growth ladder, Company has good opportunity of expanding business in future.

**(c) COMPANY'S ACTION PLAN :**

The Company has planned to approach systematically to Power Sector. The operations for State Owned Companies are already initiated. The next immediate goal of the Company is to fulfill the needs of Central Government owned Power sector Company. The process has been already started by a team of technically competent engineers. Similar efforts are being made for Private Sector Companies. This is done group wise and the strategy for the same has already been made.

**MEANS OF COMMUNICATIONS :****A] ESTABLISHMENT OF INTERNAL MANAGEMENT INFORMATION SYSTEMS :**

The company has established the Management Information System (MIS) whereby each and every functional department submits their performance reports and any type, nature, description of problems to their Functional heads. The functional heads have autonomy for redressal of problems and HRD problems or functional problems at their own level. Any problems requiring policy decisions are being intimated to Audit Committee for redressal or

amendments in the policy and procedures. The progress reports are being regularly on monthly basis intimated to the Audit Committee through the Financial Officer of the company who in turn put the same to Audit Committee meetings. All the Investors' grievances or share department related queries are addressed to the Compliance Officer who in turn put the same before the Stakeholders Relationship Committee.

**B] INFORMATION SYSTEM BETWEEN COMMITTEES AND THE BOARD :**

Both Audit Committee and Stakeholders Relationship Committees receive periodical regular information from the concerned functional heads, after resolutions of all the problems communicate back the same to functional heads for further communications. The progress report and minutes of all meetings held of both the committees are being placed before the Board for information and taking the same on records.

**C] INFORMATION SYSTEM BETWEEN THE COMPANY AND INVESTORS AND OTHER STAKE HOLDERS :**

The company is regularly taking on record the unaudited financial results on quarterly basis as per requirements of the Clause 41 of the Listing Agreement. The material information relating to the business of the company are being intimated to the Stock Exchange who in turn publish the same in their daily official bulletin. The Audited Financial Balance Sheet is being dispatched to all shareholders in time at their registered addresses.

**VIGILLANCE MECHANISM :**

**A. OVER COMING BARRIERS OF CURRENT OPERATIONS :**

This system is established under the chairmanship of Shri Shailesh M. Joshi and he will be further assisted by chief financial officer (CFO) Shri Kashyap P. Pathak. The company's operational department ensures whistle blower upon failure / shut down or breaks down of business services supply systems and service utilities of its various manufacturing units, administration units sports academy and entertainment division. Upon such intimation the company has established the systems for identifying the reasons for failure in continuous supply of business services, find out remedial action and to restore the services within minimum possible time so as to reduce overall business loss as well as the financial losses.

The CFO blows the whistle upon any possible financial crunch or over/extensive financial liabilities. The short term financial management system ensures overcoming any unforeseen liabilities through overdrafts on deposits or temporary borrowing on Inter Corporate deposits basis. The long term financial planning ensures productive use of long term financial funds. The company as far as possible ensures making separation in usage of short term and long term funds.

**B. POSSIBLE THREATS TO FINANCIAL SYSTEMS :**

The recession in the Economy worldwide is creating barriers for overseas companies to approach Indian User with their products. As their Research & Development facilities have slight edge and lots of foreign equipments are being installed, they have easier approach today as compared to past. This may create temporary slow down in growth. At the same time if situations worsens worldwide then the life of slow down may be longer also.

Though enough steps are being taken at R & D level and Marketing level, the threat still persists.

**C. MANAGEMENT'S ACTION PLANS : (TO OVERCOME POSSIBLE SYSTEM FAILURES) :**

These are the areas which are difficult for any management to overcome and control. Even though the company's HRD and technical department ensures performance appraisal of manpower as well as also ensure periodical repairs, maintenance and modernization of its various manufacturing facilities, plants, machineries etc. Some of the parts or spares are being replaced from time to time in order to ensure smooth functioning of its manufacturing operations. This vigilant action of the management will to some extent help in eliminating this risk.

**DISCLOSURES :**

**A) MATERIALLY RELATED PARTY TRANSACTIONS :**

During the financial year 2013-14 there was no transactions for sell/purchase of goods or services of material nature with its promoters, the directors and the management, their subsidiaries or relatives, etc., which may have potential conflict with the interest of the company at large. However details of transactions with related parties are given in note (B) Notes of Accounts Schedule No. – 18 given by auditors as per Accounting Standard 18.

**B) DETAILS OF NON-COMPLIANCE :**

During the year, the Company had not made any default in statutory compliances with the Registrar of Companies, Stock Exchanges, SEBI or any other authorities for filing and submission of yearly, half yearly or quarterly information. Any information which are event based are submitted within the statutory time limits as per provisions of relevant rules and regulations or law to appropriate authorities

**C) ACCOUNTING TREATMENT :**

In the preparation of financial statements, the company has followed the Accounting Standards as prescribed under Companies (Accounting Standards) Rules 2006, as applicable. The Accounting Policies followed by the company to the extent relevant, are set out elsewhere in this Annual Report. The accounts of the Company are made on going concern basis. No material departure has been made in the preparation of the financial statements.

**D) CEO AND CFO CERTIFICATION :**

Shri Shailesh M. Joshi, Managing Director and Compliance Officer of the company and Shri Kashyap P. Pathak, Director of the company being CFO of the company give certification on financial reporting and internal controls to the Board as required under Clause 49(V) of the Listing Agreement which is attached herewith at the end of the report.

**STATUTORY COMPLIANCES MADE AND RETURNS ETC. FILED :**

The company has duly complied with the provisions of the Companies Act 1956, all the provisions of the Listing Agreement. The company has also filed various unaudited Financial Results, Balance Sheets, Income Tax returns and other statutory returns with all the authorities in time. There are no defaults as on date in any such compliances and no legal action of any nature has been taken against the company or its officers / directors.

**CODE OF CONDUCT FOR THE BOARD OF DIRECTORS AND KEY MANAGERIAL PERSONNEL :**

The Board has established a Code of Conduct for all Board members and senior management of the company. None of the Directors or any of the Key managerial personnel had done any trading in shares of the Company in the secondary market. Further the company had not made any allotment of shares to any Directors or any of the key managerial personnel during the year.

**OTHER DETAILS :**

**REGISTERED OFFICE** : B/505, Fairdeal House, Opp. St. Xaviers Ladies Hostel, Navrangpura, Ahmedabad, 380 009, Gujarat.

**BOOK CLOSURE DATES** : 26/09/2014 to 30/09/2014 (Inclusive of Both Days)

**REGISTRAR AND SHARE TRANSFER AGENT** : SHAREPRO SERVICES(INDIA) PVT. LTD.  
13/A-B, Samhita Warehousing Complex, 2nd Floor, Sakinaka Telephone Exchange, Off Andheri-Kurla Road, Sakinaka, Andheri East, Mumbai-400072.  
(T) 91-022-6227 0300/ 6227 0400 (F) 91-022-2859 1568  
(MAIL) sharepro@shareproservices.com

**ISIN NUMBER OF THE COMPANY** : INE 896 B 01011

**FINANCIAL CALENDAR**

**Unaudited Results for the Quarter** :

Ending on 30th June, 2013 : 03rd August, 2013  
Ending on 30th September, 2013 : 11th November, 2013  
Ending on 31st December, 2013 : 01st February, 2014  
Ending on 31st March, 2014 : 30th May, 2014

**DETAILED PROGRAMME OF THE 20TH ANNUAL GENERAL MEETING :**

DATE : 30TH SEPTEMBER 2014  
DAY : TUESDAY  
TIME : 11.00 A.M.  
VENUE : CORPORATE OFFICE OF THE COMPANY AT  
802, 8th Floor, Swagat Building, Near Lal Bunglow, C.G.Road,  
Ellisbridge, Ahmedabad: 380 006.

**Listing Details :**

Equity Shares of the company are listed on The Stock Exchange, Mumbai

**BOBSHELL ELECTRODES LIMITED**

**Stock Exchange Code :** BSE: 526925

The Equity Shares of the company are voluntarily delisted from Ahmedabad Stock Exchange Limited w.e.f. 22/01/2014 vide confirmation letter no. 742 received from ASE.

**MARKET QUOTATIONS :**

The Promoters and directors had not dealt in trading of the securities of the Company during the year under review. The Company's stock is not forming part of Stock Market General INDEX or Industry Specific INDEX. Hence, price movement of the Company's shares with movement of INDEX is not relevant and is not given herewith.

The Company's Equity Shares are at present suspended from trading from the Stock Exchange. Hence, no stock quotes are available from any of the Stock Exchanges.

**SHAREHOLDING PATTERN :**

Sr. No.	Category of Shareholders	No. of Shares Held	% of shares held to total Capital of the Company
(A)	Indian Promoters/ Directors. (All Individuals)	17,50,000	29.14%
(B)	NON PROMOTERS.		
1	NRIs/FIIs/OCBs	00	00.00%
2	Private Corporate Bodies.	1,60,179	2.67%
3.	Public Individual Shareholders	40,95,821	68.19%
	<b>Total</b>	<b>60,06,000</b>	<b>100%</b>

**THE PROMOTERS/ DIRECTORS HAVE NOT MORTGAGED/ PLEDGED THEIR SHAREHOLDING :**

**Distribution of Shareholding :**

**Distribution of Shareholding as on Date 31/03/2014 :**

SHAREHOLDING OF SHARES	NUMBER OF TOTAL SHARE HOLDERS	% OF TOTAL SHARE HOLDERS	SHARES ALLOTTED	% OF SHARES ALLOTTED
Upto 500	4160	85.28	22,16,069	36.90
501 to 1000	320	6.56	2,92,136	4.86
1001 to 2000	171	3.51	2,83,743	4.72
2001 to 3000	80	1.64	2,10,413	3.50
3001 to 4000	26	0.53	95,397	1.59
4001 to 5000	30	0.62	1,41,900	2.36
5001 to 10,000	47	0.96	3,43,616	5.73
Above 10,000	44	0.90	24,22,726	40.34
<b>TOTAL</b>	<b>4878</b>	<b>100.00</b>	<b>60,06,000</b>	<b>100.00</b>

**ON BEHALF OF THE BOARD OF DIRECTORS  
BOBSHELL ELECTRODES LIMITED**

**DATE : 27th May, 2014  
PLACE : AHMEDABAD**

**SD/-  
(SHAILESH M. JOSHI)  
CHAIRMAN AND MANAGING DIRECTOR**

**CERTIFICATE OF COMPLIANCE WITH THE CODE OF CONDUCT FOR BOARD OF DIRECTORS AND KEY MANAGEMENT PERSONNEL**

To,  
The Members,  
Bobshell Electrodes Limited,  
Ahmadabad.

I, Shailesh M. Joshi, Chairman of the Company, hereby certify that all the Board Members and Senior Management Personnel of the Company have affirmed their compliance with the Code of Conduct in accordance with Clause-49(I)(D) of the Listing Agreement entered into with Stock Exchange.

As required by Clause 49 of the Listing Agreement, Certificate of Compliance with the Corporate Governance Requirements by the Company issued by Auditors is given as an annexure to the Directors' Report.

We further confirm that during the year, none of the Directors or any of the Key managerial persons had done any trading in shares of the Company in the secondary market. Further the company had not made any allotment of shares to any Directors or any of the key managerial personnel during the year.

The above Report was adopted by the Board at their meeting held on 27th May, 2014.

**Date : 27th May, 2014**  
**Place : Ahmedabad**

**For and On Behalf of the Board of Directors**  
**Bobshell Electrodes Limited**

**SD/-**  
**(Shailesh M. Joshi)**  
**Chairman & Managing Director**

**CERTIFICATION BY CHIEF EXECUTIVE OFFICER AND  
CHIEF FINANCIAL OFFICER OF THE COMPANY**

We, Shailesh M. Joshi, Chairman of the Board of Directors and Mr. Kashyap P. Pathak, Member of Audit Committee of Bobshell Electrodes Limited, do hereby certify that:

- (a) We have reviewed the financial statement and the cash flow Statement for the year and to the best of our knowledge and belief;
  - (i) These statements do not contain any materially untrue statement or omit any material fact or contain statement that might be misleading.
  - (ii) These statements together present a true and fair view of the Company affairs and are in compliance with existing accounting standards, applicable laws, and regulations.
- (b) As per the best of our knowledge and belief, no transactions entered into by Bobshell Electrodes Limited during the year which are fraudulent, illegal or violate of the company's Code of Conduct.
- (c) We are responsible for establishing and maintaining internal controls for financial reporting in Bobshell Electrodes Limited and we have evaluated the effectiveness of the internal control system of the company pertaining to financial reporting. We have disclosed to the auditors and Audit Committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and steps we have taken or propose to take to rectify these deficiencies.
- (d) We have indicated to the auditors and the audit Committee:
  - (i) Significant changes in internal controls over financial reporting during the year.
  - (ii) Significant changes in accounting policies during the year and the same have been disclosed in the notes to the financial statements.
  - (iii) Instance of Significant fraud of which we have become aware and the involvement therein, if any, of the management of an employee having a significant role in the Company internal control system.
- (e) We affirm that we have not denied any personal access to the Audit Committee of the Company (in respect of matters involving alleged misconduct, if any.)
- (f) We further declare that all Board Members and Senior management have affirmed compliance with the code of conduct for the current year.

**Date : 27th May, 2014**  
**Place : Ahmedabad**

**For and On Behalf of the Board of Director of  
Bobshell Electrodes Limited**

**SD/-  
(Kashyap P. Pathak)  
Director**

**SD/-  
(Shailesh M. Joshi)  
Director &  
Compliance Officer**

**AUDITORS' REPORT ON COMPLIANCE  
WITH CORPORATE GOVERNANCE**

To  
The Members of  
Bobshell Electrodes Limited

We have examined the compliance of conditions of Corporate Governance by Bobshell Electrodes Limited, for the period ended on 31st March, 2014 as stipulated in Clause 49 of the Listing Agreement of the said Company with Stock Exchanges.

The Compliance of conditions of Corporate Governance is the responsibility of the Management. Our examination was limited to procedure and implementation thereof, adopted by the Company for ensuring the compliance with the conditions of the Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us, we certify that the company has partly complied with the requirements and conditions of corporate governance as stipulated in the above mentioned listing agreement except for the Audit Committee which also consists of Promoters and directors.

We state that generally no investor grievances are pending for a period exceeding one month against the Company as per the records maintained by the company.

We further state that such compliance is neither an assurance as to the future viability of the company nor the efficiency or effectiveness with which the management has conducted the affairs of the company.

On the basis of our review and according to the information and explanations given to us by the company, we state that in our opinion and to the best of our knowledge, the Company has complied with the mandatory requirements as contained in the Listing Agreement with the Stock Exchanges and as per Section 292A of the Companies Act 1956.

**Date : 27th May, 2014**  
**Place : Ahmedabad**

**For DJNV & CO.**  
**Chartered Accountants**

**SD/-**  
**(Jayesh Parikh)**  
**Partner**  
**Membership No. 40650**

**INDEPENDENT AUDITOR'S REPORT**

To the Members of  
BOBSHELL ELECTRODES LIMITED

**Report on the Financial Statements :**

We have audited the accompanying financial statements of ("the Company"), which comprise the Balance Sheet as at March 31, 2014, and the Statement of Profit and Loss and Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

**Management's Responsibility for the Financial Statements :**

Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the Accounting Standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956 ("the Act"). This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

**Auditor's Responsibility :**

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement. An audit involves performing procedures to obtain audit evidences about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal controls relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control . An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

**Opinion :**

In our opinion and to the best of our information and according to the explanations given to us, the financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:

- (a) In the case of the Balance Sheet, of the State of Affairs of the Company as at March 31, 2014;
- (b) In the case of the Statement of Profit and Loss, of the Loss for the year ended on that date;
- (c) In the case of the Cash Flow Statement, of the Cash Flows for the year ended on that date.

**Report on Other Legal and Regulatory Requirements:**

1. As required by the Companies (Auditor's Report) Order, 2003 ("the Order") issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Act, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order.
2. As required by section 227(3) of the Act, we report that:
  - a. We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
  - b. In our opinion proper books of account as required by law have been kept by the Company so far as appears from our examination of those books;
  - c. The Balance Sheet and Statement of Profit and Loss dealt with by this Report are in agreement with the books of account;
  - d. In our opinion, the Balance Sheet and Statement of Profit and Loss comply with the Accounting Standards referred to in subsection (3C) of section 211 of the Companies Act, 1956;
  - e. On the basis of written representations received from the directors as on March 31, 2014, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2014, from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of The Companies Act, 1956:
  - f. Since the Central Government has not issued any notification as to the rate at which the cess is to be paid under section 441A of the Companies Act, 1956 nor has it issued any Rules under the said section, prescribing the manner in which such cess is to be paid, no cess is due and payable by the Company.

**For, DJNV & CO.**  
**Chartered Accountants**  
**(Firm Reg. No: 115145W)**

**Jayesh Parikh**  
**(Partner)**  
**Membership No: 40650**

**Date : 27th May 2014**  
**Place : Ahmedabad**



## ANNEXURE TO THE AUDITOR'S REPORT

- (1) (a) In our opinion and according to the information and explanation given to us, the company has maintained all the relevant records showing full particulars including quantitative details and situation of fixed assets.
- (b) In our opinion, the fixed assets have been physically verified by the management at reasonable intervals having regard to the size of the company and the nature of its assets. No material discrepancies were noticed on such verification.
- (c) The fixed assets disposed off during the year, in our opinion, do not constitute a substantial part of the fixed assets of the company and the going concern status of the company is not affected.
- (2) (a) As explained to us, inventories have been physically verified by the management at reasonable intervals during the year. In our opinion, the frequency of such verification is reasonable.
- (b) In our opinion and according to the information and explanation given to us, the procedures of physical verification of stock followed by the management are reasonable and adequate in relation to the size of the company and the nature of the business.
- (c) The company has maintained proper records of inventory. No material discrepancies were noticed on physical verification.
- (3) The company has neither granted nor taken any loans, secured or unsecured to or from parties covered in the register maintained under Section 301 of the companies Act, 1956. Accordingly, clauses III (a) to (g) of the Order are not applicable.
- (4) In our opinion and according to the information and explanation given to us, there are adequate internal control procedures commensurate with the size of the company and the nature of its business with regard to the purchase of inventory, fixed assets and with regard to the sale of goods. During the course of our audit, no major weakness has been noticed in the internal controls.
- (5) According to the information and explanation given to us, during the year, there were no transactions that need to be entered into the register maintained under section 301 of the Companies Act, 1956.
- Accordingly, paragraph (v) (a) and (b) of the order, are not applicable.
- (6) In our opinion and according to the information and explanations given to us, the company has not accepted any deposits from the public which falls within the provisions of section 58 A and 58 AA of the Companies Act, 1956, and the rules framed there under.
- (7) In our opinion, the company has an internal audit system commensurate with the size and nature of its business.
- (8) According to the best of knowledge and according to the information given to us, the Central Government has prescribed maintenance of cost record under section 209 (1)(d) of the Companies Act, 1956 and the same have been maintained and audited.
- (9) (a) According to the information and explanations given to us and on the basis of our examination of the books of accounts, the company is regular in depositing undisputed statutory dues including Provident Fund, Investor education protection fund, Employee State Insurance, Income Tax, Sales Tax, Wealth Tax, Service Tax, Custom duty, Excise Duty, Cess and other statutory dues to the extent applicable with the appropriate authorities.
- According to information and explanation given to us, there are no dues which have not been deposited on account of any dispute as on 31st March, 2014 for a period of more than six months from the date they became payable.
- (b) According to information and explanation given to us, there are no dues in respect of Income Tax, Sales Tax, Excise Duty, ESI, Wealth Tax and Service Tax which have not been deposited on account of any dispute.
- (10) In our opinion, the accumulated losses of the company are not more than fifty per cent of its net worth at the end of the financial year. Further, the company has not incurred cash losses during the financial year covered by our audit and the immediately preceding financial year.
- (11) In our opinion and according to the information and explanation given to us, the company has not defaulted in repayment of dues to a financial institution / bank.

## BOBSHELL ELECTRODES LIMITED

- (12) According to the information & explanation given to us, the company has not granted loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
- (13) In our opinion, the company is not a chit fund or a nidhi / mutual benefit fund / society. Therefore, the provisions of clause 4(xiii) of the Companies (Auditor's Report) Order, 2003 are not applicable to the company.
- (14) In our opinion, the company is not dealing in or trading in shares, securities, debentures and other investments. Accordingly, the provisions of clause 4(xiv) of the Companies (Auditor's Report) Order, 2003 are not applicable to the company.
- (15) According to the information & explanations given to us, the company has not given any guarantees for the loans taken by others from banks or financial institutions
- (16) The company has raised term loans from financial institution during the year and are specifically utilized for the purpose it is raised.
- (17) According to the information and explanations given to us and on an overall examination of the balance sheet of the company, we report that the no funds raised on short term basis have been used for long term investment.
- (18) According to the information and explanation given to us, the company has not made preferential allotment of shares to parties and companies covered in the register maintained under section 301 of the Act.
- (19) According to the information and explanations given to us, Company has not issued any debenture during the year. Accordingly, the provisions of clause 4(xix) of the Companies (Auditor's Report) Order, 2003 are not applicable to the company.
- (20) The company has not raised any fund by way of public issues during the year.
- (21) Based upon the audit procedures performed and on the basis of information and explanation provided by the management, we report that no fraud on or by the company has been noticed or reported during the year.

**For, DJNV & CO.**  
**Chartered Accountants**  
**(Firm Reg. No: 115145W)**

**Jayesh Parikh**  
**(Partner)**

**Date : 27th May 2014**  
**Place : Ahmedabad**

**Membership No: 40650**

**BOBSHELL ELECTRODES LIMITED**

**BALANCE SHEET AS ON 31ST MARCH 2014**

Particulars	Note No.	As At 31 March, 2014 Amt. (Rs.)	As At 31 March, 2013 Amt. (Rs.)
<b><u>EQUITY AND LIABILITIES :</u></b>			
<b>1. Shareholders' Funds :</b>			
a) Share Capital	3	60,060,000	60,060,000
b) Reserves & Surplus	4	(25,060,526)	(24,438,284)
		<u>34,999,474</u>	<u>35,621,716</u>
<b>2. Share Application money pending allotment</b>		-	-
<b>3. Non-Current Liabilities :</b>			
a) Long Term Borrowings	5	329,834	-
b) Deferred Tax Liabilities (Net)	6	1,570,391	1,492,392
c) Other Long term Liabilities	7	-	-
d) Long-term Provisions		-	-
		<u>1,900,225</u>	<u>1,492,392</u>
<b>4. Current Liabilities :</b>			
a) Short-term borrowings		-	-
b) Trade Payables	26	245,787	870,319
c) Short term Provisions	7	277,969	336,938
d) Other Current liabilities	8	199,975	181,764
		<u>723,731</u>	<u>1,389,021</u>
<b>TOTAL</b>		<b><u>37,623,431</u></b>	<b><u>38,503,129</u></b>
<b><u>ASSETS :</u></b>			
<b>1. Non-Current Assets :</b>			
a) Fixed Assets :			
(i) Tangible Assets	9	16,519,152	15,793,468
(ii) Intangible Assets		-	-
		<u>16,519,152</u>	<u>15,793,468</u>
b) Non-Current Investments		-	-
c) Long-Term Loans and Advance	10	606,364	413,000
d) Trade Receivable	11	-	-
e) Other Non-Current Assets	12	7,836,303	6,794,125
<b>2. Current Assets :</b>			
a) Current Investment		-	-
b) Short Term Loans and Advances	10	520,855	443,835
c) Trade Receivables	11	5,612,167	6,089,925
d) Inventories	13	1,733,385	2,097,168
e) Cash & Cash Equivalents	14	4,523,812	6,836,297
f) Other Current Assets	12	271,393	35,311
		<u>37,623,431</u>	<u>38,503,129</u>
<b>TOTAL</b>		<b><u>37,623,431</u></b>	<b><u>38,503,129</u></b>
<b>Summary of Significant Accounting Policies</b>	<b>2</b>		

The accompanying notes are an integral part of the financial statements

As per our report of even date attached herewith

For, DJNV & CO.  
Chartered Accountants  
Firm Reg. No. 115145W

Jayesh Parikh  
(Partner)  
M. No. 40650

Place : Ahmedabad  
Date : 27th May, 2014

For, BOBSHELL ELECTRODES LTD.

(Shailesh M. Joshi)  
Director

(Kashyap P. Pathak)  
Director

Place : Ahmedabad  
Date : 27th May, 2014

**BOBSHELL ELECTRODES LIMITED**

**STATEMENT OF PROFIT & LOSS FOR THE YEAR ENDED 31ST MARCH 2014**

Particulars	Note No.	31 March, 2014 Amt. (Rs.)	31 March, 2013 Amt. (Rs.)
<b>INCOME :</b>			
Gross Revenue from Operations	15	28,137,315	32,421,266
Less : Excise Duty		1,350,836	1,587,701
Net Revenue from Operations		26,786,479	30,833,565
Other Income	16	852,679	817,445
<b>Revenue (i)</b>		<b>27,639,158</b>	<b>31,651,010</b>
<b>EXPENDITURE :</b>			
Cost of Materials Consumed	17	18,129,136	23,048,745
(Increase)/ Decrease in inventory of Finished Goods	18	214,996	(490,842)
Employee Benefits Expense	19	4,873,830	5,451,099
Finance Cost	20	150,918	28,848
Depreciation and Amortisation expense	21	930,138	790,717
Other Expenses	22	3,884,382	3,553,142
<b>Total Expenses (ii)</b>		<b>28,183,401</b>	<b>32,381,709</b>
<b>Profit / ( Loss) before Tax</b>	<b>[(i) - (ii) ]</b>	<b>(544,243)</b>	<b>(730,699)</b>
<b>Tax Expense :</b>			
Current Tax		--	--
Deferred Tax Liability		77,999	86,786
		<b>77,999</b>	<b>86,786</b>
<b>Profit/ (Loss) for the year</b>		<b>(622,242)</b>	<b>(817,485)</b>
<b>Basic earnings per share</b>	<b>24</b>	<b>(0.10)</b>	<b>(0.14)</b>
<b>Summary of Significant Accounting Policies</b>	<b>2</b>		

The accompanying notes are an integral part of the financial statements

As per our report of even date attached herewith

For, DJNV & CO.  
Chartered Accountants  
Firm Reg. No. 115145W

Jayesh Parikh  
(Partner)  
M. No. 40650

Place : Ahmedabad  
Date : 27th May, 2014

For, BOBSHELL ELECTRODES LTD.

(Shailesh M. Joshi)  
Director

(Kashyap P. Pathak)  
Director

Place : Ahmedabad  
Date : 27th May, 2014

**NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2014**

**NOTE - 3 - SHARE CAPITAL :**

Particulars	As at 31 March 2014		As at 31 March 2013	
	Number	Amt (Rs.)	Number	Amt (Rs.)
<b>Authorised Shares :</b>				
Equity Shares of Rs. 10/- each.	7,000,000	70,000,000	7,000,000	70,000,000
<b>Issued :</b>				
Equity Shares of Rs. 10/- each.	6,006,000	60,060,000	6,006,000	60,060,000
<b>Subscribed &amp; fully Paid up :</b>				
Equity Shares of Rs. 10/- each fully paid up	6,006,000	60,060,000	6,006,000	60,060,000
<b>TOTAL</b>	<b>6,006,000</b>	<b>60,060,000</b>	<b>6,006,000</b>	<b>60,060,000</b>

The company has only 1 class of shares referred to as Equity shares having face value of Rs. 10 /- Each holder of Equity share is entitled to 1 vote per share.

In the event of liquidation of the company, the holders of equity shares will be entitled to receive any of the remaining assets of the company, after distribution of all preferential amounts. However, no such preferential amounts exists currently. The distribution will be in proportion to the number of shares held by the shareholders.

The details of shareholders holding more than 5% shares as at 31/03/2014 and 31/03/2013 is set out below.

Particulars	As at 31 March 2014		As at 31 March 2013	
	Number	% held	Number	% held
Shailesh Joshi	550,000	9.16%	550,000	9.16%

The Reconciliation of the number of shares outstanding and the amount of share capital as at 31/03/2014 & 31/03/2013 is set out below.

Particulars	As at 31 March 2014		As at 31 March 2013	
	Number	Amt (Rs.)	Number	Amt (Rs.)
Shares at the beginning	6,006,000	60,060,000	6,006,000	60,060,000
Addition	--	--	--	--
Deletion	--	--	--	--
<b>Shares at the end</b>	<b>6,006,000</b>	<b>60,060,000</b>	<b>6,006,000</b>	<b>60,060,000</b>

**NOTE - 4 - RESERVE & SURPLUS :**

Particulars	As at	As at
	31 March 2014 Amt. (Rs.)	31 March 2013 Amt. (Rs.)
<b>Surplus/(Deficit) in the Statement of Profit and Loss :</b>		
Balance as per Last Financial Statement	(24,438,284)	(23,620,799)
Add : Profit for the year	(622,242)	(817,485)
Net Surplus/ (Deficit) at year end	(25,060,526)	(24,438,284)
<b>TOTAL</b>	<b>(25,060,526)</b>	<b>(24,438,284)</b>

**NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2014**

**NOTE - 5 - LONG TERM BORROWINGS :**

Particulars	<u>Non Current</u>		<u>Current</u>	
	As at 31-3-2014 Amt (Rs.)	As at 31-3-2014 Amt (Rs.)	As at 31-3-2014 Amt (Rs.)	As at 31-3-2013 Amt (Rs.)
Term Loan - From Financial Institute (Secured)	--	--	329,834	--
<b>TOTAL</b>	<b>--</b>	<b>--</b>	<b>329,834</b>	<b>--</b>
Less : Amount disclosed under head "Other Current Liabilities" (Note 8)	--	--	--	--
<b>TOTAL</b>	<b>--</b>	<b>--</b>	<b>329,834</b>	<b>--</b>

**Term Loan From Financial Institute :**

Term Loan from the financial institute was taken in the Financial Year 13-14 and carries Interest @ 12.00 % . The loan is repayable in 12 monthly instalments. The loan is secured by hypothecation of the Vehicle for which the loan is taken.

Particulars	As at 31 March 2014 Amt. (Rs.)	As at 31 March 2013 Amt. (Rs.)
<b>NOTE - 6 - DEFERRED TAX LIABILITY / DEFERRED TAX ASSET :</b>		
<b>Deferred Tax Liability :</b>		
Opening Balance	1,492,392	1,405,606
Fixed Assets: Impact of difference between tax depreciation and depreciation charged for the financial reporting		
Add : Deffered Tax Liability	77,999	86,786
<b>TOTAL</b>	<b>1,570,391</b>	<b>1,492,392</b>
<b>NOTE - 7 - SHORT TERM PROVISIONS :</b>		
Provision for Employee Benefits	277,969	336,938
<b>TOTAL</b>	<b>277,969</b>	<b>336,938</b>
<b>NOTE - 8 - OTHER CURRENT LIABILITIES :</b>		
Current maturity of long term borrowings ( Note 5)	--	--
Electricity Expense Payable	--	7,407
Unpaid Expenses	12,072	--
Other Statutory Dues	123,453	129,907
Professional Fees Payable	64,450	44,450
<b>TOTAL</b>	<b>199,975</b>	<b>181,764</b>

**BOBSHELL ELECTRODES LIMITED**

**NOTE - 9 - TANGIBLE ASSETS :**

<u>COST OF VALUATION</u>	Fre Hold Land	Factory Building	Office Building	Plant & Machinery	Office Equipment	Furniture & Fixtures	Vehicles	Computer	TOTAL
As at 31 March 2012	5,240,823	5,416,703	1,874,000	45,103,334	4,315,173	1,988,227	2,260,481	1,419,864	67,618,605
Addition	-	574,444	-	50,925	-	-	-	48,499	673,868
Disposal	-	-	-	-	-	-	-	-	-
Other Adjustment	-	-	-	-	-	-	-	-	-
As at 31 March 2013	5,240,823	5,991,147	1,874,000	45,154,259	4,315,173	1,988,227	2,260,481	1,468,363	68,292,473
Addition	-	-	-	-	-	-	2,135,840	27,800	2,163,640
Disposal	-	-	-	-	-	-	710,495	-	710,495
Other Adjustment	-	-	-	-	-	-	-	-	-
As at 31 March 2014	5,240,823	5,991,147	1,874,000	45,154,259	4,315,173	1,988,227	3,685,826	1,496,163	69,745,618
<u>DEPRECIATION</u>	Fre Hold Land	Factory Building	Office Building	Plant & Machinery	Office Equipment	Furniture & Fixtures	Vehicles	Computer	TOTAL
As at 31 March 2012	-	2,586,656	138,195	43,197,617	2,933,384	1,453,429	101,360	1,297,647	51,708,288
Charge for the year	-	193,691	30,546	2,220	204,971	125,855	214,746	18,688	790,717
Disposal	-	-	-	-	-	-	-	-	-
Other Adjustment	-	-	-	-	-	-	-	-	-
As at 31 March 2013	-	2,780,347	168,741	43,199,837	3,138,355	1,579,284	316,106	1,316,335	52,499,005
Charge for the year	-	200,104	30,546	2,419	204,971	125,855	341,804	24,440	930,138
Disposal	-	-	-	-	-	-	202,678	-	202,678
Other Adjustment	-	-	-	-	-	-	-	-	-
As at 31 March 2013	-	2,980,451	199,287	43,202,256	3,343,326	1,705,139	455,232	1,340,775	53,226,466
<u>NETBLOCK</u>									
As at 31 March 2013	5,240,823	3,210,800	1,705,259	1,954,422	1,176,818	408,943	1,944,375	152,028	15,793,468
As at 31 March 2014	5,240,823	3,010,696	1,674,713	1,952,003	971,847	283,088	3,230,594	155,388	16,519,152

**NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2014**

**NOTE - 10 - LOANS & ADVANCES :**

Particulars	<u>Long Term</u>		<u>Short Term</u>	
	As at 31-3-2014 Amt (Rs.)	As at 31-3-2013 Amt (Rs.)	As at 31-3-2014 Amt (Rs.)	As at 31-3-2013 Amt (Rs.)
<b>(A) Capital Advances :</b>				
Unsecured, Considered Good	--	--	--	--
<b>(A)</b>	--	--	--	--
<b>(B) Security Deposit :</b>				
Unsecured , Considered Good	606,364	413,000	145,694	117,309
<b>(B)</b>	<b>606,364</b>	<b>413,000</b>	<b>145,694</b>	<b>117,309</b>
<b>(C) Other Loans &amp; Advances :</b>				
(i) Advance Tax/ TDS Receivable	--	--	146,542	132,607
Less : Provision	--	--	--	--
Net Advance	--	--	146,542	132,607
(ii) Prepaid Expense	--	--	--	57,729
(iii) Loans/ Advances to Employees	--	--	140,262	114,400
(iv) Balance with Statutory / Govt. Authorities	--	--	2,067	2,067
(v) Advance to Suppliers	--	--	86,290	19,723
<b>(C)</b>	--	--	228,619	326,526
<b>TOTAL (A+B+C)</b>	<b>606,364</b>	<b>413,000</b>	<b>520,855</b>	<b>443,835</b>

**NOTE - 11 - TRADE RECEIVABLES :**

Particulars	<u>Non Current</u>		<u>Current</u>	
	As at 31-3-2014 Amt (Rs.)	As at 31-3-2013 Amt (Rs.)	As at 31-3-2014 Amt (Rs.)	As at 31-3-2013 Amt (Rs.)
<b>A. Outstanding for a period exceeding six months from the date they are due for payment</b>				
- Unsecured , Considered Good	--	--	3,002,831	1,097,375
<b>(A)</b>	--	--	<b>3,002,831</b>	<b>1,097,375</b>
<b>B. Other Receivables :</b>				
Unsecured , Considered Good	--	--	2,609,336	4,992,550
<b>(B)</b>	--	--	<b>2,609,336</b>	<b>4,992,550</b>
<b>TOTAL (A+B)</b>	--	--	<b>5,612,167</b>	<b>6,089,925</b>

**NOTE - 12 - OTHER ASSETS :**

A. Non Current Bank Balance (Note 15)	7,836,303	6,794,125	--	--
B. Accrued Interest	--	--	--	35,311
C. Receivable on Sale of Fixed Assets	--	--	271,000	--
D. MODVAT Excise Duty Account	--	--	393	--
<b>TOTAL</b>	<b>7,836,303</b>	<b>6,794,125</b>	<b>271,393</b>	<b>35,311</b>



**BOBSHELL ELECTRODES LIMITED**

**NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2014**

**NOTE - 13- INVENTORIES :**

Particulars	31 March 2014 Amt. (Rs.)	31 March 2013 Amt. (Rs.)
Raw Materials & Others	1,333,461	1,482,248
Finished Stock	399,924	614,920
<b>TOTAL</b>	<b>1,733,385</b>	<b>2,097,168</b>

**NOTE - 14 - CASH AND CASH EQUIVALENTS :**

Particulars	<u>Non Current</u>		<u>Current</u>	
	As at 31-3-2014 Amt (Rs.)	As at 31-3-2013 Amt (Rs.)	As at 31-3-2014 Amt (Rs.)	As at 31-3-2013 Amt (Rs.)
<b>A. Cash and Cash Equivalents :</b>				
<b>Balances with Bank :</b>				
in Current Accounts	--	--	4,309,885	6,063,641
Cash on Hand	--	--	213,926	272,656
<b>(A)</b>	<u>          --</u>	<u>          --</u>	<u>4,523,811</u>	<u>6,336,297</u>
<b>B. Other Bank Balances :</b>				
Deposits with original maturity for more than 12 months	7,836,303	6,794,125	--	500,000
	<b>7,836,303</b>	<b>6,794,125</b>	<b>--</b>	<b>500,000</b>
<b>Less :</b>				
Amount disclosed Under Non Current Assets (Note 13 )	7,836,303	6,794,125	--	--
<b>(B)</b>	<u>          --</u>	<u>          --</u>	<u>          --</u>	<u>500,000</u>
<b>TOTAL (A+B)</b>	<u>          --</u>	<u>          --</u>	<u>4,523,811</u>	<u>6,836,297</u>

**NOTE - 15 - REVENUE FROM OPERATIONS :**

Particulars	31 March 2014 Amt. (Rs.)	31 March 2013 Amt. (Rs.)
<b>Sale of Products :</b>		
Finished Goods	28,137,315	32,421,266
<b>TOTAL</b>	<u>28,137,315</u>	<u>32,421,266</u>

**NOTE - 16 - OTHER INCOME :**

Particulars	31 March 2014 Amt. (Rs.)	31 March 2013 Amt. (Rs.)
Discount	103,260	123,390
Interest	749,419	694,055
<b>TOTAL</b>	<u>852,679</u>	<u>817,445</u>

**NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2014**

**NOTE - 17 - COST OF MATERIALS CONSUMED :**

Particulars	31 March, 2014		31 March, 2013	
	Amt (Rs.)	Amt (Rs.)	Amt (Rs.)	Amt (Rs.)
Inventory at the Beginning of the year	1,482,248		2,876,488	
ADD : Purchases	17,980,349		21,654,505	
LESS : Inventory at the end of the year	1,333,461		1,482,248	
<b>Cost of Materials Consumed</b>		<b>18,129,136</b>		<b>23,048,745</b>

**NOTE - 18 - (INCREASE)/ DECREASE IN INVENTORIES :**

Particulars	31 March	31 March
	2014	2013
	Amt. (Rs.)	Amt. (Rs.)
<b>Inventory at the beginning of the year</b>		
Finished Stock	614,920	124,078
	<u>614,920</u>	<u>124,078</u>
<b>Inventory at the end of the year</b>		
Finished Stock	399,924	614,920
	<u>399,924</u>	<u>614,920</u>
<b>(Increase)/ Decrease in Stock</b>	<b>214,996</b>	<b>(490,842)</b>

**NOTE - 19 - EMPLOYEE BENEFIT EXPENSES :**

Particulars	31 March	31 March
	2014	2013
	Amt. (Rs.)	Amt. (Rs.)
Director's Remuneration	2,133,000	2,496,000
Provident Fund	317,164	185,694
Salary, Wages & Bonus	2,326,913	2,638,087
Staff Welfare	96,753	131,318
<b>TOTAL</b>	<b>4,873,830</b>	<b>5,451,099</b>

**NOTE - 20 - FINANCE COST :**

Particulars	31 March	31 March
	2014	2013
	Amt. (Rs.)	Amt. (Rs.)
Bank Guarantee Charges	31,124	17,550
Interest On Car Loan	119,794	11,298
<b>TOTAL</b>	<b>150,918</b>	<b>28,848</b>

**NOTE - 21 - DEPRECIATION AND AMORTISATION EXPENSES :**

Particulars	31 March	31 March
	2014	2013
	Amt. (Rs.)	Amt. (Rs.)
Depreciation of Tangible Assets	930,138	790,717
<b>TOTAL</b>	<b>930,138</b>	<b>790,717</b>

## NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2014

**NOTE - 22 - OTHER EXPENSES :**

Particulars	31 March 2014 Amt. (Rs.)	31 March 2013 Amt. (Rs.)
Auditors Rremuneration	40,000	40,000
Conveyance & Lodging	163,845	233,207
Excise On Closing Stock	123,246	147,291
Factory Expense	313,911	251,648
Freight Expenses	324,468	230,095
Insurance	249,582	121,794
Selling & Marketing Expense	--	28,090
Rates & Taxes	40,709	34,709
Power & Fuel Expense	868,983	836,248
Stores & Spares	11,851	19,935
Travelling Expense	87,757	53,275
Vehicle Repairs	140,025	119,712
Service Tax	21,050	15,960
VAT	--	817,009
Miscellaneous Expenses	1,265,360	604,169
Listing Fees	233,596	--
<b>TOTAL</b>	<b>3,884,382</b>	<b>3,553,142</b>

Note : Listing fees of 233,596 belongs to Delisting fees paid to Ahmedabad Stock Exchange Limited.

**NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2014****1. Corporate Information :**

Bobshell Electrodes Limited is a public company domiciled in India and incorporated under the provisions of The Companies Act, 1956. The Company is engaged in manufacturing and marketing of Low Heat Input Maintenance Welding Electrodes. It has a leading name in providing total solution in Maintenance Welding products and services.

Bobshell is having the most modern manufacturing facilities and having all microprocessor controlled machineries to produce "Zero Defect Electrodes". The products are unique in nature. As a result the products are patented.

**2. Basis of preparation :**

The financial statements of the company have been prepared in accordance with generally accepted accounting principles in India (Indian GAAP). The Company has prepared these financial statements to comply in all material respects with the accounting standards notified under the Companies ( Accounting Standards ) Rules, 2006, (as amended ) and the relevant provisions of the Companies Act, 1956. The financial statements have been prepared on an accrual basis and under the historical cost convention.

The accounting policies adopted in the preparation of financial statements are consistent with those of previous year, except for the change in accounting policy explained below:

**2.1 Summary of significant accounting polices :****a. Use of Estimates :**

The preparation of financial statements in conformity with Indian GAAP requires the management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities and the disclosure of contingent liabilities, at the end of the reporting period. Although these estimates are based on the management's best knowledge of current events and actions, uncertainty about these assumptions and estimates could result in the outcomes requiring a material adjustment to the carrying amounts of assets or liabilities in future periods.

**b. Tangible fixed assets :**

Fixed assets are stated at cost, net of accumulated depreciation and accumulated impairment losses, if any. The cost comprises purchase price, borrowing cost if capitalization criteria are met and directly attributable cost of bringing the assets to its working condition for the intended use. Any trade discounts and rebates are deducted in arriving at the purchase price.

Subsequent expenditure related to an item of fixed asset is added to its book value only if it increases the future benefits from the existing asset beyond its previously assessed standard of performance. All other expenses on existing fixed assets, including day to day repaired maintenance expenditure and cost of replacing parts, are charged to the statement of profit and loss for the period during which such expenses are incurred.

Gains or losses arising from de recognition of fixed assets are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognized in the statement of profit & loss when the asset is de recognized.

**c. Depreciation on Tangible Fixed Asset :**

Depreciation on fixed asset is calculated on Straight Line method using the rates prescribed under the Schedule XIV to The Companies Act, 1956.

**d. Investments :**

Investments, which are readily realizable and intended to be held for not more than one year from the date on which such investments are made, will be classified as current investments. All other investments will be classified as non- current investments.

Non-current investments are carried at cost. However, provision for diminution in value is to be made to recognize a decline other than temporary in the value of investments.

**e. Inventories**

- (i) Raw materials including consumables are valued at lower of cost or net realizable value including duties, taxes, freight, insurance and handling and clearing charges and other incidental expenses.
- (ii) Work In progress are valued at lower of cost or net realizable value.
- (iii) Finished goods are valued at cost or net realizable value whichever is lower.

**f. Revenue Recognition :**

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the company and the revenue can be reliably measured.

Revenue from sale of goods is recognized when all the significant risks and rewards of ownership of the goods have passed to the buyer, usually on delivery of goods. The Company collects VAT & CST on behalf of the government and therefore, these are not economic benefits flowing to the Company. Hence they are excluded from revenue.

Interest income is recognized on a time proportion basis taking into account the amount outstanding and the applicable interest rate. Interest Income is included under the head "Other Income" in the statement of profit & loss.

**g. Retirement Benefits :**

Retirement benefit in the form of provident fund is a defined contribution scheme. The contributions to the provident fund are charged to the statement of profit & loss for the year when the contributions are due. The Company has no obligation, other than the contribution payable to the provident fund.

**h. Income Tax :**

Tax expense comprises current and deferred tax. Current income tax is measured at the amount expected to be paid to the tax authorities in accordance with the Income Tax Act, 1961 enacted in India and tax laws prevailing in the respective tax jurisdiction where the company operates. The tax rates and tax laws used to compute the amount are those that are enacted, at the reporting date.

Deferred tax assets and liabilities are measured using the tax rates and tax laws that have been announced up to the Balance Sheet date. Deferred tax assets and liabilities are recognized for the future tax consequences attributable to timing differences between the taxable income and accounting income. The effect of tax rate change is considered in the Profit & Loss Account of the respective year of change.

**i. Segment Reporting :**

As the entire operation of the company is related to one reporting segment comprising of welding rods and allied products, there are no separate reportable segment as per Accounting Standard – 17.

**j. Provisions and Contingent liabilities :**

A provision is recognized when the Company has a present obligation as a result of past event. It is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Provisions are not discounted to their present value and are determined based on the best estimate required to settle the obligation at the reporting date. These estimates are reviewed at each reporting date and adjusted to reflect the current best estimate.

Where no reliable estimate can be made, a disclosure is made as a contingent liability. A disclosure for a contingent liability is also made when there is a possible obligation that may, but probably will not, require an outflow of resources. Where there is a possible obligation or a present obligation in respect of which the likelihood of outflow of resources is remote, no provision or disclosure is made.

**k. Cash & Cash equivalents :**

Cash and cash equivalents comprise cash and cash on deposit with banks and corporations. The company considers all highly liquid investments with a remaining maturity at the date of purchase of three months or less and that are readily convertible to known amounts of cash to be cash equivalents.

**24. EARNING PER SHARE :**

Basic earning per share is computed by dividing the net profit after tax by the weighted average number of equity shares outstanding during the period.

Sr. No.	Particulars	Year ended 31-03-2014	Year ended 31-03-2013
1	Net Profit / (Loss) attributable to shareholders	(6,22,242)	(817,485)
2	Weighted average no. of. Equity Shares	6,006,000	6,006,000
3	Basic Earning Per Share	(0.10)	(0.14)

**25. RELATED PARTY TRANSACTIONS :**

Name	Relationship	Nature of transaction	Amt (Rs)		Outstanding Balance (Rs)	
			2013-14	2012-13	2013-14	2012-13
Shailesh Joshi	Chairman & Managing Director	Remuneration	1,365,000	1,860,000	--	--
Kashyap Pathak	Director	Remuneration	768,000	636,000	--	--

26. There are no dues to Micro & Small Enterprises as defined under the MSMED Act, 2006.

The accompanying notes are an integral part of the financial statements

As per our report of even date attached herewith

For, DJNV & CO.  
Chartered Accountants  
Firm Reg. No. 115145W

Jayesh Parikh  
(Partner)  
M. No. 40650

Place : Ahmedabad  
Date : 27th May, 2014

For, BOBSHELL ELECTRODES LTD.

(Shailesh M. Joshi)  
Director

(Kashyap P. Pathak)  
Director

Place : Ahmedabad  
Date : 27th May, 2014

**BOBSHELL ELECTRODES LIMITED**

**CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2014**

Particulars	31 March, 2014	31 March, 2013
	Amt. (Rs.)	Amt. (Rs.)
<b>A. CASH FLOW FROM OPERATING ACTIVITIES :</b>		
Profit before tax	(544,243)	(730,699)
<b>Non-cash adjustment to reconcile profit before tax to net cash flows</b>		
ADD : Depreciation	930,138	790,717
<b>Operating Profit before Working Capital Changes</b>	<b>385,896</b>	<b>60,018</b>
Movement in Working Capital :		
Increase / (Decrease) in Trade Payables	(624,532)	(138,627)
Increase / (Decrease) in Provisions	(58,969)	4,021
Increase / (Decrease) in Long Term Liabilities	-	(25,000)
Increase / (Decrease) in Other Current Liabilities	18,211	(440,361)
(Increase) / Decrease in Trade Receivables	477,758	3,366,362
(Increase) / Decrease in Inventories	363,783	903,398
(Increase) / Decrease in Current Loans & Advances	(77,020)	2,948,375
(Increase) / Decrease in Other Assets	(236,082)	118,991
Cash generated from / (used in) operations	(136,851)	6,737,159
Income Tax Paid	--	--
<b>Net Cash Flow From / ( Used in ) Operating Activities (A)</b>	<b>249,045</b>	<b>6,797,177</b>
<b>B. CASH FLOW FROM INVESTING ACTIVITIES :</b>		
Purchase of Fixed Assets	(2,163,640)	(673,868)
Sale of Fixed Assets	507,817	--
Increase or Decrease in Long term Loans and advances	(193,364)	--
(Increase) / Decrease in Other Non Current Assets	(1,042,178)	(975,455)
Proceeds from Sale of Fixed Assets	--	--
<b>Net Cash Flow From / ( Used in ) Investing Activities (B)</b>	<b>(2,891,365)</b>	<b>(1,649,323)</b>
<b>C. CASH FLOW FROM FINANCING ACTIVITIES :</b>		
Proceeds from Long Term Borrowings	329,834	--
<b>Net Cash Flow From / ( Used in ) Financing Activities (C)</b>	<b>329,834</b>	<b>--</b>
<b>Net Increase/ (Decrease) in Cash &amp; Cash Equivalent (A+B+C)</b>	<b>(2,312,486)</b>	<b>5,147,854</b>
Cash & Cash Equivalents at the beginning of the year	6,836,297	1,688,443
<b>Cash &amp; Cash Equivalents at the end of the year</b>	<b>4,523,811</b>	<b>6,836,297</b>

**Notes :-**

Cash Flow Statement has been prepared under the indirect method set out in Accounting Standard-3 "Cash Flow Statements" as specified in the Companies (Accounting Standards) Rules, 2006.

As per our report of even date attached herewith

For, DJNV & CO.  
Chartered Accountants

Firm Reg. No. 115145W

Jayesh Parikh  
(Partner)

M. No. 40650

Place : Ahmedabad

Date : 27th May, 2014

For, BOBSHELL ELECTRODES LTD.

(Shailesh M. Joshi)  
Director

(Kashyap P. Pathak)  
Director

Place : Ahmedabad

Date : 27th May, 2014

### ATTENDANCE SHEET

I Shri / Smt.....of ..... Being a member / proxy of BOBSHELL ELECTRODES LIMITED do hereby record my presence at the 20th Annual General Meeting of the member of the Company to be held on Tuesday the 30th September, 2014 at 11.00 A.M. at Corporate Office Of the Company at 802, 8th Floor, Swagat Building, Near Lal Bunglow, C. G. Road, Ellisbridge, Ahmedabad 380 006.

FOLIO NO. / CLIENT I.D.
D.P. ID.
D.P. NAME.
NAME OF SHAREHOLDER
NUMBER OF SHARE HELD

Date :

Place : (Signature of the Member/ Proxy attending the Meeting)

### PROXY FORM BOBSHELL ELECTRODES LIMITED

FOLIO NO. / CLIENT I.D.
D.P. ID.
D.P. NAME.
NAME OF SHAREHOLDER
NUMBER OF SHARE HELD

I Shri/Smt ..... being a member of BOBSHELL ELECTRODES LIMITED, holding ..... Shares in the Company do hereby appointed Shri ..... of ..... or falling him Shri ..... of ..... to remain present at the 20th Annual General Meeting of the Company to be held on Tuesday the 30th September, 2014 at 11.00 A.M. at the Corporate Office of the Company at 802, 8th Floor, Swagat Building, Near Lal Bunglow, C.G.Road, Ellisbridge, Ahmedabad: 380 006 or at any adjournment thereof and to vote for and on my behalf if poll is granted.

Date :  
Place :

**Affix  
Rs.1/-  
revenue  
stamp**

(Signature of the member appointing a proxy)

Proxy form duly stamped, signed and completed in all respect should be deposited 48 hours before the time fixed for the meeting at the registered office of the company.



**BOOK POST**

**If undelivered, please return to :**



**BOBSHELL ELECTRODES LIMITED**

**CORPO. OFFICE :**

**802, SWAGAT, C. G. ROAD, ELLISBRIDGE,  
AHMEDABAD-380006.**