

# **BOBSHELL ELECTRODES LIMITED**

## **22<sup>nd</sup> Audited Annual Report**

**FOR THE YEAR 2015 - 16**

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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 CROSS ROADS, NAVRANGPURA, AHMEDABAD, GUJARAT-380009, INDIA.

Email ID: bobshellelectrodes@yahoo.co.in

**22ND ANNUAL REPORT**

<b>CIN</b>	:	L29308GJ1994PLC023275
<b>BOARD OF DIRECTORS</b>	:	Shri Shailesh M Joshi                      Chairman & Managing Director Shri Kamlesh M Shah                      Director Shri Anish Bodawala                      Director Smt. Mudraben Pathak                      Women Director
<b>REGISTERED OFFICE</b>	:	B-505, Fairdeal House, Opp. ST.Xaviers' Ladies Hostel Swastik Char Rasta, Navrangpura , Ahmedabad- 380009.
<b>ADMINISTRATIVE OFFICE</b>	:	802, 8TH Floor, Swagat Building, Near Lal Bunglow, C.G.Road, Ellisbridge, Ahmedabad- 380006.
<b>PLANT</b>	:	496, Bhagya Laxmi Industrial Estate, Manpasand Weight Bridge, Santej Rakanpur, Sola Santej, Gandhinagar-382721.
<b>AUDITORS</b>	:	DJNV & CO. Chartered Accountants 58, White House, Panchvati Circle C.G.Road, Ellisbridge, Ahmedabad- 380006.
<b>BANKERS TO THE COMPANY</b>	:	1. Union Bank of India, Industrial Finance Branch, Ahmadabad 2. State Bank of Saurashtra, Sikka 3. Dena Bank, Wanakbori 4. Bank of Baroda, Dhuvaran 5. Bank of Baroda, Ukai

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Shareholders are requested to bring their  
copies of Annual Report at the Annual  
General Meeting as the same will not  
be distributed in the Meeting Hall.

## NOTICE

Notice is hereby given that the 22nd Annual General Meeting of the members of BOBSHELL ELECTRODES LIMITED will be held on the 30th day of September 2016 at 11:00 A.M. at the 802, Swagat Building, Near LalBunglow, C.G. Road, Ahmedabad- 380006 to transact the following business:

### ORDINARY BUSINESS :

1. To receive, consider and adopt the Audited Balance Sheet as at 31st March 2016, Statement of Profit & Loss for the financial year 2015-16 and the Reports of Board of Directors and the Auditors thereon.
2. To appoint a Director in place of Shri Anish Bodawala (DIN 02197407), who retires by rotation and being eligible, offers himself for reappointment.
3. To ratify the Appointment of Auditors

To consider and if thought fit, to pass with or without modification(s) the following resolution as an ordinary resolution:

**“RESOLVED THAT** pursuant to section 139 and all other applicable provisions, if any of the Companies Act, 2013 and the Companies (Audit and Auditors) Rules, 2014, as amended from time to time, the Company hereby ratifies appointment of M/s DJNV & Co., Chartered Accountants, (FRN - 115145W) as Auditors of the Company for the financial year 2016-2017 to hold office from the conclusion of this Annual General Meeting till the conclusion of the next Annual General Meeting of the Company to examine and audit accounts of the Company at such remuneration as may be mutually decided between Board of Directors of the Company and Auditors .”

### SPECIAL BUSINESS :

#### 4. Appointment of Director:

To consider and if thought fit, to pass with or without modification(s) the following resolution as an ordinary resolution:

**“RESOLVED THAT** pursuant to section 161 of the Companies Act, 2013 refer to Companies (Directors Appointment & Qualification) Rules, 2014, Mrs. Mudraben P. Pathak (Holding a valid Director Identification Number: 06688937) is not disqualified for being appointed as a Director of the company in term of the section 164 of the Companies Act, 2013 or any other applicable provisions and had given her consent for appointment as an Independent woman Director be and is hereby appointed as an Independent Director of the company with effect from 20th January, 2016”

**RESOLVED FURTHER** that Mr. Shailesh M. Joshi , Managing Director (DIN: 01453505) of the Company,

be and is hereby authorized to sign all the forms and necessary documents in this regards and he is authorized to take such other steps as may be necessary in this regards”

#### 5. CHANGE IN PLACE OF KEEPING REGISTER OF MEMBERS, INDEX OF MEMBERS, ETC.

To consider and if thought fit, to pass with or without modification(s) the following resolution as a Special resolution:

**“RESOLVED THAT** in suspension of the resolution passed earlier by the shareholders at the previously held Annual General Meeting and pursuant to Section 94 of the Companies Act, 2013 (the Act) and the Companies (Management and Administration) Rules, 2014 and any other law applicable for the time being in force (if any) (including any statutory modification or re- enactment thereof for the time being in force), consent of members be accorded to the Board of Directors of the Company for keeping the Register of Members together with the Index of Members and other security holders, if any, under Section 88 of the Act at the office premises of the Company's new Registrar and Share Transfer Agents viz. Bigshare Services Private Limited (R & T Agents) at 4th Floor , Samudra Complex, Near Klassic Gold Hotel, Off C. G. Road, Ahmedabad – 380006, Gujarat and/or at such other place in Ahmedabad where the R& T Agents may shift its office from time to time or such other place as may be decided by the Board of Directors from time to time.

**RESOLVED FURTHER THAT** the Board of Directors (including committee thereof, if any, constituted by the Board) be and are hereby authorized to settle any question, difficulty or doubt that may arise in giving effect to this Resolution and to delegate all or any of the powers or authorities herein conferred by this resolution to any Director(s) or any other Officer(s)/ Authorized Representative(s) of the Company or to engage any advisor, consultant, agent or intermediary.”

### NOTES :

1. A member entitled to attend and vote is entitled to appoint a proxy to attend and vote instead of him/herself and proxy need not be a member. The proxies to be effective should be deposited at the registered office of the company not later than 48 hours before the commencement of the meeting.

**A person can act as a proxy on behalf of members not exceeding fifty and holding in the aggregate not more than ten percent of the total share capital of the company carrying voting rights. A member holding more than ten**

percent of the total share capital of the company carrying voting rights may appoint a single person as proxy and such person shall not act as a proxy for any other person or shareholder.

2. For the convenience of members, an attendance slip is annexed to the proxy form. Members are requested to affix their signature as registered with the company at the space provided therein and handover the Attendance Slip at the entrance to the place of the Meeting.
3. Corporate Members intending to send their authorized representatives to attend the Meeting are requested to send to the company a certified copy of the Board Resolution authorizing their representative to attend and vote on their behalf at the meeting.
4. A statement pursuant to Section 102 (1) of the Companies Act, 2013, relating to the special business to be transacted at the meeting annexed hereto.
5. Members/ Proxies are requested to bring their attendance slip to the meeting.
6. In case of joint holder attending the meeting, only such joint holder who is higher in the order of names will be entitled to vote.
7. Relevant documents referred to in the accompanying Notice and the statement is open for inspection by the members at the Registered Office of the Company on allworking days, except Saturdays during business hours up to the date of the Meeting.
8. Members are requested to address all correspondence to the Registrar and Transfer Agents (RTA): Bigshare Services Private Limited A – 402, 4th Floor, Samudra Complex, Near Klassic Gold Hotel, Off C. G. Road, Ahmedabad – 380006, Gujarat, India.
9. Members holding shares in electronic form are requested to intimate immediately any change in their address or bank mandates to their Depository Participants with whom they are maintaining their demat accounts. Members holding shares in physical form are requested to advise any change in their address and bank mandates immediately to the Company/ RTA.
10. 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 their PAN in their Depository Participant with whom they are maintaining their Demataccounts, members holding shares in physical form can submit their PAN to the

Company RTA.

11. Members who have not registered their e-mail address so far are requested to register their e-mail address for receiving all communication including Notices, Circulars, etc. from the Company electronically.
12. The Notice of the Annual General Meeting and Annual Report of the Company for the year ended 31st March, 2016 is uploaded on the Company's website [www.bobshell.net](http://www.bobshell.net) and may be accessed by the members and also on the website of the Bombay Stock Exchange Ltd. [www.bseindia.com](http://www.bseindia.com).
13. The Company has implemented the 'Green initiative' as per Circular Nos. 17/2011 dated 21 April 2011 and 18/11 dated 29 April 2011 issued by the Ministry of Corporate Affairs (MCA) to enable electronic delivery of the notices/ documents. The email addresses indicated in your respective Depository Participant (DP) accounts are being periodically downloaded from NSDL/CDSL and will be deemed to be your registered email address for serving notices/ documents including those covered under Section 136 of the Companies Act, 2013 (Corresponding provisions of Section 219 of the Companies Act, 1956). Members may also note that the notice of the Annual General Meeting will also be available on the website of the Company, [www.bobshell.net](http://www.bobshell.net) for download. Members holding shares in physical mode are also requested to update their email addresses by writing to the RTA of the Company.
14. In compliance with the provisions of Section 108 of the Companies Act, 2013 read with the Companies (Management and Administration) Rules, 2014, and Regulation 44 of the SEBI (LODR) Regulations, 2015, the Company is providing e-Voting facility as an alternative mode of voting which will enable the Members to cast their votes electronically. The instructions for e-voting are enclosed herewith.

**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 Regulation 44 of the SEBI (LODR) Regulations, 2015, the Company is pleased to provide members facility to exercise their right to vote at the 22nd 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):

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

- (i) The voting period begins on 27.09.2016 at 10.00 a.m. and ends on 29.09.2016 at 5.00 p.m. During

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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 23.09.2016 may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.

- (ii) The shareholders should log on to the e-voting website [www.evotingindia.com](http://www.evotingindia.com).
- (iii) Click on Shareholders.
- (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:

<b>For Members holding shares in Demat Form and Physical Form</b>	
<b>PAN</b>	Enter your 10 digit alpha-numeric PAN issued by Income Tax Department (Applicable for both Demat shareholders as well as physical shareholders) <ul style="list-style-type: none"> <li>Members who have not updated their PAN with the Company/Depository Participant are requested to use the sequence number which is printed on Postal Ballot / Attendance Slip indicated in the PAN Field.</li> </ul>
<b>Dividend Bank Details or Date of Birth (DOB)</b>	Enter the Dividend Bank Details or Date of Birth (in dd/mm/yyyy format) as recorded in your demat account or in the company records in order to login. <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 directly reach the Company selection screen. However, members holding shares in demat form

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

- (x) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- (xi) Click on the EVSN for the 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 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 a print of the votes cast by clicking on "Click here to print" option on the Voting page.
- (xvii) If a demat account holder has forgotten the login password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
- (xviii) Shareholders can also cast their vote using CDSL's mobile app m-Voting available for android based mobiles. The m-Voting app can be downloaded from Google Play Store. Please follow the instructions as prompted by the mobile app while voting on your mobile.**
- (xix) Note for Non – Individual Shareholders and Custodians
  - Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodian are required to log on to [www.evotingindia.com](http://www.evotingindia.com) and register themselves as Corporates.
  - A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).

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- After receiving the login details a Compliance User should be created using the admin login and password. The Compliance User would be able to link the account(s) for which they wish to vote on.
- The list of accounts linked in the login should be mailed to helpdesk.evoting@cdslindia.com and on approval of the accounts they would be able to cast their vote.
- A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.

In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions ("FAQs") and e-voting manual available at [www.evotingindia.com](http://www.evotingindia.com), under help section or write an email to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com)

**Date : 31st May 2016**

**Place : Ahmedabad**

**By order of the Board**

**Registered Office:**

B-505, Fairdeal House,  
Opp.ST.Xaviers' Ladies Hostel  
Swastik Char Rasta,

**SD/-  
Shailesh M. Joshi  
Chairman &  
Managing Director  
(DIN: 01453505)**

### **EXPLANATORY STATEMENT PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013 AND THE RULES FRAMED THEREUNDER**

#### **ITEM NO. 4:**

#### **To regularize the appointment of Mrs. Mudraben Pathakas director of the company**

The Board of Directors of the Company at its meeting appointed **Mrs.Mudraben P. Pathak**(DIN: 06688937) as an Additional Director of the Company who holds her office only up to the date of ensuing Annual General Meeting of the members of the company.

Pursuant to provisions of Section 160 and other applicable provisions of the Companies Act, 2013 and Articles of Association of the company, the company has received a notice from **Mrs. Mudraben P. Pathak** signifying her candidature for the office of director of the company. Now, the Board of Directors proposes to shareholders of the company to approve and regularize her appointment as a Director of the company.

The resolution is recommended for approval of Shareholders.

None of the Directors, Promoters and their Relatives is interested or concerned in the resolution except their post and to the extent of their shareholding in the company.

#### **ITEM NO. 5:**

Securities and Exchange Board of India (SEBI) vide its Ex – Parte Ad Interim Order No. WTM/ RKA/ MIRSD2/ 41/ 2016 dated March 22, 2016 advised all the clients of M/s. Sharepro Services (India) Private Limited ("Sharepro") to carry out/ switchover their activities related to registrar to an issue and share transfer agent, either in – house or through another registrar to an issue and share transfer agent registered with SEBI.

Accordingly the Board of Directors on 12th August 2016 have appointed M/s. Bigshare Services Private Limited as Registrar and Share Transfer Agent of the Company in place of ShareproServices (India) Private Limited.

Section 94 of the Companies Act, 2013 (the Act) provides that for keeping the Register of Members with Index of Members and other security holders, if any, under Section 88 of the Act, and copies of the Annual Return at a place in India other than registered office of the Company, in which more than one tenth of the total number of members entered in the Register of Members reside, approval of Members by way of Special Resolution is required.

Accordingly approval of the Members is sought for keeping the Register of Members with the Index of Members and other security holders, if any, together with the Index of Debenture Holders and other security holders, if any, under section 88 of the Act and copies of the Annual Return under Section 92 of the Act at the Company's new R & T Agents viz. Bigshare Services Private Limited (R & T Agents) at 4th Floor , Samudra Complex, Near U. S. Pizza, C. G. Road, Ahmedabad – 380006, Gujarat and or such other place in Ahmedabad where Registrar and Transfer Agents may shift its office from time to time or such other place as may be decided by the Board from time to time. The members may inspect the Register of Members at the address mentioned above can take extract of the same as per the provisions of applicable laws.

The Board recommends the Special Resolution set out at Item No. 5 of the Notice for the approval by the Members.

None of the Directors and Key Managerial Personnel of the Company or their relatives is concerned or interested in the proposed Special Resolution as set out in Item No. 5 of the Notice, except to the extent of their shareholding, if any in the Company.

**By Order of the Board of Directors  
For BOBSHELL ELECTRODES LIMITED**

**Sd/-  
Shailesh M. Joshi  
Chairman and Managing Director  
(DIN: 01453505)**

**BOBSHELL ELECTRODES LIMITED****DETAILS OF THE DIRECTORS SEEKING RE-APPOINTMENT IN THE 22ND ANNUAL GENERAL MEETING OF THE COMPANY PURSUANT TO REGULATION 36(3) OF SEBI (LODR) REGULATIONS, 2015.**

<b>Name of Director</b>	<b>ANISH DEVENDRA BODAWALA</b>
DIN	02197407
Date of Birth	24.10.1980
Date of Appointment	31.08.2013
Relationship with other Directors Inter se	None
Profile & Expertise in Specific functional Areas	Mr. Anish Bodawala has done PGDHRM from NMIMS Mumbai and M.Com from L.S. Commerce College. He has experience working in departments like customer service, business development, HR operations in telecom & HR domain. He is having experience for more than 10 years in the said industries.
Qualification	M.Com , M.B.A. (H.R.)
No. of Equity Shares held in the Company	NIL
List of other Companies in which Directorships are held	NIL
List of committees of Board of Directors (across all other Companies) in which Chairmanship/ Membership is held	N.A.

## BOBSHELL ELECTRODES LIMITED

### DIRECTORS' REPORT

Dear Members,

Your Directors present 22nd Annual Report on the operations and performance together with the Audited Financial Statements for the year ended on 31st March 2016.

#### FINANCIAL HIGHLIGHTS :

Rs. In Lacs

PARTICULARS	FOR THE YEAR ENDED ON 31/03/2016	FOR THE YEAR ENDED ON 31/03/2015
Net Revenue from Operations	36,421,196	28,700,889
Other Income	942,280	801,714
Total Income.	37,363,476	29,502,603
Total Expenses	36,145,742	30,502,609
Profit Before Tax	1,217,734	(1,000,006)
Depreciation	926,047	988,699
Adjustment For Tax	233,000	0
Provision for FBT.	0	0
Profit / (Loss) After Tax.	927,623	(987,961)
Deferred Tax (Assets) Liability	57,111	12,045
Net Profit / (Loss) for the Year	927,623	(987,961)
Previous Year Balance B/F	(26,459,082)	(25,060,526)
Balance Carried to Balance Sheet	(25,531,459)	(2,60,48,487)
Earning Per Share (In Rs.)	0.15	(0.16)

#### OPERATIONAL OVERVIEW :

During the year under review Net Turnover of the Company has been increased from Rs. 28,700,889/- to Rs. 36,421,196/- as compared to previous year's turnover. As compare to the previous year, company has earned a net profit after tax of Rs. 927,623/- against loss of Rs. 987,961/- of previous year.

#### DIVIDEND :

The Board wants to plough back the profits in the business and therefore the Directors have not recommended dividend for the financial year 2015-16.

#### RESERVES :

The company proposed to transfer Rs. 9,27,623/- profit of the Company to the General Reserves for this year.

#### TRANSFER OF UNPAID / UNCLAIMED DIVIDEND :

The Company does not have any amount of Unpaid / Unclaimed Dividend as mentioned under section 124 of the Companies Act, 2013 which is required to be transferred as per the Section 125 of the Companies Act, 2013 to the

Investors Education & Protection fund and as required under provisions of the applicable laws.

#### BUSINESS ACTIVITY :

The Company is engaged in the business of manufacture of Low Heat Input Welding Electrodes since October 1994. The company has the most modern manufacturing facilities to produce least Defect Electrodes. All the facilities required to produce quality electrodes are there under one roof. There was no change in the nature of any of the business activity during the year.

#### FIXED DEPOSIT :

The Company has not accepted any public deposit during the year under review and no amount against the same was outstanding at the end of the year.

#### REGULATORY STATEMENT :

In conformity with provision of Regulation 34 in the SEBI (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015, the Cash Flow Statement for the year ended 31.03.2016 is annexed hereto. The equity shares of the Company are listed on the Bombay Stock Exchange Ltd (BSE).

The Company has not paid listing fees for the year 2015-16 to above stock exchanges.

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

As required under Section 134 (3) (m) of the Act read with Rule 8 of The Companies (Accounts) Rules, 2014, particulars relating to conservation of Energy, R & D, Technology absorption and foreign Exchange earnings / outgo are separately provided in the Annexure – A to this report.

#### DETAILS OF RELATED PARTIES TRANSACTIONS PURSUANT TO SECTION 188(1) OF THE COMPANIES ACT, 2013 :

The Company entered into related party transactions were on an arm's length basis and in ordinary course of business. Accordingly, disclosure of related party transactions as required under S. 134 (3)(h) of the Companies Act, 2013 in Form AOC – 2 is attached in Annexure – B.

Regarding Performance Review of each of the member of the Board and also the performance of the various Committees and the Board, the Company has adopted the Model Code of Conduct for Independent Directors, Key Managerial Personnel as prescribed in Schedule IV to the Companies Act, 2013 and also as prescribed in the SEBI (Insider Trading) Regulations. The Company strictly follows the procedure to obtain necessary timely declarations from each of the directors and key managerial personnel from time to time.



**SIGNIFICANT MATERIAL ORDERS PASSED BY THE COURT OR REGULATORS :**

There are no significant orders passed by the Regulators/ Courts which would impact going concern status of the Company and its future operations.

**DETAILS OF LOANS, GUARANTEES AND INVESTMENTS U/S 186 OF THE COMPANIES ACT, 2013:**

During the year under review the Company has not made any inter corporate loans, investments, given any corporate guarantee to any other body corporate, subsidiary, associate or any other company.

**EMPLOYEE STOCK OPTION SCHEME :**

The Company has not issued Employee Stock Option.

**CORPORATE GOVERNANCE :**

The Board of Directors supports to maintain the highest standards of corporate governance and adhere to the corporate governance requirements set out by SEBI. In addition to the basic governance issues, the Board lays strong emphasis on transparency, accountability and integrity. The Report on corporate governance as stipulated under SEBI (LODR) Regulations, 2015 forms part of the Annual Report. The requisite certificate from the Auditors of the Company confirming compliance with the conditions of corporate governance as stipulated under the aforesaid LODR Regulations is attached to the Report on corporate governance.

**BOARD OF DIRECTORS :**

Details about the Board of Directors Meetings are attached to the Report on Corporate Governance.

Shri Anish Bodawala, will be the Director retiring by rotation and being eligible offers himself for re-appointment at the ensuing Annual General Meeting.

During the year under review, Mrs. Mudraben Pradumna Pathak (DIN:06688937) was appointed as an Additional Director of the Company w.e.f 20th February 2016 under S. 161 of the Companies Act 2013 who shall hold office upto the date of ensuing Annual General Meeting. The Company has received a valid notice in writing under Section 160 of the Companies Act, 2013 from the member proposing her appointment as Director. The Board of Directors recommends her appointment.

The Company has received declarations from all the Independent Directors of the Company confirming that they meet with the criteria of independence as prescribed both under sub-section (6) of Section 149 of the Companies Act, 2013 and under Regulation 25 of the SEBI (LODR) Regulations, 2015 with the Stock Exchanges.

**DECLARATION BY 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 in terms of S.2 (77) of the Companies Act, 2013, 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 lakhs 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; OR
    - (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.

**DIRECTORS' RESPONSIBILITY STATEMENT :**

In terms of section 134 Clause (C) of Sub-Section (3) of the Companies Act, 2013, in relation to financial statements for the year 2015-16, the Board of Directors state:

- a) In the preparation of the annual accounts for the financial year ended 31st March 2016, as far as possible and to the extent, if any, accounting standards mentioned by the auditors in their report as not complied with, all other applicable accounting standards have been followed along with proper explanation relating to material departure;
- b) The Directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and profit and loss account of the Company for that period;
- c) The Directors 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 and for preventing and detecting fraud and other irregularities;
- d) The Directors have prepared the annual accounts on a going concern basis; and
- e) The directors in the case of a listed company had laid down internal financial controls to be followed by the company and that such internal financial controls are adequate and were operating effectively.
- f) The Directors have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

**DECLARATION BY BOARD AS PER REQUIREMENT OF SECTION 178 (1) :**

In compliance with Section 178 (1) as also in compliance with SEBI (LODR) Regulations, 2015, the Board of Directors do hereby declares that:

- a. The Company has proper constitution of the Board of Directors including independent directors in proportion as per requirement of Regulation 17 of SEBI (LODR) Regulations, 2015.

- b. The Company has constituted Nomination and Remuneration Committee, Stakeholders Relationship Committee, Audit Committee as per requirements of the Regulation 19 of SEBI (LODR) Regulations, 2015 and provisions of the Companies Act 2013.
- c. The Company has the policy for selection and appointment of independent directors who are persons of reputation in the society, have adequate educational qualification, sufficient business experience and have integrity & loyalty towards their duties.
- d. The Company pays managerial remuneration to its Managing/Whole Time Directors based upon their qualification, experience and past remuneration received by them from their previous employers and company's financial position.
- e. The Independent Directors are not paid sitting fee for attending Board and other committee meetings as decided by the Board from time to time. This sitting fee is decided considering the financial position of the company.
- f. The Company is not paying any commission on net profits to any directors.
- g. During the year the Board has met 6 times during the year. The details of presence of every director at each meeting of the Board including the meetings of the Committees, if any, are given in the report of the Corporate Governance.

**INTERNAL FINANCIAL CONTROL SYSTEM AND THEIR ADEQUACY :**

The details in respect of internal financial control and their adequacy are included in Management Discussion and Analysis Report, which forms part of this report.

**SYSTEM OF PERFORMANCE EVALUATION OF THE BOARD, INDEPENDENT DIRECTORS AND COMMITTEES AND INDIVIDUAL DIRECTORS :**

1. The Board makes evaluation of the effectiveness and efficiency of every individual director, committee of directors, independent directors and board as a whole.
2. For these purpose the Board makes evaluation twice in a year on a half yearly basis.
3. The performance of individual directors are evaluated by the entire Board, excluding the Director being evaluated on the basis of presence of every directors at a meeting, effective participation in discussion of each of the business of agenda for the meetings, feedback receives from every directors on draft of the minutes and follow up for action taken reports from first line management.

4. Effectiveness and performance of various committees are evaluated on the basis of the scope of work assign to each of the committees the action taken by the committees are reviews and evaluated on the basis of minutes and agenda papers for each of the committee meetings.
5. The performance of independent directors are evaluated on the basis of their participation at the meetings and post meeting follow up and communication from each of such independent directors.

**CORPORATE SOCIAL RESPONSIBILITY :**

As the Company is not falling under the criteria stipulated under Section 135 (1) of the Companies Act, 2013. Hence, the provisions related to CSR are presently not applicable to the Company.

**DISCLOSURE AS PER COMPANIES (APPOINTMENT AND REMUNERATION OF MANAGERIAL PERSONNEL) RULES, 2014 :**

Total managerial remuneration paid to each of them during the current year and previous year are as under:

- I. The Percentage of the remuneration of each director to the median remuneration of the employees of the company for the financial year:

S. N.	Name of director	Designation	Remuneration paid in current year	Remuneration paid in previous year	Total cost of remuneration of the employees	% remuneration of director to total cost of remuneration
1.	Shri Shailesh M. Shah	Managing Director	2,000,000 Per annum	1,200,000 Per annum	61,05,837	32.76%
2.	Smt. Jenish Joshi	CFO (W.e.f01/03/2015)	1,500,000 Per annum	NIL	61,05,837	24.57%
3	Miss Gurpreet kaur Tuteja	Company secretary (W.e.f01/03/2015)	1,44,000 Per annum	NIL	61,05,837	2.36%

- II. The percentage increase in remuneration of each director, Chief Financial Officer, Chief Executive Officer, Company Secretary or Manager, if any in the financial year:

There was increase in remuneration of Chief Financial Officer from March 2015 which has been placed for the member's approval in the Annual General Meeting. The remuneration of Chairman and Managing Director has also increased subject to the approval of members in this Annual General Meeting.

- III. The percentage increase in the median remuneration of employees in the financial year:

During the year the total remuneration of employees was Rs. 61,05,837/- as againstRs. 24,68,301/- in the previous year constituting a net increase of Rs. 36,37,536/-. This increase in remuneration of employees was due to increase in overall inflation index.

- IV. The number of permanent employees on the rolls of company:

There were 20 permanent employees on the rolls of company.

- V. The explanation on the relationship between average increase in remuneration and company performance;

NOT APPLICABLE as there was no substantial increase in remuneration of any employee during the year. The increase was only due to increase in inflation index.

- VI. Comparison of the remuneration of the Key managerial personnel against the performance of the company :

The KMP i.e. whole time Directors, Company Secretary, CFO are being paid total Remuneration of Rs.36.44 lacsper annum in the current year.

- VII. Variations in the market capitalization of the company, price earnings ratio as at the closing date of the current financial year and previous financial year and percentage increase over decrease in the market quotations of the shares of the company in comparison to the rate at which the company came out with the last public offer in case of listed companies, and in case of unlisted companies, the variations in the net worth of the company as at the close of the current financial year and previous financial year;

Earning Per share for the financial year ended on 31/03/2015 :Rs.(0.16)/-

Earning per share for the financial year ended on 31/03/2016 :Rs. .0.15/-

Regarding other information like Variations in the market capitalization of the company, price earnings ratio as at the closing date of the current financial year and previous financial year and percentage increase over decrease in the market quotations of the shares of the company in comparison to the rate at which the company came out with the last public offer in case of listed companies is not given herewith since Company had made IPO more than 5 Years before and there was no substantial variation in the market price of shares of the company. Company's EPS is negative and hence PE Ratio is not given.

**VIII.** Comparison of the remuneration of each key managerial personnel against the performance of the company;

As the company is paying required managerial remuneration to its managerial personnel and the Company is making less profit. So the remuneration of each of the KMP with performance of the company is not comparable.

Since WTDs are being paid minimum remuneration and other KMPs are getting remuneration as per prevailing industry norms, it is not possible to compare remuneration with the performance of the company.

**IX.** The key parameters for any variable component of remuneration availed by the directors; NOT APPLICABLE.

**X.** The ratio of the remuneration of the highest paid director to that of the employees who are not directors but receive remuneration in excess of the highest paid director during the year;

There were no employees who are receiving remuneration in excess or higher than the remuneration of Director or Key Managerial Personnel.

**XI.** Affirmation that the remuneration is as per the remuneration policy of the Company.

All remuneration of the Employees and directors are paid as per remuneration policy of the Company.

**PARTICULARS OF THE EMPLOYEES :**

Particulars of the employees as required under provisions of Section 197 (12) of the Act read with Rule 5 of The Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 as amended from time to time, are not attached with this report since there was no employee who was in receipt of remuneration in excess of Rs.5, 00,000 per month during the year or Rs. 60 Lacs per annum in the aggregate if employed part of the year.

**AUDITORS :**

**STATUTORY AUDITORS :**

M/s.DJNV& CO., Chartered Accountants, an Auditors firm are statutory auditors of the company since incorporation. As per Rule 6(3)of the Companies (Audit and Auditors) Rules 2014, they are eligible to continue as the statutory auditors of the company for financial years, 2015-16, 2016-17, and 2017-18. Accordingly Statutory Auditors of the company have given their letter of consent and confirmation under section 141(1) the Companies Act 2013 for their appointment as Statutory Auditors of the Company up to the financial year 2017-18 hence, the Board has now proposed to appoint the Statutory Auditors for a period of up to 2017-18. Necessary Resolution for their appointment

as the Statutory Auditors and fixing their remuneration is proposed to be passed at the Annual General Meeting.

**INTERNAL AUDITOR :**

The Company has not appointed any Internal Auditor. But Company is in process of appointing an Internal Auditor in order to strengthen the internal control system for the Company.

**SECRETARIAL AUDITOR :**

The Company has appointed NARAYAN F. SHAH as the secretarial auditor for the financial year 2015-16. They have given their report in the prescribed form MR-3 which is annexed to this report as an ANNEXURE.

**OBSERVATION OF THE SECRETARIAL AUDITOR :**

The Company has not paid the Listing Fees of the Bombay Stock Exchange for the financial year 2016-17. The trading of shares of the company is suspended from Bombay Stock Exchange. The company is yet to enter in to a Two Party Agreement for the appointment of full- fledged Registrar and Transfer Agent.

**EXPLANATION TO THE AUDITORS' REMARKS :**

The Auditors Report for the year ended 31st March, 2016 and the notes forming part of accounts referred to in the Auditor's Report are self-explanatory and give complete information.

**MATERIAL CHANGES / INFORMATION :**

1. No material changes have taken place after the closure of the financial year up to the date of this report which may have substantial effect on the business and financial of the Company.
2. No significant and material orders have been passed by any of the regulators or courts or tribunals impacting the going concern status and companies operations in future.

**ACKNOWLEDGEMENT :**

Your Directors place on record their sincere appreciation for the valuable support and co-operation as received from government authorities, Financial Institutions and Banks during the year. The Directors are also thankful for the support extended by Customers, Suppliers and contribution made by the employees at all level. The Directors would also like to acknowledge continued patronage extended by Company's shareholders in its entire endeavor.

**For and on behalf of board of Directors  
BOBSHELL ELECTRODES LIMITED**

**Shailesh M Joshi  
Chairman &  
Managing Director  
DIN: 01453505**

**Date : 31st May, 2016  
Place : Ahmedabad**

**BOBSHELL ELECTRODES LIMITED**

**ANNEXURE-1 TO THE DIRECTORS' REPORT**

Statement pursuant to Section 134 (3) (m) of the Companies Act, 2013, read with the RULE 8(3) of Companies (ACCOUNTS) Rules, 2014.

**A. CONSERVATION OF ENERGY :**

**(a) Energy conservation measures taken :-**

Your company gives priority to Energy conservation. It regularly reviews measures to be taken for Energy Conservation/Consumption and its effective utilization.

**(b) Additional investments and proposals, if any, being implemented for reduction of consumption of energy:-**

Your Company is highly power intensive industry and power is the basic requirements of manufacturing process. In order to reduce the cost per unit for power consumption, the Company has installed 40 MW Captive Power Plant.

**(c) Impact of measures at (a) and (b) above for reduction of energy consumption and consequent impact on the cost of production of goods:**

The company is operating 40 MW Captive Power Plant in parallel with GETCO Grid and with the consumption of own power, Company saves substantial amount from the same.

**(d) Total energy consumption and energy consumption per unit of production:**

(I) POWER & FUEL CONSUMPTION	2015-16	2014-15
<b>1. ELECTRICITY</b>		
<b>(a) Purchased</b>		
Unit (Kwh)	49278	52258
Total Amount (Rs.)	545282.41	532114.99
Rate / Unit (Rs)	11.07	10.18
<b>(b) Own Generation</b>		
<b>(i) Through Diesel Generator Unit (Kwh)</b>		
Unit Per Ltr of Diesel Oil	Nil	Nil
Cost / Unit (Rs)	Nil	Nil
<b>(ii) Through Steam Turbine/Generator</b>		
Unit (Kwh)	Nil	Nil
Unit Per Kg of Lignite	Nil	Nil
Cost Lignite/Unit (Rs)	Nil	Nil
Cost Coal/Unit (Rs)	Nil	Nil
Cost Coal & Lignite/Unit (Rs)	Nil	Nil
<b>2. COAL(Including Coal Fines)</b>		
Quantity (MT)	Nil	Nil
Total Cost (Rs)	Nil	Nil
Average Rate (Rs)	Nil	Nil
<b>3. FURNACE OIL</b> (used in the generation of power)		
Quantity (K Ltr)	Nil	Nil
Total Cost (Rs)	Nil	Nil
Average Rate (Rs)	Nil	Nil

<b>4. UNITS OF PRODUCTION</b>		
Total Units produced	38611	48484
Total cost of Power/Fuel per unit cost of Production.	Rs. 14.1	Rs. 10.9
<b>(II) CONSUMTION PER M.T. OF PRODUCTION</b>		
<b>Particulars of Product</b>		
Electricity (in Unit)	Nil	Nil
Furnace Oil	Nil	Nil
Coal (Specify quantity)	Nil	Nil
Others	Nil	Nil

**B. TECHNOLOGY ABSORPTION :**

Particulars	2015-16	2014-15
<b>(I) Research and Development (R &amp; D)</b>		
1. Specific areas in which R&D carried out by the company.	Nil	Nil
2. Benefits derived as a result of the above R&D	Nil	Nil
3. Future plan of action:		
a. Capital	Nil	Nil
b. Recurring	Nil	Nil
c. Total Nil	Nil	Nil
d. Total R&D expenditure as a percentage of total turnover	Nil	Nil
<b>(II) Technology absorption, adaptation :</b>		
Company has not carried out research, development & innovation activities.		
1. Efforts, in brief, made towards technology absorption, adaptation and innovation.	Nil	Nil
2. Benefits derived as a result of the above efforts, e.g. product improvement, cost reduction, product development, import substitution etc.	Nil	Nil
3. In case of imported technology (imported during the last 5 years reckoned from the beginning of the financial year), following information may be furnished :	Nil	Nil
a. Technology imported		
b. Year of import		
c. Has technology has been fully absorbed		
d. If not fully absorbed, areas where this has not taken place, reasons therefore and future plans of action.		

**C. FOREIGN EXCHANGE EARNINGS AND OUTGO :**

Particulars	2014-15	2013-14
<b>1) EARNINGS &amp; OUTGO</b>		
a. Foreign Exchange earnings	Nil	Nil
b. Foreign Exchange outgo	Nil	Nil
<b>2) TOTAL FOREIGN EXCHANGE USED AND EARNED</b>		
As per notes on account		

**BOBSHELL ELECTRODES LIMITED**

**ANNEXURE – 2 TO THE DIRECTORS' REPORT  
FORM NO. MGT-9 EXTRACT OF ANNUAL RETURN AS ON  
THE FINANCIAL YEAR ENDING ON 31/03/2016**

**[Pursuant to section 92(3) of the Companies Act, 2013 and rule 12(1)  
of the Companies (Management and Administration) Rules, 2014]**

**1) REGISTRATION AND OTHER DETAILS :**

NO.	PARTICULARS	DETAILS
1	CIN	L29308GJ1994PLC023275
2	Registration date	14/10/1994
3	Name of the company	BOBSHELL ELECTRODES LIMITED
4	Category/ sub-category of the company	Company limited by shares/ Indian Non Government Company
5	Address of the registered office and contact details	B/505 FAIRDEL HOUSE OPP ST. XAVIERS LADIES HOSTEL, NAVRANGPURA, AHMEDABAD-380009, GUJARAT.
6	Whether listed company	YES
7	Name, address and contact details of registrar and transfer agent if any	SHAREPRO SERVICES PRIVATE LIMITED 13 AB, Samhita Warehousing Complex, Sakinaka Telephone Exchange Lane, KurlaAndheri Road, Sakinaka, Mambai- 400 072. Phone: 91-22-67720300/67720400 Fax: 91-22-2850892 E-mail: sharepro@shareproservices.com Website: www.shareproservices.com

**2) PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY :**

All the business activities contributing 10 % or more of the total turnover of the company shall be stated :-

Sr. No.	Name and Description of main products / services	NIC Code of the Product/service	% to total turnover of the company
1	Manufacture of electric welding and soldering equipment	2710	100%

**3) PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES : NA**

**4) SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity) :**

**i) Category-wise Share Holding :**

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during the year
	Demat	Physi- cal	Total	% of Total Shares	Demat	Physi- cal	Total	% of Total Shares	
<b>A. Promoters</b>									
<b>(1) Indian</b>									
g) Individual/HUF	NIL	1680000	1680000	27.97%	NIL	1680000	1680000	27.97%	NIL
h) Central Govt	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
i) State Govt (s)	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
j) Bodies Corp.	NIL	70000	70000	1.17%	NIL	70000	70000	1.17%	NIL
k) Banks / FI	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
l) Any Other....	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
<b>Sub-total (A) (1):-</b>	<b>NIL</b>	<b>1750000</b>	<b>1750000</b>	<b>29.14%</b>	<b>NIL</b>	<b>1750000</b>	<b>1750000</b>	<b>29.14%</b>	<b>NIL</b>

**BOBSHELL ELECTRODES LIMITED**

Category of Shareholders Demat	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change
	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	during the year	
<b>(2) Foreign</b> NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	
a) NRIs – Individuals	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
b) Other – Individuals	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
c) Bodies Corp.	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
d) Banks / FI	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
e) Any Other....	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
<b>Sub-total (A) (2):- Total shareholding of Promoter (A) = (A)(1)+(A)(2)</b>	NIL	1750000	1750000	29.14%	NIL	1750000	1750000	29.14%	NIL
<b>B. Public Shareholding</b>									
1. Institutions									
a) Mutual Funds	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
b) Banks/FI	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
c) Central Govt	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
d) State Govt(s)	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
e) Venture Capital Funds	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
f) Insurance Companies	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
g) FIs	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
h) Foreign Venture Capital Funds	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
i) Others (specify)	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
<b>Sub-total (B)(1):</b>	<b>NIL</b>	<b>NIL</b>	<b>NIL</b>	<b>NIL</b>	<b>NIL</b>	<b>NIL</b>	<b>NIL</b>	<b>NIL</b>	<b>NIL</b>
2. Non-Institutions	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
a) Bodies Corp.	168675	NIL	168675	2.81%	153075	NIL	153075	2.55%	0.26%
i) Indian									
ii) Overseas	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
b) Individuals	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
i) Individual shareholders holding nominal share capital upto Rs.1 lakh	1483249	1929750	3412999	56.83%	1500375	1928250	3428625	57.09%	0.26%
ii) Individual shareholders holding nominal share capital in excess of Rs1 lakh	674326	NIL	674326	11.23%	674300	NIL	674300	11.23%	NIL
c) Others (Non Resident & Members)	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
d) Any Other	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
<b>Sub-total (B)(2):-</b>	<b>2326250</b>	<b>NIL</b>	<b>4256000</b>	<b>70.86%</b>	<b>2327750</b>	<b>NIL</b>	<b>4256000</b>	<b>70.86%</b>	<b>NIL</b>
<b>Total Public Shareholding (B)=(B)(1)+(B)(2)</b>	<b>2326250</b>	<b>NIL</b>	<b>4256000</b>	<b>70.86%</b>	<b>2327750</b>	<b>NIL</b>	<b>4256000</b>	<b>70.86%</b>	<b>NIL</b>
<b>C. Shares held by custodian for GDRs &amp; ADRs</b>	<b>NIL</b>	<b>NIL</b>	<b>NIL</b>	<b>NIL</b>	<b>NIL</b>	<b>NIL</b>	<b>NIL</b>	<b>NIL</b>	<b>NIL</b>
<b>GRAND TOTAL (A+B+C)</b>	<b>2326250</b>	<b>3679750</b>	<b>6006000</b>	<b>100%</b>	<b>2327750</b>	<b>3678250</b>	<b>6006000</b>	<b>100%</b>	<b>NIL</b>

**BOBSHELL ELECTRODES LIMITED**

**(ii) SHAREHOLDING OF PROMOTERS :**

Sr. Shareholder's Name No.	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in shareholding during the year
	No. of Shares	% of total Shares of the Company	% of Shares Pledged / encumbered to total shares	No. of Shares	% of total Shares of the Company	% of Shares Pledged / encumbered to total shares	
Shailesh M. Joshi	550000	9.16	NIL	550000	9.16	NIL	NIL
Manshanker T. Joshi	259700	4.33	NIL	259700	4.33	NIL	NIL
Bhadrashankar K. Pandya	210000	3.50	NIL	210000	3.50	NIL	NIL
Narendra R. Dixit	100	0.00	NIL	100	0.00	NIL	NIL
Mudraben P. Pathak	100	0.00	NIL	100	0.00	NIL	NIL
Dr. Nina P. Vadiya	100	0.00	NIL	100	0.00	NIL	NIL
Dr. Harish M. Joshi	70000	1.17	NIL	70000	1.17	NIL	NIL
Milan R. Patva	70000	1.17	NIL	70000	1.17	NIL	NIL
Sushila R. Patva	70000	1.17	NIL	70000	1.17	NIL	NIL
Shrenik R. Patva	50000	0.83	NIL	50000	0.83	NIL	NIL
Kajal H. Vyas	50000	0.83	NIL	50000	0.83	NIL	NIL
Bhavnaben H. Joshi	60000	1	NIL	60000	1	NIL	NIL
Kalavati B. Pandya	60000	1	NIL	60000	1	NIL	NIL
Vijayben M. Joshi	60000	1	NIL	60000	1	NIL	NIL
Hamendra R. Shah	90000	1.5	NIL	90000	1.5	NIL	NIL
Divyang P. Shastri	30000	0.50	NIL	30000	0.50	NIL	NIL
Kashyap P. Pathak	50000	0.83	NIL	50000	0.83	NIL	NIL
Hindustan Credit Capital Ltd.	40000	0.67	NIL	40000	0.67	NIL	NIL
Tristar Organics Ltd.	30000	0.50	NIL	30000	0.50	NIL	NIL
<b>TOTAL</b>	<b>1750000</b>	<b>29.14</b>	<b>NIL</b>	<b>1750000</b>	<b>29.14</b>	<b>NIL</b>	<b>NIL</b>

**(iii) CHANGE IN PROMOTER'S SHAREHOLDING :**

Particulars	Shareholding at the beginning of the year		Cumulative Shareholding at the end of the year	
	NO CHANGE	NO CHANGE	NO CHANGE	NO CHANGE
At the beginning of the year	NO CHANGE	NO CHANGE	NO CHANGE	NO CHANGE
Date wise Increase / Decrease in Promoters Share holding during the year specifying the reasons for increase/decrease (e.g. allotment/transfer/bonus/sweat equity etc.)	NO CHANGE	NO CHANGE	NO CHANGE	NO CHANGE
At the end of the year	NO CHANGE	NO CHANGE	NO CHANGE	NO CHANGE



**BOBSHELL ELECTRODES LIMITED**

**5) SHAREHOLDING PATTERN OF TOP TEN SHAREHOLDER ( OTHER THAN DIRECTORS, PROMOTERS AND HOLDERS OF GDRS AND ADRS)**

S. N.		Shareholding at the beginning of the year		Cumulative Shareholding at the end of the year	
		No. of shares of the company	% of total shares	No. of shares of the company	% of total shares
1	VIJAYBHAI VRAJLAL DOSHI	103600	1.72	103600	1.72
2	AASPASS MULTIMEDIA LIMITED	50000	0.83	50000	0.83
3	MAHAN INDUSTRIES LIMITED	44000	0.73	44000	0.73
4	SALIM ROSHANALI LOKHANDWALA	41650	0.69	41650	0.69
5	RUPESH CHAMPAKLAL SHAH	40000	0.67	40000	0.67
6	TUSHAR PRAFULCHANDRA SHAH	30200	0.50	30200	0.50
7	ABDULMONIM A. ANDANI	29900	0.49	29900	0.49
8	PALLAVI NIRAJ SHAH	27500	0.45	27500	0.45
9	VITTHALBHAI PRAJAPATI	23900	0.39	23900	0.39
10	SUSHILA DEVI KANKANI	23400	0.38	-	-
	<b>TOTAL</b>	<b>414150</b>	<b>6.85</b>	<b>390750</b>	<b>6.47</b>

**SHAREHOLDING OF DIRECTORS AND KEY MANAGERIAL PERSONNEL :**

<b>Shri Shailesh M.Joshi</b>	Shareholding at the beginning of the year		Cumulative Shareholding at the end of the year	
At the beginning of the year	550000	9.16	550000	9.16
Date wise Increase/Decrease in Promoters Share holding during the year specifying the reasons for increase/decrease (e.g. allotment/transfer/bonus/sweat equity etc) :	NO CHANGE	NO CHANGE	NO CHANGE	NO CHANGE
At the end of the year				
Shailesh M. Joshi	550000	9.16	550000	9.16
Mudraben P. Pathak	100	0.0002	100	0.0002

**6) INDEBTEDNESS :**

**INDEBTEDNESS OF THE COMPANY INCLUDING INTEREST OUTSTANDING/ACCRUED BUT NOT DUE FOR PAYMENT :**

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
<b>Indebtedness at the beginning of the financial year</b>				
i) Principal Amount	7,40,904	NIL	NIL	7,40,904
ii) Interest due but not paid	-			-
iii) Interest accrued but not due	-			-
<b>Total (i+ii+iii)</b>	<b>7,40,904</b>	<b>NIL</b>	<b>NIL</b>	<b>7,40,904</b>
<b>Change in Indebtedness during the financial year</b>				
* Addition	-	-	-	-
* Reduction	-			-
<b>Net Change</b>	<b>6,20,281</b>	<b>NIL</b>	<b>-</b>	<b>6,20,281</b>
<b>Indebtedness at the end of the financial year</b>				
i) Principal Amount	1,20,623	NIL	NIL	1,20,623
ii) Interest due but not paid	-			-
iii) Interest accrued but not due	-			-
<b>Total (i+ii+iii)</b>	<b>1,20,623</b>	<b>NIL</b>	<b>NIL</b>	<b>1,20,623</b>

**BOBSHELL ELECTRODES LIMITED**

**7) REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL :**

**a. Remuneration to Managing Director, Whole-time Directors and/or Manager :**

No.	Particulars of Remuneration	Name of MD/WTD/ Manager	Total Amount
1.	SALARY	SHRI SHAILESH M SHAH	20,00,000
2.	Stock Option	NIL	NIL
3.	Sweat Equity	NIL	NIL
4.	Commission - as % of profit - others, specify...	NIL	NIL
5.	Others, please specify	NIL	NIL
	<b>Total (A)</b>	<b>NIL</b>	<b>20,00,000</b>
	Ceiling as per the Act (As per section (ii)part (ii) of schedule V)		<b>30,00,000</b>

**b. Remuneration to other directors :**

Particulars of Remuneration Independent Directors	Name of Directors				Total Amount
	SHRI KAMLESH M SHAH	SHRI ANISH BODAWALA	-	-	
Fee for attending board / committee meetings	NIL	NIL			
• Commission					
• Others, please specify					
<b>Total</b>	<b>NIL</b>	<b>NIL</b>			
Overall Ceiling as per the Act	30,00,000/- AS PER Section II Part II of Schedule V				

**8) REMUNERATION TO KEY MANAGERIAL PERSONNEL OTHER THAN MD/MANAGER/WTD :**

No.	Particulars of Remuneration	Key Managerial Personnel		Total
		Company Secretary Ms. Gurpreet Kaur Tuteja (W.e.f. 01/03/2015)	CFO Mr. Jenish joshi (W.e.f. 01/03/2015)	
1	Gross salary	1,44,000	15,00,000	N.A.
2	Stock Option	N.A.	N.A.	N.A.
3	Sweat Equity	N.A.	N.A.	N.A.
4	Commission	N.A.	N.A.	N.A.
	- as % of profit	N.A.	N.A.	N.A.
	others, specify...	N.A.	N.A.	N.A.
5	Others, please specify	N.A.	N.A.	N.A.
	<b>Total</b>	<b>1,44,000</b>	<b>15,00,000</b>	<b>16,44,000</b>

**BOBSHELL ELECTRODES LIMITED**

**9) PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES :**

Type	Section of the Companies Act	Brief Description	Details of Penalty / Punishment/ Compounding fees imposed	Authority [RD/NCLT/ COURT]	Appeal made, if any (give Details)
<b>A. COMPANY</b>					
Penalty	No	No	No	No	No
Punishment	No	No	No	No	No
compounding	No	No	No	No	No
<b>B. DIRECTORS</b>					
Penalty	No	No	No	No	No
punishment	No	No	No	No	No
compounding	No	No	No	No	No
<b>C. Other Officers In Default</b>					
Penalty	No	No	No	No	No
punishment	No	No	No	No	No
compounding	No	No	No	No	No

**BOBSHELL ELECTRODES LIMITED**

**FORM NO. AOC -2**

**(Pursuant to clause (h) of sub-section (3) of section 134 of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014.**

**1. Details of contracts or arrangements or transactions at Arm's length basis.**

Sr. No.	Particulars	Name (s) of the related party & nature of relationship	Nature of contracts/ arrangements/ transaction	Salient terms of the contracts or arrangements or transaction including the value, if any	Justification for entering into such contracts or arrangements or transactions'	Date of approval by the Board	Amount paid as advances, if any	Date on which the special resolution was passed in General meeting as required under first proviso to section 188
1.	Mr. Shailesh M. Joshi	Remuneration					20,00,000	
2.	Mrs. Jenish Joshi	Remuneration					15,00,000	

**2. Details of contracts or arrangements or transactions not at Arm's length basis.**

Sr. No.	Particulars	Name (s) of the related party & nature of relationship	Nature of contracts/ arrangements/ transaction	Salient terms of the contracts or arrangements or transaction including the value, if any	Justification for entering into such contracts or arrangements or transactions'	Date of approval by the Board	Amount paid as advances, if any
NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL

**ANNEXURE-3 TO THE DIRECTOR'S REPORT  
FORM NO. MR-3  
SECRETARIAL AUDIT REPORT  
FOR THE FINANCIAL YEAR ENDED  
31st MARCH, 2016**

**[Pursuant to section 204(1) of the Companies Act, 2013 and rule No. 9 of the Companies**

**(Appointment and Remuneration of Key Managerial Personnel) Rules, 2014]**

To,  
The Members,  
**BOBSHELL ELECTRODES LIMITED**  
CIN: L29308GJ1994PLC023275

I have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **BOBSHELL ELECTRODES LIMITED (CIN: L29308GJ1994PLC023275)** (Hereinafter called the Company) Secretarial Audit was conducted in a manner that provided me a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon.

Based on my verification of the records of **BOBSHELL ELECTRODES LIMITED (CIN: L29308GJ1994PLC023275)** books, papers, minute books, forms and returns filed and other records maintained by the company and also the information provided by the company, its officers, agents and authorized representatives during the conduct of secretarial audit, I hereby report that in my opinion, the company has, during the audit period covering the financial year ended on 31st March 2016 complied with the statutory provisions listed hereunder and also that the company has proper Board-processes and compliances mechanism in place to the extent , in the manner and subject to the reporting made hereinafter:

**MANAGEMENT RESPONSIBILITY FOR SECRETARIAL COMPLIANCES:**

The management of the company is responsible for preparation and maintenance of secretarial record and for devising proper systems to ensure compliances with the applicable laws, rules and regulations.

**AUDITOR'S RESPONSIBILITY:**

My responsibility is to express on secretarial records, standards and procedures followed by the company with respect of the secretarial compliances. I believe that audit evidence and information obtained from the company's management is adequate and appropriate for me to provide basis to my opinion.

I have examined the books, papers, minute books, forms and returns filed and record maintained by **BOBSHELL**

**ELECTRODES LIMITED (CIN: L29308GJ1994PLC023275)** for the financial year ended on 31.03.2016 according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the rules made thereunder;
- (ii) The Securities Contracts (Regulations) Act, 1956 ('SCRA') and the rules made thereunder;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulation made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings:- **Not Applicable to the Company during the Audit Period.**

As the Company is listed at Bombay stock Exchange, the following Regulations and guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act') are applicable to the Company.

- (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeover) Regulations, 2011;
- (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992;
- (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009- **Not Applicable to Company during the Audit Period.**
- (d) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999:- **Not Applicable to the Company during the Audit Period.**
- (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008:- **Not Applicable to the Company during the Audit Period.**
- (f) The Securities and Exchange Board of India (Registrar to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client.
- (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009 – In the Financial Year 2014-15, the Company got its Equity share Delisted from the Ahmedabad Stock Exchange Limited. All the procedure for delisting was completed and necessary order from the Stock Exchange is received.
- (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998:- **Not Applicable to Company during the Audit Period.**

- (i) As stated in the Annexure – A – all the laws, rules, regulations are applicable specifically to the company.

**I further report that** Compliance of applicable financial laws including Direct and indirect tax laws by the Company has not been reviewed in detail in this Audit since the same has been subject to review by the Statutory Auditors.

I have also examined compliance with the applicable clauses of the following:

1. Secretarial Standards issued by The Institute of Company Secretaries of India though it is applicable w.e.f 1st day of July 2015 and not mandatory right now is also complied.
2. The Listing Agreements entered into by the Company with Bombay Stock Exchanges.

**During the Audit period under review and as per representation and clarification provided by the Management, I Confirm that the Company has complied with the provision of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above except**

1. Company has not paid listing fees of Bombay Stock Exchanges limited for the financial year 2015-2016.
2. The Trading in shares of the company is suspended on the Bombay Stock Exchange Limited. However, as represented by the Management, the company is in process of Lifting of suspension from trading.
3. The company is yet to enter in to a Two Party Agreement for the appointment of full-fledged Registrar and Share Transfer Agent. However, it has already appointed M/s. Sharepro Services (India) Pvt. Ltd as R & T Agent for Electronic connectivity with NSDL and CDSL.

**I further report that**

**The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non -Executives Directors, Independent Directors and Woman Director**

The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provision of the Act.

Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance and a system exists for seeking and obtaining further information and clarification on the agenda items before the meeting and for meaningful participation at the meeting. Majority decision is carried through while the dissenting members' views are captured and recorded as part of the minutes.

Decisions taken at the Board Meetings were properly recorded in the Minutes book of the company including to capture the dissent of any individual directors.

The company has constituted various committees and has assigned roles and responsibilities concerning the scope and objectives of the Committees as per requirements and in compliance with the Listing Agreement and the Companies Act 2013.

As confirmed by the Management, no prosecution, legal notices initialed on the Company, its Directors and KMP and no prosecutions are filed

**I further report that** there are adequate systems and processes in the company commensurate with the size and operations of the company to monitor and ensure compliances with applicable laws, rules, regulations and guidelines.

**I further report that** during the audit period the company has not made any

- (i) Public / Right / Preferential issue of shares / debentures / sweat equity, etc.
- (ii) Redemption/ buy-back of securities
- (iii) Major decisions taken by the members in pursuance to section 180 of the Companies Act, 2013.
- (iv) Merger/ amalgamation/reconstruction etc.
- (v) Foreign technical collaborations

**FOR NARAYAN SHAH**  
**Practicing Company Secretary**

(Narayan Shah)  
Proprietor

Date : 31/05/2016  
Place : Ahmedabad

ACS:30225, COP:10940

**ANNEXURE - A**

The Company has identified the following other laws as specifically applicable to the Company during the year under report. Based on our audit and Management Representation letter, the Company has made Compliance, wherever applicable, with the following applicable law, rules and regulations as in force:

**Securities Laws :**

1. All Price Sensitive Information was informed to the stock exchanges from time to time
2. All investors complain directly received by the RTA & Company is recorded on the same date of receipts and all are resolved within reasonable time.

**Industrial and Labour Laws :**

All industrial and Labour laws are applicable to the company

**Environmental Laws :**

All Environmental laws, Rules and Regulations are applicable to the company.

**Taxation Laws :**

All applicable Direct and Indirect laws, Rules and Regulations

The company follows all the provisions of the taxation and Income Tax Act, 1961 and filing the returns at proper time with Income tax department and all other necessary departments.

**Shops and Establishment Act and rules made thereunder**

**Explosives Act, 1884 and rules made thereunder**

**FOR NARAYAN SHAH**  
**Practicing Company Secretary**

**(Narayan Shah)**  
**Proprietor**

**ACS:30225, COP:10940**

**Date : 31/05/2016**  
**Place : Ahmedabad**

**CORPORATE GOVERNANCE REPORT**

**1. COMPANY'S PHILOSOPHY ON CODE OF GOVERNANCE :**

Corporate Governance is a set of systems and practices to ensure that the affairs of the Company are being managed in a way which ensures accountability, transparency, and fairness in all its transactions in the widest sense and meet its stakeholder's aspirations and expectations. The Company will continue to focus its resources, strengths and strategies for enhancement of the long term shareholders' value while at the same time protecting the interest of other stakeholders.

**2. BOARD OF DIRECTORS :**

**COMPOSITION AND CATEGORY**

The composition of the Board of Directors of the Company represents an appropriate mix of executive and non-executive directors to ensure the independence of the Board and to separate the board functions of governance and management.

The Board currently comprises of One Executive Director and Three Non-Executive Directors including the Chairman of the Board.

None of the Directors on the Board is a member of more than ten Committees and Chairman of more than five Committees across all companies in which they are Directors.

**BOARD PROCEDURE :**

er to review the quarterly performance and the financial results. The Board meetings are generally scheduled well in advance and the notice of each Board Meeting is given in writing to each Director.

To enable the Board to discharge its responsibilities effectively, the members of the Board are briefed at every Board Meeting on the overall performance of the company.

The Minutes of the Board meetings are circulated in advance to all Directors and confirmed at subsequent Meeting. The Minutes of Audit Committee and other Committees of the Board are regularly placed before the Board.

During the financial year ended March 31st, 2016, Six Board Meetings were held respectively on 30.05.2015, 30.07.2015, 30.09.2015, 04.11.2014, 20.01.2016 and 04.02.2016. The gap between two Board Meetings did not exceed four months.

The composition of the Board of Directors, the number of other Directorship and Committee positions held by the Director, of which the Director is a Member/Chairman, are as under:

Name of Director	Category	DIN	No. of Board meetings attended during the year	Whether attended last AGM	No. of other Directorship held	Committee** Membership held in other Companies	
						As Member	As Chairman
Mr. Shailesh M. Joshi	Chairman & Managing Director	01453505	6	Yes	1	Nil	Nil
Mr. Kamlesh M. Shah	Independent & Non-Executive Director	00013228	6	Yes	3	Nil	Nil
Mr. Anish Bodawala	Independent & Non-Executive Director	02197407	6	Yes	Nil	Nil	Nil
Smt. Mudraben Pathak	Director	06688937	6	Yes	1	Nil	Nil

\*\*2 Committee includes Audit Committee and Shareholders'/Investors Grievance Committee only.

**CODE OF CONDUCT :**

The Company has already adopted a code of conduct for all employees of the company and Executive directors. The board has also approved a code of conduct for the non-executive directors of the company. All board members and senior management personnel have affirmed compliance with the applicable code of conduct has been provided in the Annual Report. The directors and senior management of the company have made disclosures to



**BOBSHELL ELECTRODES LIMITED**

the board confirming that there are no material financial and/ or commercial transactions between them and the company that could have potential conflict of interest with the company at large.

**3. COMMITTEES OF THE BOARD :**

**AUDIT COMMITTEE :**

The terms of reference of the Audit Committee are wide enough to cover matters specified for Audit Committees under Regulation 18 of SEBI (LODR) Regulations, 2015 as well as in Section 177 of the Companies Act, 2013 besides other terms as may be referred to by Board of Directors from time to time.

The Audit Committee comprises of three non-executive Directors all of whom two directors are Independent Directors.

During the period under review, four Audit Committee meetings were held respectively on 30.05.2015, 30.07.2015, 04.11.2015 and 04.02.2016.

The composition of the Audit Committee and attendance at its meetings is given hereunder:

Name of Director	Position	No. of Meetings	Meetings attended
Mr. Kamlesh M. Shah	Chairman	4	4
Mr. Anish Bodawala	Member	4	4
Smt. Mudraben Pathak	Member	4	4

The Chairman of the Audit Committee was present at the last Annual General Meeting of the Company.

**NOMINATION AND REMUNERATION COMMITTEE :**

The Remuneration Committee comprises of two independent Non-executive directors viz. ShriKamlesh M Shah – Chairman and ShriAnishBodwalawhile Smt. MudrabenPathak is promoter directors.

During the period under review, Nomination and Remuneration Committee meetings were held respectively on 30.05.2015 and 31.03.2016.

Name of Director	Position	No. of Meetings	Meetings attended
Mr. Kamlesh M. Shah	Chairman	2	2
Mr. Anish Bodawala	Member	2	2
Smt. Mudraben Pathak	Member	2	2

The remuneration committee has been constituted to recommend/review the remuneration package of the ManagingDirectors based on performance and defined criteria

**DETAILS OF REMUNERATION PAID TO DIRECTORS DURING 2015-16 : (Amount in Rs.)**

NAME OF DIRECTOR	REMUNERATION	SITTING FEES	TOTAL
Mr. ShaileshM.Shah	20,00,000	Nil	20,00,000
Mr. Kamlesh M. Shah	Nil	Nil	Nil
Mr. Anish Bodawala	Nil	Nil	Nil
Mrs. Mudraben Pathak	Nil	Nil	Nil

**SHAREHOLDERS'/INVESTORS' GRIEVANCE COMMITTEE :**

Mr. Kamlesh M. Shah – Chairman, Mr. Anish Bodawala and Smt. Mudraben Pathak are members of the Committee. The Committee is empowered to oversee the redressal of Investors' complaints and other miscellaneous complaints.

During the period under review, Shareholder's Grievance Committee meetings were held respectively on 30.05.2015 and 31.03.2016.

Name of Director	Position	No. of Meetings	Meetings attended
Mr. Kamlesh M. Shah	Chairman	2	2
Mr. AnishBodawala	Member	2	2
Smt. MudrabenPathak	Member	2	2

## BOBSHELL ELECTRODES LIMITED

**Name and designation of Compliance Officer :** Shri Shailesh M. Shah, Whole-Time Director

No. of shareholders' complaints received during the year: 8 Complaint

No. of complaints not resolved to the satisfaction of shareholders: 1 Complaint

No. of pending Complaints: 1 Complaint

No. of complaints resolved during the year: 7 Complaint

#### 4. GENERAL BODY MEETING :

**Date, Time and Venue of the last three Annual General Meetings :**

Year	Date	Time	Venue
2012-13	September 30th, 2013	11.00 A.M	802, 8TH Floor, Swagat Building, Near Lal Bunglow, C.G.Road, Ellisbridge, Ahmedabad-380006.
2013-14	September 30th, 2014	11.00 A.M	802, 8TH Floor, Swagat Building, Near Lal Bunglow, C.G.Road, Ellisbridge, Ahmedabad-380006.
2014-15	September 30th, 2015	11.00 A.M	802, 8TH Floor, Swagat Building, Near Lal Bunglow, C.G.Road, Ellisbridge, Ahmedabad-380006.

1. No extra-ordinary general meeting of the shareholders was held during the year.

2. Postal ballot: during the year under review, no resolution was put through by postal ballot.

#### DISCLOSURES

##### POLICIES :

##### A. POLICY ON RELATED PARTY TRANSACTIONS :

###### SCOPE AND PURPOSE OF THE POLICY :

Related party transactions can present a potential or actual conflict of interest which may be against the best interest of the company and its shareholders. Considering the requirements for approval of related party transactions as prescribed under the Companies Act, 2013 ("Act") read with the Rules framed there under and Regulation 23 of SEBI (LODR) Regulations, 2015, our Company has formulated Policy on Related Party Transactions ("Policy") for identification of related parties and the proper conduct and documentation of all related party transactions. This Policy has been adopted by the Board of Directors of the Company based on recommendations of the Audit Committee. Going forward, the Audit Committee would review and amend the Policy, as and when required, subject to the approval of the Board.

###### OBJECTIVE OF THE POLICY :

The objective of this Policy is to set out (a) the materiality thresholds for related party transactions and; (b) the manner of dealing with the transactions between the Company and its related parties based on the Companies Act, 2013, SEBI (LODR) Regulations, 2015 and any other laws and regulations as may be applicable to the Company.

###### MANNER OF DEALING WITH RELATED PARTY TRANSACTIONS :

###### a) Identification of related parties :

The Company has formulated guidelines for identification and updating the list of related parties as prescribed under Section 2(76) of the Act read with the Rules framed there under and SEBI (LODR) Regulations, 2015.

###### b) Identification of related party transactions :

The Company has formulated guidelines for identification of related party transactions in accordance with Section 188 of the Companies Act, 2013 and SEBI (LODR) Regulations, 2015.

##### DISCLOSURES :

The Company shall disclose, in the Board's report, transactions prescribed in Section 188(1) of the Companies Act, 2013 with related parties, which are not in ordinary course of business along with the justification for entering into such transaction.

**B. FAMILIARIZATION POLICY FOR INDEPENDENT DIRECTORS :**

**PURPOSE AND OBJECTIVE OF THE POLICY :**

The Program aims to provide insights into the Company to enable the Independent Directors to understand its business in depth and contribute significantly to the Company.

**FAMILIARIZATION AND CONTINUING EDUCATION PROCESS :**

- The Company through its Managing Director / Executive Director / Key Managerial Personnel conducts programmes / presentations periodically to familiarize the Independent Directors with the strategy, operations and functions of the Company.
- Such programmes/presentations provide an opportunity to the Independent Directors to interact with the Senior Management of the Company and help them to understand the Company's strategy, business model, operations, service and product offerings, markets, organization structure, finance, human resources, technology, quality, facilities and risk management and such other areas as may arise from time to time.
- The programmes/presentations also familiarize the Independent Directors with their roles, rights and responsibilities.
- When a new Independent Director comes on the Board of the Company, a meeting is arranged with the Chairperson, Managing Director, Chief Financial Officer to discuss the functioning of the Board and the nature of the operation of the Company's business activities.
- New Independent Directors are provided with copy of latest Annual Report, the Company's Code of Conduct, the Code of Conduct for Prevention of Insider Trading and the Code of Corporate Disclosure Practices, Schedule of upcoming Board and Committee meetings.
- A detailed Appointment Letter incorporating the role, duties and responsibilities, remuneration and performance evaluation process, insurance cover, Code of Conduct and obligations on disclosures, is issued for the acceptance of the Independent Directors.

**C. RISK MANAGEMENT POLICY :**

**LEGAL FRAMEWORK :**

Risk Management is a key aspect of the "Corporate Governance Principles and Code of Conduct" which aims to improvise the governance practices across the Company's activities. Risk management policy and processes will enable the Company to proactively manage uncertainty and changes in the internal and external environment to limit negative impacts and capitalize on opportunities.

**BACK GROUND AND IMPLEMENTATION :**

The Company is prone to inherent business risks. The objective of Risk Management Policy shall be identification, evaluation, monitoring and minimization of identifiable risks. This policy is in compliance with the Regulation 17(9)(b) of SEBI (LODR), Regulations, 2015 which requires the Company to lay down procedure for risk assessment and procedure for risk minimization. The Board of Directors of the Company and the Audit Committee shall periodically review and evaluate the risk management system of the Company so that the management controls the risks through properly defined network. Head of Departments shall be responsible for implementation of the risk management system as may be applicable to their respective areas of functioning and report to the Board and Audit Committee.

**COMMITTEE :**

The Company has not made Risk Management Committee but the Board of Directors & Audit Committee is looking after the Risk Management of the Company.

**D. CORPORATE SOCIAL RESPONSIBILITY POLICY :**

India's new Companies Act, 2013 has introduced several new provisions which change the face of Indian corporate business. One of such new provisions is Corporate Social Responsibility (CSR). As per Section 135 of the Companies Act, 2013, it provides the threshold limit for applicability of the CSR to a Company i.e. (a) net worth of the company to be Rs 500 crore or more; (b) turnover of the company to be Rs 1000 crore or more; (c) net profit of the company to be Rs 5 crore or more.

Since profit of the company is below the prescribed limit, CSR Policy is not applicable. Company has not made Corporate Responsibility Committee.

**E. VIGIL MECHANISM POLICY :**

**LEGAL FRAMEWORK :**

Section 177 of the Companies Act, 2013 requires every listed company and such class or classes of companies, as may be prescribed to establish a vigil mechanism for the directors and employees to report genuine concerns in such manner as may be prescribed.

Effective from December 1st, 2015, SEBI (LODR) Regulations, 2015, in Clause 22, inter alia, provides for a mandatory requirement for all listed companies to establish a mechanism called “Whistle Blower Policy” for employees to report to the management instances of unethical behavior, actual or suspected, fraud or violation of the company’s code of conduct.

**POLICY :**

In compliance of the above requirements, BOBSHELL ELECTRODES LIMITED, being a Listed Company has established a Vigil (Whistle Blower) Mechanism and formulated a Policy in order to provide a framework for responsible and secure whistle blowing/vigil mechanism.

The Vigil (Whistle Blower) Mechanism aims to provide a channel to the Directors and employees to report genuine concerns about unethical behavior, actual or suspected fraud or violation of the Codes of Conduct or policy. The Company is committed to adhere to the highest standards of ethical, moral and legal conduct of business operations and in order to maintain these standards, the Company encourages its employees who have genuine concerns about suspected misconduct to come forward and express these concerns without fear of punishment or unfair treatment. The mechanism provides for adequate safeguards against victimization of Directors and employees to avail of the mechanism and also provide for direct access to the Chairman of the Audit Committee in exceptional cases. This neither releases employees from their duty of confidentiality in the course of their work nor can it be used as a route for raising malicious or unfounded allegations about a personal situation.

**F. SEXUAL HARASSMENT OF WOMEN AT WORK PLACE (POLICY WHERE MORE THAN 4 WOMEN WORKING) AND ELIMINATION OF CHILD LABOUR POLICY.**

**OBJECTIVE:**

It is the endeavor of the Company, to ensure a safe, secure and congenial work environment where employees and workers will deliver their best without any inhibition, threat or fear. In pursuance of this objective, the Company has evolved a “Sexual Harassment of Women at the Workplace (Prevention, Prohibition and Redressal) Policy”.

The approach adopted by the Company is to spread awareness about the causes and consequences of sexual harassment at workplace and thereby prevent any occurrences. In the event of such an occurrence, the Group would use this Policy to provide the framework for action.

**Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Policy:**

Sexual harassment in the work place has been defined as “unwelcome” sexually determined behavior (whether directly or by implication). It includes any or all of the following:

- Physical contact and advances
- A demand or request for sexual favors
- Sexually colored remarks
- Showing pornography
- Any other unwelcome physical, verbal or non-verbal conduct of a sexual nature.
- Sexual harassment will be deemed to have taken place if work is used as the excuse or occasion for repeated, personalized, offensive and unwelcome speech or gestures.

It is the duty of the Organization to prevent or deter acts of sexual harassment and if they take place, to provide procedure for resolution, encourage counseling, settlement or prosecution of acts of sexual harassment;

- Where the conduct of the employee would constitute an offence under the Indian Penal Code or any other law, BOBSHELL ELECTRODES LIMITED, shall initiate legal action
- Where the conduct would in addition to an offence under law, constitute misconduct under the rules or regulations of the organization, BOBSHELL ELECTRODES LIMITED, shall initiate disciplinary action against him/her.

The concerns of or about employees can be reported without fear of reprisal or retaliation. Any allegations of sexual harassment will be investigated quickly and discreetly, and disciplinary action initiated as described in this policy. To the extent possible, the identity of the complainant, the victim, witnesses and the alleged harasser will be protected against unnecessary disclosure. All efforts will be made to ensure that proceedings remain confidential.

**NON COMPLIANCE BY THE COMPANY, PENALTIES, STRICTURES:**

The Company has complied with the requirements of the Stock Exchange/SEBI/any statutory authorities on all matters related to capital markets. There are no penalties or strictures imposed on the Company by Stock Exchange or SEBI.

**5. CODE OF CONDUCT :**

The Company has its Code of Conduct which is applicable to Board of Directors as well as designated senior management personnel. The Code is circulated to all the members of the Board and management personnel and the compliance of the same is affirmed by them annually. An annual declaration of Whole Time Director, as to compliance of Code of Conduct has been provided in the Annual Report.

**6. CERTIFICATE ON CORPORATE GOVERNANCE :**

As required under Schedule V of SEBI (LODR) Regulations, 2015, Certificate is provided in the Annual Report.

**7. MANAGEMENT DISCUSSION AND ANALYSIS REPORT :**

This is given as a separate section in this Annual Report.

**8. COMPLIANCE WITH SEBI (LODR) REGULATIONS, 2015 :**

Company is fully committed to the compliance of applicable mandatory requirement of SEBI (LODR) REGULATIONS, 2015. The company submits quarterly Compliance Report to BSE & NSE in respect of compliance of SEBI (LODR) REGULATIONS, 2015

**9. MEANS OF COMMUNICATION :**

- a. All financial results are immediately sent to stock exchanges after being taken on record by the Board.
- b. As per the requirements of SEBI (LODR) Regulations, 2015, Results are also published in leading daily local & English National newspapers namely Western Times. The said results are also displayed at Company's web site.
- c. The Company's website www.bobshell.net contains a separate dedicated section named "Investors" where information for shareholders is available. Press releases, if any, are also displayed at Company's website as well as published in newspapers.

**10. GENERAL INFORMATION FOR SHAREHOLDERS AND INVESTORS :**

The Company is registered in the State of Gujarat having Corporate Identification Number (CIN) as allotted by Ministry of Corporate Affairs (MCA) asL29308GJ1994PLC023275

**a) Annual General Meeting :**

Date : 0th September, 2016

Time : 11.00 A.M.

Venue : 802, 8TH Floor, Swagat Building, Near Lal Bunglow,  
C.G.Road, Ellisbridge, Ahmedabad- 380006

**B) Financial Year :**

For accounting and financial reporting purpose, Company follows Financial Year which starts from 1st April each year and ends on 31st March of every succeeding year.

**b) Date of Book Closure / Record Date** : 23-09-2016 to 30-09-2016 (Both days inclusive)

**c) Dividend Payment Date** : Not Applicable

**d) Listing on Stock Exchange** : Bombay Stock Exchange Ltd.(BSE)  
PhirozeJeejeebhoy Towers Dalal Street,  
Mumbai – 400001.  
**Scrip Code: 526925**

**Demat ISIN No. for NSDL and CDSL** : INE 896 B 01011

**BOBSHELL ELECTRODES LIMITED**

**e) Listing Fees to Stock Exchanges :**

Company has not paid listing fees in respect of financial year 2015-2016 to the Bombay Stock Exchange Limited.

**f) Custodial Fees to Depositories :**

Company has paid Custodian Fees for the financial year 2016-17 to both depositories viz. National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL).

**g) Shareholding pattern as on 31st March, 2016 :**

No.	Particulars	No. of Shares of Rs.10/- each	% holding
1	INDIAN PROMOTERS	1750000	29.14%
2	RESIDENT INDIVIDUALS	4102925	68.32%
3	BODIES CORPORATES	153075	02.55%
4	BANKS	0	0.0%
6	NON RESIDENT INDIANS	0	0.0%
7	CLEARING MEMBERS	0	0.0%
	<b>Total</b>	<b>60,06,000</b>	<b>100.00%</b>

**h) Dematerialization of Shares and Liquidity :**

On March 31st 2016, Brief position of Company's dematerialized shares is given below:

No.	Description	Shares	% holding
1	NSDL	1628339	27.11
2	CDSL	699411	11.64
3	PHYSICAL	3678250	61.25
	<b>Total</b>	<b>6006000</b>	<b>100%</b>

**j) Share Transfer System :**

All transfers of shares held in physical form are dealt by our Registrar and Share Transfer Agents. Presently the share transfers received in physical form are processed and registered within prescribed time periods (15) days from the date of receipt subject to the documents being valid and complete in all respects. Depositories control share transfers in Demat Mode. The Company obtains from a Company Secretary in Practice half yearly certificate of compliance in respect of compliance with share transfer formalities as required under Regulation 7(3) of the SEBI (LODR) Regulations, 2015 with Stock Exchanges and files a copy of the certificate with the stock exchanges.

**k) Reconciliation of Share Capital Audit Report :**

As stipulated by Securities and Exchange Board of India, Company is required to carry out Reconciliation of Share Capital Audit (RSCA) from a practicing Company Secretary. This audit is carried out every quarter and the report thereon of Practicing Company Secretary is submitted to the stock exchanges. The audit, inter alia, confirms that the total listed and paid-up capital of the company is in agreement with the aggregate of the total number of shares in dematerialized form (held with NSDL and CDSL) and total number of shares in physical form.

**l) Plant Location :**

**The Company's plant is located at :**

496, Bhagya Lakshmi Industrial Estate,  
Manpasand Way Bridge,  
Sola Santej, Rakanpur,  
Gandhinagar.

**m) Registered & Administrative Offices :**

**Registered Office :**

B-505, Fairdeal House  
Opp. St. Xaviers Ladies Hostel,  
Swastik Char Rasta, C.G.Road,  
Ahmedabad-380006.

**Administrative Office :**

802, Swagat Building,  
Nr. Lal Bungalow,  
Ahmedabad-380006,  
Gujarat.

**Address for Investor Correspondence :**

In case any problem or query shareholders can contact at:

**Name** : **Mr. Shailesh M.Joshi** - Compliance officer

**Address** : 802, Swagat Building Nr. Lal Bungalow,  
C.G.Road, Ahmedabad, Gujarat 38006

**Phone** : 91- 26441025/26444525

**Fax** : 91-26563724

**Email** : belinvestorgrievances@gmail.com

**Shareholders may also contact Company's Registrar & Share Transfer Agent at :**

**Name** : **SHAREPRO SERVICES (I) PVT. LTD.**

**Address** : 13 AB, Samhita Warehousing Complex,  
Sakinaka Telephone Exchange Lane,  
Kurla Andheri Road, Sakinaka,  
Mumbai - 400 072.

**Phone** : 91-22-67720300 / 67720400

**Fax** : 91-22-2850 892

**Email** : sharepro@shareproservices.com

**Website** : www.shareproservices.com

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**ANNEXURE TO CORPORATE GOVERNANCE REPORT**

**DECLARATION REGARDING COMPLIANCE WITH THE COMPANY'S CODE OF CONDUCT BY BOARD MEMBERS AND SENIOR MANAGEMENT PERSONNEL**

We, Mr. Shailesh M. Joshi , Chairman & Managing Director and Mrs. Jenish Joshi, CFO 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 SEBI (LODR) Regulations, 2015 entered into with Stock Exchange. The Board has adopted a code of conduct for all Board members and senior management of the company which is posted on the website of the company. All Board members and senior management personnel have affirmed their compliance with the code of conduct for the current year.

As required by Schedule V of SEBI (LODR) Regulations, 2015, 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 31stMay2016.

**For Bobshell Electrodes Limited**

**Place : Ahmedabad**  
**Date : 31stMay, 2016**

**Sd/-**  
**Shailesh Joshi**  
**Chairman & Managing Director**

**Sd/-**  
**Jenish Joshi**  
**Chief Financial Officer**

**CERTIFICATE ON CORPORATE GOVERNANCE**

To  
Members  
**Bobshell Electrodes Limited**

We have examined the compliance of the conditions of Corporate Governance by BOBSHELL ELECTRODES LIMITED, for the year ended 31st March, 2016 as stipulated in SEBI (LODR) Regulations, 2015 of the Company with stock exchanges in India.

The compliance of the conditions of Corporate Governance is the responsibility of the management. Our examination was limited to the procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of Corporate Governance. It is neither an audit nor an expression of an 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, the Company has complied with the conditions of Corporate Governance as stipulated in the above listing agreement.

We state that in respect of investor grievances received during the year ended 31st March, 2016, no investor grievances are pending against the company for the period exceeding one month, as per the records maintained by the Company and presented to the Investors/Shareholders Grievance Committee. 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.

**Place : Ahmedabad**  
**Date : 31.05.2016**

**FOR NARAYAN SHAH**  
**PRACTICING COMPANY SECRETARIES**

**SD/-**  
**(Narayan Shah)**  
**ACS: 30225 COP: 10940**



**ANNEXURE – 5 TO DIRECTORS’ REPORT  
MANAGEMENT DISCUSSION AND ANALYSIS**

**INDUSTRY STRUCTURE AND DEVELOPMENTS :**

Sources say the welding rods sales are estimated to have increased in 2015-16 due to a stellar performance by large-scale manufacturers. Welding Rod is primarily used in all thermal power stations, mines and minerals, crusher’s machine and sugar mills and in railway industry, used in the construction sector.

As pioneer leader in the welding industry, BOBSHELL ELECTRODES LIMITED, (BEL) has played a significant part in the country’s industrialization and infrastructure development. The company has progressively extended its welding knowledge and expertise to cover many high-end specializations and cater to a sophisticated range of user needs in India and in overseas markets.

BEL is a total solutions provider offering a latest suite of welding and cutting consumables, power sources and accessories besides a full package of soft skills and knowledge development for welding and fabrication excellence.

The government has announced many projects in the welding rod sector, which will drive steel demand. Owing to this, production of sponge iron is likely to grow in 2016-17.

Steel and Carbon steels are most common base metal in the industry. There are various grades of medium carbon and high carbon steels and they are categorized as per standard. As far repair welding is concerned an electrode should be used of such metallurgy that it is suitable for in not all, at least majority of combination. The selection procedure for each category has been considered while formulating a product and accordingly the product range has been made. A detailed procedure for welding is also given for each product so as to get the best benefits.

**DISCUSSION ON COMPANY’S PERFORMANCE :**

During the year under review, Company’s net revenue has increased from Rs.30,282,677/- to Rs.38,948,761/-. This marginal increase in turnover is attributed mainly on account of high cost of raw material and low price realization owing to slack market conditions domestically and internationally. However, losses are increased due to high raw material and power cost which impacted the bottom line of the company drastically and thus accumulated losses has made the net worth of the company negative.

**SWOT ANALYSIS OF COMPANY :**

**Strength :**

- Good Industry experience & knowledge of Promoters.
- Good quality standards.
- Cost competitiveness.

- Diverse Supplier Base.
- Long-standing contracts for purchase of raw materials.
- Strong product design and development.
- Skilled, qualified and motivated employees.
- Broad-based manufacturing infrastructure.
- Captive Power Consumption.

**Weaknesses :**

- Exposure to raw material price fluctuations.
- Under-utilization of plant capacity.
- Dependency on third party for raw material.

**Opportunities :**

- Unexplored Markets.
- Eve-growing demand in Steel Industry.
- Strengthened manufacturing base and the existence of product development and marketing teams.

**Threats :**

- Rising raw material prices.
- High Cost of Capital.
- Constraint of Raw Material availability
- Global economic slowdown.
- Unremunerative Prices.
- Unforeseen general macro-economic factors and political turmoil.

**RISKS AND CONCERNS :**

Some of the major risks and concerns identified by the Company are:

- Working Capital risks
- Raw Materials Availability risk
- Raw Material Price Fluctuation risks.
- Government Policy and Political Structure risk
- Competition risk
- Economic Slowdown risk

In its process of Risk Management, Company takes proactive steps in identifying inherent business and operational risks and accordingly takes appropriate steps to guard against these identified risks.

**INTERNAL CONTROL SYSTEM :**

Your Company has in place adequate internal control systems commensurate with the size of its operations. Internal control systems comprising of policies and procedures are designed to ensure reliability of financial reporting, timely feedback on achievement of operational

and strategic goals, compliance with policies, procedures, applicable laws and regulations, safeguarding of assets and economical and efficient use of resources. The system is assessed periodically. The Internal Audit team continuously monitors the effectiveness of the internal control systems. It reports to the Audit Committee about the adequacy and effectiveness of the internal control system of your Company.

**HUMAN RESOURCES AND INDUSTRIAL RELATIONS :**

Company maintained healthy, cordial and harmonious industrial relations at all levels. The Board of Directors and management wish to place on record their appreciation of the efforts put in by all employees to achieve good performance.

**RISK MANAGEMENT :**

Risks are events, situations or circumstances which may lead to negative consequences on a Company's business. Risk management is a structured approach to manage uncertainty. It involves identifying potential risks, assessing their potential impact, taking timely action to minimize potential impact and continuous monitoring of identified risks. Your Company has a robust risk management process to identify and assess business risks and opportunities. Your Company's risk management plan

describes the potential risk, contains an analysis of the impact of risks and includes risk strategies to help the business reduce the consequences. The risk management plan of your Company is regularly reviewed to ensure that it accurately reflects the current potential risks to its business.

**CAUTIONARY NOTE :**

Statement in this "Management Discussion and Analysis" describing the Company's objectives, projections, estimates, expectations or predictions may be "forward looking statements" within the meaning of applicable securities laws and regulations. Actual results could differ materially from those expressed or implied. Important factors that could make a difference to the Company's operations include global and Indian demand supply conditions, finished goods prices, feed stock availability and prices, cyclical demand and pricing in the Company's principal markets, changes in Government regulations, tax regimes, economic developments within India and the countries within which the Company conducts business and other factors such as litigation and labour negotiations. The Company assumes no responsibility to publicly amend, modify or revise any forward looking statements, on the basis of any subsequent development, information or events or otherwise.

**INDEPENDENT AUDITORS' REPORT**

TO THE MEMBERS OF  
BOBSHELL ELECTRODES LIMITED

**Report on the Financial Statements**

1. We have audited the accompanying Financial statements of BOBSHELL ELECTRODES LIMITED ("the company"), which comprise the Balance Sheet as at 31 March 2016, the Statement of Profit and Loss, the 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**

2. The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Companies Act, 2013 ("the Act") with respect to 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 principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes the maintenance of adequate accounting records in accordance with the provision of the Act for safeguarding of the assets of the Company and for preventing and detecting the frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial control, that were operating effectively for ensuring the accuracy and completeness of the accounting records, 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**

3. Our responsibility is to express an opinion on these financial statements based on our audit.
4. We have taken into account the provisions of the Act and the rules made thereunder including the accounting standards and matters which are required to be included in the audit report.
5. We conducted our audit in accordance with the Standards on Auditing specified under section 143(10) of the Act. 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.

6. An audit involves performing procedures to obtain audit evidence 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 financial control relevant to the Company's preparation of the financial statements that give true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by Company's Directors, as well as evaluating the overall presentation of the financial statements.
7. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the financial statements.

**Opinion**

8. In our opinion and to the best of our information and according to the explanations given to us, the aforesaid 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, of the state of affairs of the Company as at 31st March, 2016, and its Profit and its cash flows for the year ended on that date.

**Report on Other Legal and Regulatory Requirements**

9. As required by the Companies (Auditor's Report) Order, 2016 issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act ( hereinafter referred to as the " Order"), and on the basis of such checks of the books and records of the company as we considered appropriate and according to the information and explanations given to us , we give in the Annexure Aa statement on the matters specified in the paragraph 3 and 4 of the Order.
10. As required by Section 143 (3) of the Act, we report that:
  - a. we have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
  - b. in our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
  - c. the Balance sheet, the Statement of Profit and Loss and the Cash Flow Statement dealt with by this Report are in agreement with the books

- of account.
- d. in our opinion, the aforesaid Financial Statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
- e. on the basis of the written representations received from the Directors as on 31st March 2016 taken on record by the Board of Directors, none of the Director is disqualified as on 31st March 2016 from being appointed as a Director in terms of Section 164 (2) of the Act.
- f. With respect to the adequacy of the internal financial controls over financial reporting of the company and the operating effectiveness of such controls ,refer to our separate report in Annexure B; and
- g. with respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
- i. the Company has disclosed the impact of pending litigations on its financial position in its financial statements ;
- ii. In our opinion and as per the information and explanation provided to us the Company has not entered into any long-term contracts including derivatives contract, requiring provision under applicable laws or accounting standards, for material foreseeable losses.
- iii. the company is not required to transfer any amount to Investor Education and Protection Fund .

**For DJNV & CO.**  
**Chartered Accountants**  
**Firm Regn. No. 115145W**

**Sd/-**  
**Devang Doctor**  
**(Partner)**  
**M. No. 039833**

**Place : Ahmedabad**  
**Date : 31st May 2016**

### ANNEXURE A TO THE INDEPENDENT AUDITOR'S REPORT

The Annexure referred to in paragraph 9 of the Independent Auditor's Report of even date to the members of BOBSHELL ELECTRODES LIMITED on the financial statements as of and for the year ended 31st March, 2016.

- (i) (a) the company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets;
- (b) As explained to us 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 title deeds of immovable properties are held in the name of the company
- (ii) As explained to us, inventories have been physically verified by the management at reasonable intervals during the year. As per the explanations given to us there were no material discrepancies noticed on physical verification of inventories as compared to the book records.
- (ii) The company has not granted any loans, secured or unsecured to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under section 189 of the Companies Act, 2013 Therefore the provision of Clause 3(iii)(a),(b),(c) of the said order are not applicable to the company.
- (iii) According to the information and explanation given to us ,the company has complied with the provisions of Section 185 and 186 wherever applicable ,in respect of loans, investments, guarantees and securities given by the company.
- (iv) The company has not accepted deposits, hence the directives issued by the Reserve Bank of India and the provisions of sections 73 to 76 or any other relevant provisions of the Companies Act, 2013 and the rules framed thereunder are not applicable.
- (vi) The central government has not prescribed the maintenance of cost records under section 148(1) of the Act, in respect of any of the company's products and hence this clause is not applicable.
- (vii) (a) According to the records of the company undisputed statutory dues including provident fund, income tax , service tax, value added tax, cess,excise duty and other material statutory dues have been regularly deposited during the year by the Company with the appropriate authorities. As explained to us, the Company did not have any dues on account of employees' state insurance& custom duty .According to the information and explanations given to

## BOBSHELL ELECTRODES LIMITED

- us, no undisputed amounts payable in respect of the aforesaid dues were outstanding as at 31 March 2016 for a period of more than six months from the date they became payable.
- (b) According to the information and explanations given to us, there are no material dues of income tax or sales tax or service tax or duty of customs or duty of excise or value added tax which have not been deposited with the appropriate authorities on account of any dispute.
- (viii) The company has not defaulted in repayment of loans or borrowing to a financial institution, bank, Government or dues to debenture holders.
- (ix) The company has not raised any moneys by way of initial public offer, further public offer (including debt instruments) and term loans. Accordingly the provision of Clause 3(ix) of the order are not applicable to the company.
- (x) During the course of our examination of the books and records of the company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanation given to us, we have neither come across any instances of material fraud by the company by its officers or employees, noticed or reported during the year, nor we have been informed of any such case by the management.
- (xi) According to the information provided, managerial remuneration has been paid in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Companies Act.
- (xii) The company is not a Nidhi Company moreover the company doesn't function on the lines of Nidhi company hence the said clause of the Order is not applicable.
- (xiii) As per the information provided all transactions with the related parties are in compliance with sections 177 and 188 of Companies Act, 2013 and the details have been disclosed in the Financial Statements etc., as required by the applicable accounting standards;
- (xiv) The company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review and hence the clause is not applicable.
- (xv) As per the information and explanations given to us, the company has not entered into any non-cash transactions with directors or persons connected with him and hence the provisions of section 192 of Companies Act, 2013 are not applicable.
- (xvi) The company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934. Hence this clause is not applicable.

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

Sd/-  
Devang Doctor  
(Partner)  
M. No. 039833

Place : Ahmedabad  
Date : 31st May 2016

### Annexure–B to Independent Auditors' Report

Referred to in paragraph 10(f) of the Independent Auditors' Report of even date to the members of BOBSHELL ELECTRODES LIMITED on the financial statements for the year ended 31st March, 2016.

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

1. We have audited the internal financial controls over financial reporting of BOBSHELL ELECTRODES LIMITED ("the Company") as of March 31, 2016 in conjunction with our audit of the financial statements of the Company for the period from 01st April, 2015 to 31st March, 2016

#### Management's Responsibility for Internal Financial Controls

2. The Company's management is responsible for

establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (the "Guidance Note"). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that we reoperating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

**Auditors Responsibility**

3. Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to and audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operate defectively in all material respects.
4. Our audit involves performing procedures to obtain evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedure selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.
5. We believe that the audit evidence we have obtained sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

**Cleaning of Internal Financial Controls over Financial Reporting**

6. A Company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable details, accurately and fairly reflect the transactions and

dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect to the financial statements.

**Inherent Limitations of Internal Financial Controls Over Financial Reporting**

7. Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

**Opinion**

8. In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2016, based on the internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

**For DJNV & CO.  
Chartered Accountants  
Firm Regn. No. 115145W**

**Sd/-  
Devang Doctor  
(Partner)  
M. No. 039833**

**Place : Ahmedabad  
Date : 31st May 2016**

**BOBSHELL ELECTRODES LIMITED**

**BALANCE SHEET AS ON 31ST MARCH 2016**

Particulars	Note No.	As At 31 March, 2016 Amt. (Rs.)	As At 31 March, 2015 Amt. (Rs.)
<b>EQUITY AND LIABILITIES :</b>			
<b>1. Shareholders' Funds :</b>			
a) Share Capital	3	60,060,000	60,060,000
b) Reserves & Surplus	4	(25,531,459)	(26,459,082)
		<u>34,528,541</u>	<u>33,600,918</u>
<b>2. Share Application money pending allotment</b>			
		0	0
<b>3. Non-Current Liabilities :</b>			
a) Long Term Borrowings	5	0	0
b) Deferred Tax Liabilities (Net)	6	1,615,458	1,558,346
c) Other Long term Liabilities	7	0	0
d) Long-term Provisions		<u>0</u>	<u>0</u>
		1,615,458	1,558,347
<b>4. Current Liabilities :</b>			
a) Short-term borrowings		0	0
b) Trade Payables		211,452	1,304,696
c) Short term Provisions	7	507,323	918,502
d) Other Current liabilities	8	<u>562,481</u>	<u>302,674</u>
		<u>1,281,256</u>	<u>2,525,872</u>
<b>TOTAL</b>		<b><u>37,425,254</u></b>	<b><u>37,685,137</u></b>
<b>ASSETS :</b>			
<b>1. Non-Current Assets :</b>			
a) Fixed Assets :			
(i) Tangible Assets	9	16,274,077	16,465,165
(ii) Intangible Assets		<u>-</u>	<u>-</u>
		16,274,077	16,465,165
b) Non-Current Investments		-	-
c) Long-Term Loans and Advance	10	535,012	1,089,836
d) Trade Receivable	11	-	-
e) Other Non-Current Assets	12	9,068,560	8,426,379
<b>2. Current Assets :</b>			
a) Current Investment		-	-
b) Short Term Loans and Advances	10	1,987,918	2,352,610
c) Trade Receivables	11	4,868,199	6,185,441
d) Cash & Cash Equivalents	14	4,161,881	2,453,269
e) Short Term Loans and Advances	10	442,943	691,935
f) Other Current Assets	11	<u>86,664</u>	<u>20,502</u>
<b>TOTAL</b>		<b><u>37,425,254</u></b>	<b><u>37,685,137</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

For, BOBSHELL ELECTRODES LTD.

Devang Doctor  
(Partner)  
M. No. 039833

Jenish S.Joshi  
Chief Financial Officer

Shailesh Joshi  
Director

Anish D. Bodawala  
Director

Place : Ahmedabad  
Date : 31/5/2016

Place : Ahmedabad  
Date : 08/06/2016

Place : Ahmedabad  
Date : 31/5/2016

Place : Ahmedabad  
Date : 31/5/2016

**BOBSHELL ELECTRODES LIMITED**

**STATEMENT OF PROFIT & LOSS FOR THE YEAR ENDED 31ST MARCH 2016**

Particulars	Note No.	31 March, 2016 Amt. (Rs.)	31 March, 2015 Amt. (Rs.)
<b>INCOME :</b>			
Gross Revenue from Operations	15	38,948,761	30,282,677
Less : Excise Duty		2,527,565	1,581,788
Net Revenue from Operations		36,421,196	28,700,889
Other Income	16	942,280	801,714
<b>Total Revenue (i)</b>		<b>37,363,476</b>	<b>29,502,603</b>
<b>EXPENDITURE :</b>			
Cost of Materials Consumed	17	18,128,169	17,537,557
(Increase) / Decrease in inventory of Finished Goods	18	192,897	(276,726)
Employee Benefits Expense	19	9,478,609	6,244,693
Finance Cost	20	124,619	97,356
Depreciation and Amortisation expense	21	926,047	988,699
Other Expenses	22	7,295,401	5,911,030
<b>Total Expenses (ii)</b>		<b>36,145,742</b>	<b>30,502,609</b>
<b>Profit / (Loss) before Tax [(i) - (ii)]</b>		<b>1,217,734</b>	<b>(1,000,006)</b>
<b>Tax Expense :</b>			
Current Tax		233,000	-
Deferred Tax Liability/Asset		57,111	12,045
		<b>290,111</b>	<b>12,045</b>
<b>Profit / (Loss) for the year</b>		<b>927,623</b>	<b>(987,961)</b>
<b>Basic earnings per share</b>	<b>24</b>	<b>0.15</b>	<b>(0.16)</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

For, BOBSHELL ELECTRODES LTD.

Devang Doctor  
(Partner)  
M. No. 039833

Jenish S.Joshi  
Chief Financial Officer

Shailesh Joshi  
Director

Anish D. Bodawala  
Director

Place : Ahmedabad  
Date : 31/5/2016

Place : Ahmedabad  
Date : 08/06/2016

Place : Ahmedabad  
Date : 31/5/2016

Place : Ahmedabad  
Date : 31/5/2016



**BOBSHELL ELECTRODES LIMITED**

**NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2016**

**NOTE - 3 - SHARE CAPITAL :**

Particulars	As at 31 March 2016		As at 31 March 2015	
	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 31/03/2016 and 31/03/2015 is set out below.

Particulars	As at 31 March 2016		As at 31 March 2015	
	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 31/03/2016 & 31/03/2015 is set out below.

Particulars	As at 31 March 2016		As at 31 March 2015	
	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 2016	31 March 2015
	Amt. (Rs.)	Amt. (Rs.)
<b>Surplus/(Deficit) in the Statement of Profit and Loss :</b>		
Balance as per Last Financial Statement	(26,459,082)	(25,060,526)
Add : Profit for the year	927,623	(987,961)
<b>Net Surplus/ (Deficit) at year end</b>	<b>(25,531,459)</b>	<b>(26,048,487)</b>
Other Adujustments on account of Depreciation	--	410,595
<b>TOTAL</b>	<b>(25,531,459)</b>	<b>(26,459,082)</b>

**BOBSHELL ELECTRODES LIMITED**

**NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2016**

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

Particulars	Non Current		Current	
	As at 31-3-2016 Amt (Rs.)	As at 31-3-2015 Amt (Rs.)	As at 31-3-2016 Amt (Rs.)	As at 31-3-2015 Amt (Rs.)
Term Loan - From Financial Institute (Secured)	--	-	120,263	740,904
<b>TOTAL</b>	<b>--</b>	<b>-</b>	<b>120,263</b>	<b>740,904</b>
Less : Amount disclosed under head "Other Current Liabilities" (Note 8)	-	-	-	-
<b>TOTAL</b>	<b>-</b>	<b>-</b>	<b>120,263</b>	<b>740,904</b>

**Term Loan From Financial Institute :**

Term Loan from the financial institute was taken in the Financial Year 14-15 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 2016 Amt. (Rs.)	As at 31 March 2015 Amt. (Rs.)
<b>NOTE - 6 - DEFERRED TAX LIABILITY / DEFERRED TAX ASSET :</b>		
<b>Deferred Tax Liability :</b>		
Opening Balance	1,558,346	1,570,391
Add : Deffered Tax Asset / Liability	57,111	(12,045)
<b>TOTAL</b>	<b>1,615,458</b>	<b>1,558,346</b>
<b>NOTE - 7 - OTHER CURRENT LIABILITIES :</b>		
Current maturity of long term borrowings ( Note 5)	120,263	740,904
Unpaid Expenses	63,450	40,562
Other Statutory Dues	184,347	75,236
Professional Fees Payable	73,950	61,800
Other Payables.	65,313	-
<b>TOTAL</b>	<b>507,323</b>	<b>918,502</b>
<b>NOTE - 8 - SHORT TERM PROVISIONS :</b>		
Provision for Employee Benefits	562,481	302,674
<b>TOTAL</b>	<b>562,481</b>	<b>302,674</b>

**BOBSHELL ELECTRODES LIMITED**

**NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2016**

**NOTE - 9 - TANGIBLE ASSETS :**

<b>COST OF VALUATION</b>	<b>Fre Hold Land</b>	<b>Factory Building</b>	<b>Office Building</b>	<b>Plant &amp; Machinery</b>	<b>Office Equipment</b>	<b>Furniture &amp; Fixtures</b>	<b>Vehicles</b>	<b>Computer</b>	<b>TOTAL</b>
<b>As at 31 March 2014</b>	5,240,823	5,991,147	1,874,000	45,154,259	4,315,173	1,988,227	3,685,826	1,496,163	<b>69,745,618</b>
Addition	100,000	-	-	-	24,150	-	1,804,310	-	<b>1,928,460</b>
Disposal	-	-	-	-	-	-	917,405	-	<b>917,405</b>
Other Adjustment	-	-	-	42,896,546	4,099,414	1,533,101	-	1,348,871	<b>49,877,932</b>
<b>As at 31 March 2015</b>	5,340,823	5,991,147	1,874,000	2,257,713	239,909	455,126	4,572,731	147,292	<b>20,878,741</b>
Addition	-	-	-	-	89,500	-	791,110	-	<b>880,610</b>
Disposal	-	-	-	-	-	-	632,581	-	<b>632,581</b>
Other Adjustment	-	-	-	-	-	-	-	-	<b>-</b>
<b>As at 31 March 2016</b>	5,340,823	5,991,147	1,874,000	2,257,713	329,409	455,126	4,731,260	147,292	<b>21,126,770</b>
<b>DEPRECIATION</b>									
<b>DEPRECIATION</b>	<b>Fre Hold Land</b>	<b>Factory Building</b>	<b>Office Building</b>	<b>Plant &amp; Machinery</b>	<b>Office Equipment</b>	<b>Furniture &amp; Fixtures</b>	<b>Vehicles</b>	<b>Computer</b>	<b>TOTAL</b>
<b>As at 31 March 2014</b>	-	2,980,451	199,287	43,202,256	3,343,326	1,705,139	455,232	1,340,775	<b>53,226,466</b>
Charge for the year	-	180,742	68,415	-	4,830	48,752	642,190	43,770	<b>988,699</b>
Disposal	-	-	-	-	-	-	334,252	-	<b>334,252</b>
Other Adjustment	-	-	-	43,202,256	3,343,326	1,580,980	-	1,340,775	<b>49,467,337</b>
<b>As at 31 March 2015</b>	-	3,161,193	267,702	-	4,830	172,911	763,170	43,770	<b>4,413,576</b>
Charge for the year	-	180,742	68,415	-	21,835	48,752	594,944	11,359	<b>926,047</b>
Disposal	-	-	-	-	-	-	486,930	-	<b>486,930</b>
Other Adjustment	-	-	-	-	-	-	-	-	<b>-</b>
<b>As at 31 March 2016</b>	-	3,341,935	336,117	-	26,665	221,663	871,184	55,129	<b>4,852,693</b>
<b>NET BLOCK</b>									
<b>As at 31 March 2015</b>	5,340,823	2,829,954	1,606,298	2,257,713	235,079	282,215	3,809,561	103,522	<b>16,465,165</b>
<b>As at 31 March 2016</b>	5,340,823	2,649,212	1,537,883	2,257,713	302,744	233,463	3,860,076	92,163	<b>16,274,077</b>
<b>Transfer to General reserve</b>				-	-	-	-	-	<b>-</b>

**BOBSHELL ELECTRODES LIMITED**

**NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2016**

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

Particulars	Long Term		Short Term	
	As at 31-3-2016 Amt (Rs.)	As at 31-3-2015 Amt (Rs.)	As at 31-3-2016 Amt (Rs.)	As at 31-3-2015 Amt (Rs.)
<b>(A) Capital Advances :</b>				
Unsecured, Considered Good	--	--	-	-
<b>(A)</b>	--	--	-	-
<b>(B) Security Deposit :</b>				
Unsecured , Considered Good	535,012	1,089,836	194,500	512,800
<b>(B)</b>	<b>535,012</b>	<b>1,089,836</b>	<b>194,500</b>	<b>512,800</b>
<b>(C) Other Loans &amp; Advances :</b>				
(i) Advance Tax/ TDS Receivable	--	-	87,020	81,756
Less : Provision	-	-	233,000	-
Net Advance	--	-	(145,980)	81,756
(ii) Prepaid Expense	-	-	-	-
(iii) Loans/ Advances to Employees	--	-	265,000	12,500
(iv) Balance with Statutory / Govt. Authorities	--	-	2,067	2,067
(v) Advance to Suppliers	--	-	127,356	82,812
<b>(C)</b>	--	-	394,423	179,135
<b>TOTAL (A+B+C)</b>	<b>35,012</b>	<b>1,089,836</b>	<b>442,943</b>	<b>691,935</b>

**NOTE - 11 - OTHER ASSETS :**

Particulars	Non Current		Current	
	As at 31-3-2016 Amt (Rs.)	As at 31-3-2015 Amt (Rs.)	As at 31-3-2016 Amt (Rs.)	As at 31-3-2015 Amt (Rs.)
A. Non Current Bank Balance (Note 15)	9,068,560	8,426,379	-	-
B. Accrued Interest	--	-	-	-
C. Vat Recievable	--	-	4,053	-
D. MODVAT Excise Duty Account	--	-	-	2
E. Prepaid Insurance	--	-	82,611	20,500
<b>TOTAL</b>	<b>9,068,560</b>	<b>8,426,379</b>	<b>86,664</b>	<b>20,502</b>

**NOTE - 12 - INVENTORIES :**

Particulars	31 March 2016 Amt. (Rs.)	31 March 2015 Amt. (Rs.)
Raw Materials & Others	1,504,165	1,675,960
Finished Stock	483,753	676,650
<b>TOTAL</b>	<b>1,987,918</b>	<b>2,352,610</b>

**BOBSHELL ELECTRODES LIMITED**

**NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2015**

**NOTE - 13 - TRADE RECEIVABLES :**

Particulars	Non Current		Current	
	As at 31-3-2016 Amt (Rs.)	As at 31-3-2015 Amt (Rs.)	As at 31-3-2016 Amt (Rs.)	As at 31-3-2015 Amt (Rs.)
<b>A. Outstanding for a period exceeding six months from the date they are due for payment</b>				
- Unsecured , Considered Good	--	--	2,863,332	2,469,783
<b>(A)</b>	<u>          </u>	<u>          </u>	<u>2,863,332</u>	<u>2,469,783</u>
<b>B. Other Receivables :</b>				
Unsecured , Considered Good	--	--	2,004,867	3,715,658
<b>(B)</b>	<u>          </u>	<u>          </u>	<u>2,004,867</u>	<u>3,715,658</u>
<b>TOTAL (A+B)</b>	<u>          </u>	<u>          </u>	<u>4,868,199</u>	<u>6,185,441</u>

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

<b>A. Cash and Cash Equivalents :</b>				
<b>Balances with Bank :</b>				
in Current Accounts	--	--	4,042,512	2,059,163
Cash on Hand	--	--	119,369	394,105
<b>(A)</b>	<u>          </u>	<u>          </u>	<u>4,161,881</u>	<u>2,453,268</u>
<b>B. Other Bank Balances :</b>				
Deposits with original maturity for more than 12 months	9,068,560	8,426,379	--	--
	<b>9,068,560</b>	<b>8,426,379</b>	--	--
<b>Less :</b>				
Amount disclosed Under Non Current Assets (Note 13 )	9,068,560	8,426,379	--	--
<b>(B)</b>	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>
<b>TOTAL (A+B)</b>	<u>          </u>	<u>          </u>	<u>4,161,881</u>	<u>2,453,268</u>

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

Particulars	31 March 2016 Amt. (Rs.)	31 March 2015 Amt. (Rs.)
<b>Sale of Products :</b>		
Net Sales 37,727,381	29,422,853	
Less :Excise Duty	1,306,185	721,964
	<u>36,421,196</u>	<u>28,700,889</u>
Add:Excise on Sales	2,527,565	1,581,788
Gross Sales	<u>38,948,761</u>	<u>30,282,677</u>
<b>TOTAL</b>	<u>38,948,761</u>	<u>30,282,677</u>

**NOTE - 16 - OTHER INCOME :**

Discount	95,045	978
Interest	847,235	800,736
<b>TOTAL</b>	<u>942,280</u>	<u>801,714</u>

**BOBSHELL ELECTRODES LIMITED**

**NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2016**

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

Particulars	31 March, 2016		31 March, 2015	
	Amt (Rs.)	Amt (Rs.)	Amt (Rs.)	Amt (Rs.)
Inventory at the Beginning of the year	1,675,960		1,333,461	
ADD : Purchases	17,956,374		17,880,056	
LESS : Inventory at the end of the year	1,504,165		1,675,960	
<b>Cost of Materials Consumed</b>		<b><u>18,128,169</u></b>		<b><u>17,537,557</u></b>

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

Particulars	31 March	31 March
	2016	2015
	Amt. (Rs.)	Amt. (Rs.)
<b>Inventory at the beginning of the year</b>		
Finished Stock	676,650	399,924
	<u>676,650</u>	<u>399,924</u>
<b>Inventory at the end of the year</b>		
Finished Stock	483,753	676,650
	<u>483,753</u>	<u>676,650</u>
<b>(Increase) / Decrease in Stock</b>	<b><u>192,897</u></b>	<b><u>(276,726)</u></b>
<b>NOTE - 19 - EMPLOYEE BENEFIT EXPENSES :</b>		
Director's Remuneration	2,000,000	2,124,000
Provident Fund	508,646	323,630
Salary, Wages & Bonus	6,105,837	2,468,301
Gratuity fund with LIC	444,957	1,161,792
Staff Welfare	419,169	166,970
<b>TOTAL</b>	<b><u>9,478,609</u></b>	<b><u>6,244,693</u></b>
<b>NOTE - 20 - FINANCE COST :</b>		
Bank Guarantee Charges	58,752	14,789
Interest On Car Loan	65,867	82,567
<b>TOTAL</b>	<b><u>124,619</u></b>	<b><u>97,356</u></b>
<b>NOTE - 21 - DEPRECIATION AND AMORTISATION EXPENSES :</b>		
Depreciation of Tangible Assets	926,047	988,699
<b>TOTAL</b>	<b><u>926,047</u></b>	<b><u>988,699</u></b>

**BOBSHELL ELECTRODES LIMITED**

**NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2016**

**NOTE - 22 - OTHER EXPENSES :**

Particulars	31 March 2016 Amt. (Rs.)	31 March 2015 Amt. (Rs.)
Auditors Remuneration	79,800	70,000
Conveyance & Lodging	401,951	307,016
Excise On Closing Stock	146,062	164,928
Factory Expense	316,177	279,111
Freight Expenses	448,825	448,125
Insurance	99,263	151,272
Selling & Marketing Expense	109,946	481,049
Rates & Taxes	36,522	36,522
Power & Fuel Expense	843,416	864,834
Stores & Spares	49,049	54,022
Travelling Expense	367,585	158,429
Vehicle Repairs	113,312	103,480
Service Tax	22,085	10,626
Miscellaneous Expenses	1,099,150	1,379,647
Laboratory expenses	95,832	50,515
Commission	1,800,000	1,200,000
Office expense	670,985	151,452
Bad Debts	595,441	-
<b>TOTAL</b>	<b>7,295,401</b>	<b>5,911,028</b>

**NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2016**

**NOTE - 1 - SIGNIFICANT ACCOUNTING POLICIES :**

**a. Basis of Accounting :**

These financial statements have been prepared in accordance with the generally accepted accounting principles in India under the historical cost convention on accrual basis. These financial statements have been prepared to comply in all material aspects with the accounting standards notified under section 133 of Companies Act, 2013.

**b. Use of Estimates :**

The preparation of financial statements requires the management to make estimates and assumptions considered in the reported amount of assets and liabilities (including contingent liabilities) as on the date of financial statements and the reported income and expenses during the reporting period. Management believes that the estimates used in the preparation of the financial statements are prudent and reasonable. Actual results could differ from these estimates. Any revision to accounting estimates is recognized prospectively in current and future periods.

**c. 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.

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

Depreciation on tangible assets is provided on straight line method over the useful life of asset prescribed in Part C of schedule II of the Companies Act, 2013.

**e. Investments :**

Non current investments are stated at cost. Current investments are stated at cost or fair value, whichever is lower. Provision for diminution in the value of non- current investments is made only, if such a decline is other than temporary in the opinion of the management.

**f. Inventories :**

(i) Raw materials including consumables are valued at lower of cost or net realizable value including duties, taxes, freight, insurance and handling 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.

**g. Revenue Recognition :**

- Sales are recognised at the point of dispatch/delivery of goods to the customers as per terms of contract, which is, when substantial risks and rewards of ownership passes to the customers, and are stated net of trade discounts, rebates, sales tax, value added tax and excise duty.

- Interest and other income are recognised on accrual basis.

**h. 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.

Actuarial gains and losses in respect of post-employment and other long term benefits are charged to profit and loss statement.

**i. Income Tax :**

Provision for tax for the year comprises current income tax determined to be payable in respect of taxable income and deffered tax being the tax effect of timing differences representing the difference between taxable income and accounting income that originate in one period and are capable of reversal in one or more subsequent period(s).

**j. 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.

**k. Provisions and Contingent liabilities :**

Provisions are recognised when there is a present obligation as a result of a past event, and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and there is a reliable estimate of the amount of the obligation.

Contingent liabilities are disclosed when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company or a present obligation that arises from past events where it is either not probable that an outflow of resources will be required to settle the obligation or a reliable estimate of the amount cannot be made.

**l. 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.



**BOBSHELL ELECTRODES LIMITED**

**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 31-03-2016	Year ended 31-03-2015
1	Net Profit / (Loss) attributable to shareholders	9,27,623	(9,87,961)
2	Weighted average no. of. Equity Shares	60,06,000	6,006,000
3	Basic Earning Per Share	0.15	(0.16)

**25. RELATED PARTY TRANSACTIONS :**

Name	Relationship	Nature of transaction	Amt (Rs)		Outstanding Balance (Rs)	
			2015-16	2014-15	2015-16	2014-15
Shailesh Joshi	Chairman & Managing Director	Remuneration	20,00,000	12,00,000	-	-
Kashyap Pathak	Director	Remuneration	-	9,24,000	-	-
Jenish Joshi	CFO	Remuneration	1500000	-	-	-

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

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

For, BOBSHELL ELECTRODES LTD.

Devang Doctor  
(Partner)  
M. No. 039833

Jenish S.Joshi  
Chief Financial Officer

Shailesh Joshi  
Director

Anish D. Bodawala  
Director

Place : Ahmedabad  
Date : 31/5/2016

Place : Ahmedabad  
Date : 08/06/2016

Place : Ahmedabad  
Date : 31/5/2016

Place : Ahmedabad  
Date : 31/5/2016

**BOBSHELL ELECTRODES LIMITED**

**CASH FLOW STATEMENT FOR THE YEAR 2015-16**

Particulars	31 March,2016 Amt. (Rs.)	31 March,2015 Amt. (Rs.)
<b>A. CASH FLOW FROM OPERATING ACTIVITIES:</b>		
Profit after tax	927,623	(987,961)
Adjusted for		
Add: Depreciation	926,047	988,698
Loss on sale of Vehicle	74,651	265,153
Provision for deferred tax	57,111	(12,045)
<b>Operating Profit before Working Capital Changes</b>	<b><u>1,985,432</u></b>	<b><u>253,845</u></b>
Movement in Working Capital :		
Increase / (Decrease) in Trade Payables	(1,093,244)	1,058,909
Increase / (Decrease) in Provisions	259,807	388,693
Increase / (Decrease) in Other Current Liabilities	(411,179)	24,705
(Increase)/ Decrease in Trade Receivables	1,317,242	(573,274)
(Increase)/ Decrease in Inventories	364,692	(619,225)
(Increase)/ Decrease in Current Loans & Advances	248,992	(171,080)
(Increase)/ Decrease in Other Assets	(66,162)	250,891
Cash generated from / (used in) operations	620,148	359,619
Income Tax Paid	-	-
<b>Net Cash Flow From / ( Used in ) Operating Activities (A)</b>	<b><u>2,605,580</u></b>	<b><u>613,465</u></b>
<b>B. CASH FLOW FROM INVESTING ACTIVITIES :</b>		
Purchase of Fixed Assets	(880,610)	(1,928,460)
Sale of Fixed Assets	71,000	318,000
<b>Net Cash Flow From / ( Used in ) Investing Activities (B)</b>	<b><u>(809,610)</u></b>	<b><u>(1,610,460)</u></b>
<b>C. CASH FLOW FROM FINANCING ACTIVITIES:</b>		
Increase or Decrease in Long term Loans and advances	554,824	(483,472)
(Increase) / Decrease in Other Non Current Assets	(642,181)	(590,076)
Proceeds from Long Term Borrowings	(0)	-
<b>Net Cash Flow From / ( Used in ) Financing Activities (C)</b>	<b><u>(87,357)</u></b>	<b><u>(1,073,548)</u></b>
Net Increase/ (Decrease) in Cash & Cash Equivalent (A+B+C)	1,708,613	(2,070,543)
Cash & Cash Equivalents at the beginning of the year	2,453,268	4,523,811
<b>Cash &amp; Cash Equivalents at the end of the year</b>	<b><u>4,161,881</u></b>	<b><u>2,453,268</u></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

For, BOBSHELL ELECTRODES LTD.

Devang Doctor  
(Partner)  
M. No. 039833

Jenish S.Joshi  
Chief Financial Officer

Shailesh Joshi  
Director

Anish D. Bodawala  
Director

Place : Ahmedabad  
Date : 31/5/2016

Place : Ahmedabad  
Date : 08/06/2016

Place : Ahmedabad  
Date : 31/5/2016

Place : Ahmedabad  
Date : 31/5/2016

**BOBSHELL ELECTRODES LIMITED**

**CIN : L29308GJ1994PLC023275**

B-505, Fairdeal House, Opp. St. Xaviers' Ladies Hostel, Swastik Char Rasta Ahmedabad: 380 006

**ATTENDANCE SLIP**

DP ID*	
Client ID*	

Folio	
No. of Shares	

NAME AND ADDRESS OF THE SHAREHOLDER \_\_\_\_\_

I hereby record my presence at the 22nd ANNUAL GENERAL MEETING of the Company held on Friday, 30th September, 2016 at 11.00 A.M. at 802th, Swagat Building, Nr. Lal Bunglow, C.G.Road, Ahmedabad – 3800 06.

Signature of the Shareholder | Proxy : \_\_\_\_\_

\* Applicable for investors holding shares in electronic form.

**BOBSHELL ELECTRODES LIMITED**

**CIN : L29308GJ1994PLC023275**

B-505, Fairdeal House, Opp. St. Xaviers' Ladies Hostel, Swastik Char Rasta Ahmedabad: 380 006

**Form No. MGT- 11**

**PROXY FORM**

**[Pursuant to section 105(6) of the Companies Act, 2013 and rule 19(3) of the Companies (Management and Administration) Rules, 2014]**

Name of Members : \_\_\_\_\_

Registered Address : \_\_\_\_\_

E-mail Address : \_\_\_\_\_ Folio No. | Client ID : \_\_\_\_\_ DP Id : \_\_\_\_\_

I/we, being the member(s) of \_\_\_\_\_ shares of Bobshell Electrodes Ltd, hereby appoint:

- 1) \_\_\_\_\_ of \_\_\_\_\_ having e-mail id \_\_\_\_\_ or failing him
- 2) \_\_\_\_\_ of \_\_\_\_\_ having e-mail id \_\_\_\_\_ or failing him
- 3) \_\_\_\_\_ of \_\_\_\_\_ having e-mail id \_\_\_\_\_ or failing him

and whose signature(s) are appended below as my / our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 22nd Annual General Meeting of the Company, to be held on Friday, 30th September, 2016 at at 11.00 a.m. at 802th , Swagat Building, Nr. LalBunglow, C.G.Road, Ahmedabad – 3800 06 and at any adjournment thereof in respect of such resolutions as are indicated below:

NO.	ORDINARY BUSINESS
1	Adoption of financial statements for the year ended on March 31, 2016
2	Reappointment of Mr. Anish D. Bodawala as Director
3	Raticification of appointment of DJNV & Co. as Statutory Auditor and fix their remuneration
SPECIAL BUISNESS	
4	AAPPOINTMENT OF M/sMudraben P Pathak as Director
5	Change In Place of Keeping Register Of Members, Index Of Members, Etc.

Affix  
Revenue  
Stamp

Signed this \_\_\_\_\_ day of \_\_\_\_\_ 2016

\_\_\_\_\_  
Signature of first proxy  
holder

\_\_\_\_\_  
Signature of Second proxy  
holder

\_\_\_\_\_  
Signature of Third proxy  
holder

**Note :** This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company not less than 48 hours before the commencement of the meeting.

## ROUTE MAP



**Address for Annual General Meeting of the Company : 802, 8th Floor, Swagat Building, Near LalBunglow, C.G.Road, Ellisbridge, Ahmedabad - 380 006**

**BOOK POST**

If undelivered, please return to :



**BOBSHELL ELECTRODES LIMITED**

**CORPO. OFFICE :**

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