

BOBSHELL ELECTRODES LIMITED

23rd Audited Annual Report

FOR THE YEAR 2016 - 17

COMPANY REGISTRATION NO.: 04-023275

CIN NO.: L29308GJ1994PLC023275

Registered with Registrar of Companies, Gujarat State



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

BOBSHELL ELECTRODES LIMITED

23rd ANNUAL REPORT

CIN	:	L29308GJ1994PLC023275
BOARD OF DIRECTORS	:	Shri Shailesh M Joshi Chairman & Managing Director Shri Kamlesh M Shah Director Shri Anish Bodawala Director Smt. Mudraben Pathak Women Director
REGISTERED OFFICE	:	B-505, Fairdeal House, Opp. ST.Xaviers' Ladies Hostel Swastik Char Rasta, Navrangpura , Ahmedabad- 380009.
ADMINISTRATIVE OFFICE	:	802, 8TH Floor, Swagat Building, Near Lal Bunglow, C.G.Road, Ellisbridge, Ahmedabad- 380006.
PLANT	:	496, Bhagya Laxmi Industrial Estate, Manpasand Weight Bridge, Santej Rakanpur, Sola Santej, Gandhinagar-382721.
AUDITORS	:	DJNV & CO. Chartered Accountants 58, White House, Panchvati Circle C.G.Road, Ellisbridge, Ahmedabad- 380006.
BANKERS TO THE COMPANY	:	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 23rd Annual General Meeting of the members of Bobshell Electrodes Limited will be held on the Thursday, 28th day of September 2017 at 11:00 A.M. at the Corporate Office of the Company at 802, Swagat Building, Near Lal Bunglow, C.G. Road, Ahmedabad- 380 006 to transact the following business:

1. To receive, consider and adopt the Audited Balance Sheet as at 31st March 2017, Statement of Profit & Loss for the financial year 2016-17 and the Reports of Board of Directors and the Auditors thereon.
2. TO REAPPOINT Shri Kamlesh Shah (DIN 00013228), as Director.
3. Appointment of Statutory Financial 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 read with the Companies (Audit and Auditors) Rules, 2014, as amended from time to time, the Company do hereby appointment of M/s ANA & Associates., Chartered Accountants, (FRN – 130797W) as Financial Statutory Auditors of the Company 5 (FIVE) financial years commencing from 2017-18 to 2021-22 and to hold the office as such from the conclusion of 23rd Annual General Meeting till the conclusion of the 28th Annual General Meeting of the Company for the financial year 2021-22 subject to ratification of their appointment in each Annual General Meeting at such remuneration and reimbursement of out of pocket expenses if any, as may be mutually decided between Board of Directors of the Company and Auditors for each of the financial year separately on year to year basis.”

SPECIAL BUSINESS

4. **Appointment of Managing 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 provisions of Sections 197, 198 and 203 read with Schedule V and other applicable provisions, if any, of the Companies Act 2013, (including any statutory modifications or re-enactment thereof, for the time being in force) read with Companies (Appointment and Remuneration of Key Managerial Personnel) Rules 2014 as also subject to approval and confirmation of the members in the General Meeting and subject to approval of the Central Government and such other consents and permission if any, as may be necessary or required from time to time

Mr. Shailesh Manshankar Joshi, a Director of the Company be and is hereby appointed as Chairman And Managing Director of the Company for the period of three years from 30th May, 2017 to 29th May, 2020 at the monthly Remuneration of Rs.2,50,000 or such other Higher or Lower amount of Remuneration as may be decided by the Board from time to time in consultation with the Managing Director and also subject to such modifications within the overall ceiling limits as laid down under the provisions of the Companies Act, 2013 and Schedule V of the Companies Act 2013 subject to the condition that the Managing Director may be paid remuneration by way of cash or in kind (Other than Securities of the Company), and may be paid either on monthly, quarterly, half yearly, yearly or in any other mode and the remuneration payable to the managing director may in addition to the above limit, also include with it such of the perquisites, benefits, reimbursement of expenses, retirement benefits, bonuses, performance bonuses, commission on net profits etc or by one or more of any of the above said combinations.

FURTHER RESOLVED THAT Smt Jenish Joshi, Chief Financial Officer of the Company, Mudraben Pathak, Director of the Company or the Company Secretary of the Company for the time being in the employment of the Company be and is hereby authorized to sign the relevant forms using their digital signatures and file the same with the Registrar of Companies in this behalf along with all necessary documents, papers, consent letter etc. and also be further authorized to update all statutory records, registers and to do all other acts, things, deed, sign etc. in this regard.

THE REGISTER OF MEMBERS AND SHARE TRANSFER BOOKS OF THE COMPANY SHALL REMAIN CLOSED FOR THE PURPOSE OF ANNUAL GENERAL MEETING FROM 22ND SEPTEMBER 2017 TO 28TH SEPTEMBER 2017 (BOTH DAYS INCLUSIVE)

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 all working 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 – 802, 8th 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 Demat accounts, 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, 2017 is uploaded on the Company's website www.bobshell.net and may be accessed by the members and also on the website of the Bombay Stock Exchange Ltd. 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 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 23rd 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 **25.09.2017 at 09.00 a.m. and ends on 27.09.2017 at 5.00 p.m.** During this period shareholders' of the Company, holding

BOBSHELL ELECTRODES LIMITED

shares either in physical form or in dematerialized form, as on the **cut-off date (record date) of 22.09.2017** may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.

- (ii) Mr. Jay Khatnani, Practicing Company Secretary, (Membership No. A50727 and COP No. 18421) (Address: 801-A, Mahalay Complex, Opp: Hotel President, B/h. Fairdeal House, Swastik Cross Roads, Navrangpura, Ahmedabad: 380 009, Gujarat, India, has been appointed as the Scrutinizer to scrutinize the e-voting process in a fair and transparent manner.
- (iii) The Scrutinizer shall within a period not exceeding three (3) working days from the conclusion of the e-voting period unblock the votes in the presence of at least two (2) witnesses not in the employment of the Company and make a Scrutinizer's Report of the votes cast in favor or against, if any, forthwith to the Chairman of the Company.
- (iv) The shareholders should log on to the e-voting website www.evotingindia.com.
- (v) Click on Shareholders.
- (vi) 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.
- (vii) Next enter the Image Verification as displayed and Click on Login.
- (viii) If you are holding shares in Demat form and had logged on to www.evotingindia.com and voted on an earlier voting of any company, then your existing password is to be used.
- (ix) If you are a first time user follow the steps given below:

Dividend Bank Details or Date of Birth (DOB)	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"> • If both the details are not recorded with the depository or company please enter the member id / folio number in the Dividend Bank details field as mentioned in instruction (iv).
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- (x) After entering these details appropriately, click on "SUBMIT" tab.
- (xi) 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.
- (xii) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- (xiii) Click on the EVSN for the Bobshell Electrodes Limited on which you choose to vote.
- (xiv) 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.
- (xv) Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.
- (xvi) 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.
- (xvii) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.
- (xviii) You can also take a print of the votes cast by clicking on "Click here to print" option on the Voting page.
- (xix) 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.

For Members holding shares in Demat Form and Physical Form	
PAN	Enter your 10 digit alpha-numeric PAN issued by Income Tax Department (Applicable for both Demat shareholders as well as physical shareholders) <ul style="list-style-type: none"> • 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.

(xx) **Shareholders can also cast their vote using CDSL's mobile app m-Voting available for android based mobiles. The m-Voting app can be downloaded from Google Play Store. Please follow the instructions as prompted by the mobile app while voting on your mobile.**

(xxi) **Note for Non – Individual Shareholders and Custodians**

- Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodian are required to log on to www.evotingindia.com and register themselves as Corporates.
- A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to helpdesk.evoting@cdslindia.com.
- After receiving the login details a Compliance User should be created using the admin login and password. The Compliance User would be able to link the account(s) for which they wish to vote on.
- The list of accounts 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 favor 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, under help section or write an email to helpdesk.evoting@cdslindia.com

Date : 30th August, 2017

Place : Ahmedabad

**By order of the
Board of Directors of
Bobshell Electrodes Limited**

**Registered Office:
B-505, Fairdeal House,
Opp. ST. Xaviers'
Ladies Hostel
Swastik Char Rasta,
Navrangpura,
Ahmedabad- 380009
CIN:L29308GJ1994PLC023275**

**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

Reappointment Mr. Shailesh M Joshi as Managing director of the company.

Mr. Shailesh. M. Joshi is a Main Promoter and Director of the Company. He is also the Managing Director of the Company. As per his last Reappointment as Managing director, his term as Managing Director has expired on 30th May 2017. The Board of Directors had reappointed him for a further period of 3 years from 30th May 2017 up to 29th May 2020 with slight increase in Managerial Remuneration payable to him.

The Terms and Conditions of appointment and the details of Remuneration payable or proposed to be paid to him is fixed by the Board by way of passing necessary resolution which is subject to further confirmation and ratification by the members in General Meeting as per provisions of the Companies Act 2013.

Hence, a Special Resolution is proposed to be passed at Annual General Meeting is forming part of the Notice convening 23rd Annual General Meeting at Sr. No. 4. Your

directors recommend to pass the same with requisite majority.

Mr. Shailesh. M. Joshi himself and Mrs. Jenish S. Joshi, Chief Financial Officer of the Company being his wife, may be deemed to be concerned or interested in the proposed resolution to the extent of their Shareholding in the company.

Except the above stated Directors and KMP, no other Directors, or KMP or any of their relatives are in any way may be deemed to be concerned or interested in the proposed Resolution.

Date : 30th August, 2017

Place : Ahmedabad

**By order of the
Board of Directors of
Bobshell Electrodes Limited**

**Registered Office:
B-505, Fairdeal House,
Opp. ST. Xaviers'
Ladies Hostel
Swastik Char Rasta,
Navrangpura,
Ahmedabad- 380009
CIN:L29308GJ1994PLC023275**

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

BOBSHELL ELECTRODES LIMITED

DETAILS OF THE DIRECTORS SEEKING RE-APPOINTMENT IN THE 23RD ANNUAL GENERAL MEETING OF THE COMPANY PURSUANT TO REGULATION 36(3) OF SEBI (LODR) REGULATIONS, 2015

Name of Director	KAMLESH M SHAH (DIN: 00013228)
Date of Birth	22.06.1963
Date of Appointment	31.08.2013
Relationship with other Directors Inter se	None
Profile & Expertise in Specific functional Areas	He is Practicing Company Secretary . He has been working in this filed for more than 22 years.
Qualification	Company Secretary(C.S.) & LLB
No. of Equity Shares held in the Company	NIL
List of other Companies in which Directorships are held	1. Paramount Club Private Limited 2. Tristar Organisers Private Limited 3. Everest Extrusions Limited
List of committees of Board of Directors (across all other Companies) in which Chairmanship/ Membership is held	N.A.

Name of Director	SHAILESH MANSHANKAR JOSI (DIN: 01453505)
Date of Birth	19.11.1958
Date of Appointment	14.10.1994
Relationship with other Directors Inter se	None
Profile & Expertise in Specific functional Areas	He has vast experience in Business of manufacturing and marketing special purpose low heat Input Welding Electrodes for more than 20 years..
Qualification	B.E (Mechanical)
No. of Equity Shares held in the Company	5, 50,000 equity Shares.
List of other Companies in which Directorships are held	1. Paramount Club Private Limited 2. Tristar Organisers Private Limited 3. Everest Extrusions Limited
List of committees of Board of Directors (across all other Companies) in which Chairmanship/ Membership is held	N.A.

DIRECTORS' REPORT

Dear Members,

Your Directors present 23rd Annual Report on the operations and performance together with the Audited Financial Statements for the year ended on 31st March 2016.

FINANCIAL HIGHLIGHTS

(Amt in Rs.)

PARTICULARS	FOR THE YEAR ENDED ON 31/03/2017	FOR THE YEAR ENDED ON 31/03/2016
Net Revenue from Operations	2,91,76,674	36,421,196
Other Income	9,52,790	942,280
Total Income.	3,01,29,464	37,363,476
Total Expenses	3,04,17,608	36,145,742
Profit Before Tax	(2,88,144)	1,217,734
Depreciation	8,81,886	926,047
Adjustment For Tax	0	233,000
Provision for FBT.	0	0
Profit / (Loss) After Tax.	(3,60,511)	927,623
Deferred Tax (Assets) Liability	72,367	57,111
Net Profit / (Loss) for the Year	(3,60,511)	927,623
Previous Year Balance B/F		(26,459,082)
Balance Carried to Balance Sheet	(2,58,91,970)	(25,531,459)
Earning Per Share (In Rupees)	0.06	0.15

OPERATIONAL OVERVIEW

During the year under review Net Turnover of the Company has reduced from Rs. 3, 64, 21,196/- to Rs.2, 91, 76,674/- as compared to previous year's turnover. As compare to the previous year, company has incurred a net loss of Rs. 3,60,511/-.

DIVIDEND

The Board wants to plough back the profits in the business and therefore the Directors have not recommended dividend for the financial year 2016-17.

RESERVES

The company due to insufficient profits will be unable to transfer the funds to Reserves during the current 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 31.03.2017 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 2016-17 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 Kamlesh Shah, will be the Director retiring and he offers himself for reappointment at the ensuing Annual General Meeting.

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	3,000,000 Per annum	2,000,000 Per annum	72,57,681	41.33%
2	Smt. Jenish Joshi	CFO (W.e.f 01/03/2015)	1,800,000 Per annum	NIL	72,57,681	24.80%
3	Miss Gurpreet kaur Tuteja	Company Secretary (W.e.f 01/03/2016)	1,44,000 Per annum	NIL	72,57,681	1.98%

- 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. 72,57,681/- as against Rs. 61,05,837/- in the previous year constituting a net increase of Rs. 11,51,844/-. 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.49.44 lacs per 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;

Earnings Per share for the financial year ended on 31/03/2016:Rs.(0.15)-

Earnings per share for the financial year ended on 31/03/2017: Rs (0.06)-

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.ANA & Associates & CO., Chartered Accountants, an Auditors firm are appointed as statutory auditors of the company. As per Rule 6(3) of the Companies (Audit and Auditors) Rules 2014, they are eligible to be appointed as the statutory auditors of the company for financial years, 2017-18 to 2021-22,. 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 2021-22 hence, the Board has now proposed to appoint the Statutory Auditors for a period of up to 2021-22. 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 JAY D.KHATNANI as the secretarial auditor for the financial year 2016-17. 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, 2017 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**

**Date : 30th May, 2017
Place : Ahmedabad**

**Sd/-
Shailesh M Joshi
Chairman &
Managing Director
DIN : 01453505**

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	2016-17	2015-16
1. ELECTRICITY		
(a) Purchased		
Unit (Kwh)	39568	49278
Total Amount (Rs.)	573142.03	545282.41
Rate / Unit (Rs)	14.48	11.07
(b) Own Generation		
(i) Through Diesel Generator Unit (Kwh)		
Unit Per Ltr of Diesel Oil	Nil	Nil
Cost / Unit (Rs)	Nil	Nil
(ii) Through Steam Turbine/Generator Unit (Kwh)		
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
2. COAL (Including Coal Fines)		
Quantity (MT)	Nil	Nil
Total Cost (Rs)	Nil	Nil
Average Rate (Rs)	Nil	Nil
3. FURNACE OIL (used in the generation of power)		
Quantity (K Ltr)	Nil	Nil
Total Cost (Rs)	Nil	Nil
Average Rate (Rs)	Nil	Nil

4. UNITS OF PRODUCTION		
Total Units produced*	23,404	38611
Total cost of Power/Fuel per unit cost of Production.	Rs.24.48	Rs.14.1
(II) CONSUMPTION PER M.T. OF PRODUCTION		
Particulars of Product		
Electricity (in Unit)	Nil	Nil
Furnace Oil	Nil	Nil
Coal (Specify quantity)	Nil	Nil
Others	Nil	Nil

*Units produces are in case. Where, 1 case=50 kg

B. TECHNOLOGY ABSORPTION :		
Particulars	2016-17	2015-16
(I) Research and Development (R & D)		
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
(II) Technology absorption, adaptation :		
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	2016-17	2015-16
1) EARNINGS & OUTGO		
a. Foreign Exchange earnings	Nil	Nil
b. Foreign Exchange outgo	Nil	Nil
2) TOTAL FOREIGN EXCHANGE USED AND EARNED		
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 31/03/2017**

**[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	BIGSHARE SERVICES PVT. LTD A – 802, 8th Floor, Samudra Complex, Near Klassic Gold Hotel, Off C. G. Road, Ahmedabad – 380006, Gujarat, India. E-mail: marketing@bigshareonline.com.com investor@bigshareonline.com Website: www.bigshareonline.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	
A. Promoters									
(1) Indian									
g) Individual/HUF	NIL	1680000	1680000	27.97%	NIL	1048500	1048500	17.46%	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	12100	12100	0.2%	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
Sub-total (A) (1):-	NIL	1750000	1750000	29.14%	NIL	1060600	1060600	17.68%	NIL

BOBSHELL ELECTRODES LIMITED

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	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
(2) Foreign	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
Sub-total (A) (2):-									
Total shareholding of Promoter (A) = (A)(1)+(A)(2)	NIL	1750000	1750000	29.14%	NIL	1060600	1060600	17.68%	NIL
B. Public Shareholding									
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
Sub-total (B)(1):	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
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 Rs 1 lakh	674326	NIL	674326	11.23%	674300	NIL	674300	11.23%	NIL
c) Others (NON RESIDENT & CLEARING MEMBERS)	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
D) Any Other	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
Sub-total (B)(2):-	2326250	NIL	4256000	70.86%	2327750	NIL	4256000	70.86%	NIL
Total Public Shareholding (B)=(B)(1)+(B)(2)	2326250	NIL	4256000	70.86%	2327750	NIL	4256000	70.86%	NIL
C. shares held by custodian for GDRs & ADRs	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
GRAND TOTAL (A+B+C)	2326250	3679750	6006000	100%	2327750	3678250	6006000	100%	NIL

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			NIL	NIL
Narendra R. Dixit	100	0.00	NIL	100	0	NIL	NIL
Mudraben P. Pathak	100	0.00	NIL	100	0	NIL	NIL
Dr. Nina P. Vadiya	100	0.00	NIL	100	0	NIL	NIL
Dr. Harish M. Joshi	70000	1.17	NIL	70000	1.165	NIL	NIL
Milan R. Patva	70000	1.17	NIL			NIL	NIL
Sushila R. Patva	70000	1.17	NIL			NIL	NIL
Shrenik R. Patva	50000	0.83	NIL	8000	0.13	NIL	NIL
Kajal H. Vyas	50000	0.83	NIL			NIL	NIL
Bhavnaben H. Joshi	60000	1	NIL	19600	0.33	NIL	NIL
Kalavati B. Pandya	60000	1	NIL			NIL	NIL
Vijayben M. Joshi	60000	1	NIL			NIL	NIL
Hamendra R. Shah	90000	1.5	NIL	900	0.55	NIL	NIL
Divyang P. Shastri	30000	0.50	NIL	30000	0.5	NIL	NIL
Kashyap P. Pathak	50000	0.83	NIL	60000	1	NIL	NIL
Hindustan Credit Capital Ltd.	40000	0.67	NIL	7400	0.12	NIL	NIL
Tristar Organics Ltd.	30000	0.50	NIL	4700	0.078	NIL	NIL
TOTAL	1750000	29.14	NIL	1060600	17.66	NIL	NIL

(iii) CHANGE IN PROMOTER'S SHAREHOLDING :

Particulars	Shareholding at the beginning of the year	Cumulative Shareholding at the end of the year
At the beginning of the year	1750000 [®]	
Decrease in Promoters Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc) :	689400	
At the end of the year	1060600	

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	GENUS EXPORTS LIMITED	291600	4.85	291600	4.85
2	WILLOW WOOD CORPORATION	288100	4.79	288100	4.79
3	VIJAY VRAJLAL DOSHI	103600	1.725	103600	1.725
4	SDFC FINANCE LIMITED	88600	1.47	88600	1.47
5	SHAILA PATEL	66500	1.10	66500	1.10
6	RUPESH SHAH	60000	0.99	60000	0.99
7	MANMOHAN PATEL	53700	0.89	53700	0.89
8	AASPAS MULTIMEDIA LIMITED	50000	0.83	50000	0.83
9	HARSHA JHAVERI	48500	0.80	48500	0.80
10	MAHAN INDUSTRIES LIMITED	44000	0.73	44000	0.73
	TOTAL	1094600	18.175	1094600	18.175

SHAREHOLDING OF DIRECTORS AND KEY MANAGERIAL PERSONNEL :

Shri Shailesh M.Joshi	Shareholding at the beginning of the year		Cumulative Shareholding at the end of the year	
At the beginning of the year				
Shailesh M. Joshi	550000	9.16	550000	9.16
Mudraben P. Pathak	100	0.0002	100	0.0002
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
Indebtedness at the beginning of the financial year				
i) Principal Amount	7,40,904	NIL	NIL	7,40,904
ii) Interest due but not paid	-			-
iii) Interest accrued but not due	-			-
Total (i+ii+iii)	7,40,904	NIL	NIL	7,40,904
Change in Indebtedness during the financial year				
* Addition	-	-	-	-
* Reduction	-			-
Net Change	6,20,281	NIL	-	6,20,281
Indebtedness at the end of the financial year				
i) Principal Amount	1,20,623	NIL	NIL	1,20,623
ii) Interest due but not paid	-			-
iii) Interest accrued but not due	-			-
Total (i+ii+iii)	1,20,623	NIL	NIL	1,20,623

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	30,00,000
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
	Total (A)	NIL	30,00,000
	Ceiling as per the Act (As per section (ii)part (ii) of schedule V)		30,00,000

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					
Total	NIL	NIL			
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	CFO	
1	Gross salary	1,44,000	18,00,000	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.
	Total	1,44,000	18,00,000	19,44,000

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)
A. COMPANY					
Penalty	No	No	No	No	No
Punishment	No	No	No	No	No
Compounding	No	No	No	No	No
B. DIRECTORS					
Penalty	No	No	No	No	No
Punishment	No	No	No	No	No
Compounding	No	No	No	No	No
C. Other Officers In Default					
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					30,00,000	
2.	Mrs. Jenish Joshi	Remuneration					18,00,000	

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, 2017**

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

Based on my/our verification of the records of **BOBSHELL ELECTRODES LIMITED** 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/We hereby report that in my/our opinion, the company has, during the audit period covering the financial year ended on 31st March 2017 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:

I/We 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 31.03.2017 according to the provisions of:

- (i) The Companies Act, 2013(the Act) and the rules made thereunder; **Except that the company has not filed Annual Return and Balance Sheet in E-Form MGT-7 and E-Form AOC-4 (XBRL) for the Financial Year 2015-2016 with Registrar of Companies. Company has not appointed Internal Auditors.**
- (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 during the year.**
- (v) The following Regulations and guidelines prescribed under the Securities and Exchange Board of India Act, 1992('SEBI Act') :-
 - (a) The Securities and Exchange Board of India(Substantial Acquisition of Shares and Takeover) Regulations, 2011; **Except No Annual Disclosure were made by promoters during the year.**
 - (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 during the year.**
 - (d) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999; **Not Applicable during the year.**
 - (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008; **Not Applicable during the year.**
 - (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; **Company has changed its Registrar and Share Transfer Agent from Sharepro Services (India) Pvt. Ltd. to Bigshare Services Pvt. Ltd.**
 - (g) The Securities and Exchange Board of India(Delisting of Equity Shares)Regulations, 2009; **Not Applicable during the year** and
 - (h) The Securities and Exchange Board of India (Buyback of Securities)Regulations, 1998; **Not Applicable during the year**
- (vi) As stated in the **Annexure – A** – all the laws, rules, regulations are applicable specifically to the company.

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

- (i) Secretarial Standards issued by The Institute of Company Secretaries of India though it is applicable Company has complied with secretarial standards in respect of Board meeting and General meeting.
- (ii) The Listing Agreements entered into by the Company with Stock Exchanges. **Except Uniform Listing**

Agreement as per SEBI (Listing and Obligations Disclosures) Regulations, 2015 is yet to be Executed.

During the period under review the Company has complied with the provision of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above.

I/We 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.

Except:

- 1. Company has not paid Annual Listing Fees for the Year 2016-2017.**
- 2. Companies Shares are suspended for trading on Bombay Stock Exchange due to penal reasons.**
- 3. Company is not Regular in filing of Various Quarterly, half-yearly and Yearly Compliances with Stock Exchange as per SEBI (LODR), 2015**

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.

I/We 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/We 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

**Place : Ahmedabad
Date : 30th May, 2017**

**FORJ. D. KHATNANI
& ASSOCIATES
PRACTICING
COMPANY SECRETARIES**

**JAY D. KHATNANI
PROPRIETOR
ACS: 50727 COP: 18421**

ANNEXURE-A

Securities Laws

1. All Price Sensitive Information was informed to the stock exchanges from time to time Not Applicable during the year Shares of Company are Suspended due to penal reasons.
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.

Labour Laws

1. All the premises and establishments have been registered with the appropriate authorities.
2. The Company has not employed any child labour/ Bonded labour in any of its establishments.
3. Provisions with relate to compliances of PF/ESI/Gratuity Act are applicable to Company. Except No Provisions for Gratuity is made during the year and No Provisions were made for Leave Encashment.

Environmental Laws

1. As the company is engaged in the manufacturing activities so the Environmental laws are applicable to the company. All the Regulation Complied as per Management Representation Letter.

Taxation Laws

1. 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. In this matter we have relied upon opinions of Tax Auditors and Statutory Financial Auditors.

**Place : Ahmedabad
Date : 30th May,2017**

**FOR J. D. KHATNANI & ASSOCIATES
PRACTICING COMPANY SECRETARIES**

**JAY D. KHATNANI
PROPRIETOR
ACS: 50727 COP: 18421**

**ANNEXURE-4 TO THE DIRECTOR'S REPORT
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 :

The Board meets at least once in a quarter 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 31.05.2016, 12.08.2016, 30.09.2016, 14.11.2016, 08.12.2016 and 13.02.2017. 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 30.05.2016, 30.07.2016, 04.11.2016, 04.02.2017.

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. Shri Kamlesh M Shah – Chairman and Shri Anish Bodwala while Smt. Mudraben Pathak is promoter directors.

During the period under review, Nomination and Remuneration Committee meetings were held respectively on 30.05.2016 and 31.03.2017.

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 Managing Directors based on performance and defined criteria.

DETAILS OF REMUNERATION PAID TO DIRECTORS DURING 2016-17 : (Amount in Rs.)

NAME OF DIRECTOR	REMUNERATION	SITTING FEES	TOTAL
Mr. ShaileshM.Shah	30,00,000	Nil	30,00,000
Mr. Kamlesh M. Shah	Nil	Nil	Nil
Mr. Anish Bodawala	Nil	Nil	Nil
Mrs. Mudraben Pathak	Nil	Nil	Nil

SHAREHOLDERS'/INVESTORS' GRIEVANCE COMMITTEE :

Mr. KamleshM.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 30.05.2016 and 31.03.2017.

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

BOBSHELL ELECTRODES LIMITED

Name and designation of Compliance Officer : Shri Shailesh M. Joshi, Managing Director and Chairman

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
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.
2015-16	September 30th, 2016	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

- The materiality thresholds for related party transactions and;
- 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. 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.

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 : 28th September, 2017
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** : 22-09-2017 to 28-09-2017 (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

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, 2017 :

No.	Particulars	No. of Shares of Rs.10/- each	% holding
1	INDIAN PROMOTERS	1060600	17.66%
2	RESIDENT INDIVIDUALS	3984611	66.35%
3	BODIES CORPORATES	162975	02.71%
4	BANKS	0	0.00%
6	NON RESIDENT INDIANS	0	0.00%
7	CLEARING MEMBERS	0	0.00%
	Total	60,06,000	100.00%

h) Dematerialization of Shares and Liquidity :

On March 31st 2017, Brief position of Company's dematerialized shares is given below:

No.	Description	Shares	% holding
1	NSDL	1609939	26.80%
2	CDSL	722311	12.026%
3	PHYSICAL	3673750	61.167%
	Total	6006000	100%

i) 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.

j) 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.

k) Plant Location :

The Company's plant is located at :

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

I) 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 : **BIGSHARE SERVICES PVT. LTD**

Address : 1st Floor, Bharat Tin Works Building,
Opp. Vasant Oasis, Makwana Road,
Marol, Andheri East, Mumbai-400059, Maharashtra.

E-mail : marketing@bigshareonline.com.com
investor@bigshareonline.com

Phone : 91-22-67720300/67720400

Fax : 91-22-2850892

Website : www.bigshareonline.com

ANNEXURE TO CORPORATE GOVERNANCE REPORT

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

We, Mr. ShaileshM.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 : 30st May, 2017

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, 2017 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 : 30.05.2017**

**FOR J.D.KHATNANI & ASSOCIATES
(PRACTICING COMPANY SECRETARIES)**

**SD/-
(JAY KHATNANI)
ACS: 50727 COP: 18421**

**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 2017, 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 there under 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, 2017, and its Loss 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 A 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 2017 taken on record by the Board of Directors, none of the Director is disqualified as on 31st March 2017 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 .
- iv. the company has provided requisite disclosures in its financial statements as to holdings as well as dealings in Specified Bank Notes during the period From 8 November, 2016 to 30 December, 2016 and these are in accordance with the books of accounts maintained by the Company, Refer Notes to accounts of its financial statements

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

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

Place : Ahmedabad
Date : 30th May, 2017

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, 2017.

- (i) (a) The company has maintained proper records showing full particulars, including quantitative details and situation of Property Plant & Equipment;
- (b) As explained to us the Property Plant & Equipment 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 book records .
- (iii) 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.
- (iv) According to the information and explanation given to us , the Company has not granted any loans or made any investments or provided any guarantees or security to the parties covered under section 185 and 186 of the Act. Accordingly the provisions of Clause 3(iv) of the order are not applicable to the company.
- (v) 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 there under 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(vi) of the order 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 us, no undisputed amounts payable in respect of the aforesaid dues were outstanding as at 31 March 2017 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 is 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 (xii) of the Order is not applicable.
- (xiii) As per the information and explanation provided, the company has not entered into any transactions with the related parties that require approval under section 177 and 188 of Companies Act, 2013 and the rules thereunder. Hence clause (xiii) of the order is not applicable.
- (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(xiv) of the order 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 Regn. No. 115145W**

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

**Place : Ahmedabad
Date : 30th May, 2017**

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,2017.

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, 2017 in conjunction with our audit of the financial statements

of the Company for the period from 01st April, 2016 to 31st March, 2017

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 were operating 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 operated effectively 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 judgment, 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 is 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 on 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, 2017, 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 : 30th May, 2017

BOBSHELL ELECTRODES LIMITED

BALANCE SHEET AS ON 31ST MARCH 2017

Particulars	Note No.	As At 31 March, 2017 Amt. (Rs.)	As At 31 March, 2016 Amt. (Rs.)
EQUITY AND LIABILITIES :			
1. Shareholders' Funds :			
a) Share Capital	3	60,060,000	60,060,000
b) Reserves & Surplus	4	(25,891,970)	(25,531,459)
		34,168,030	34,528,541
2. Share Application money pending allotment		-	-
3. Non-Current Liabilities :			
a) Long Term Borrowings	5	-	-
b) Deferred Tax Liabilities (Net)	6	1,687,824	1,615,457
c) Other Long term Liabilities		-	-
d) Long-term Provisions		-	-
		1,687,824	1,615,457
4. Current Liabilities			
a) Short-term borrowings		-	-
b) Trade Payables	7	778,054	211,452
c) Other Current liabilities	8	1,223,516	507,323
d) Short term provisions	9	671,845	562,481
		2,673,415	1,281,256
TOTAL		38,529,269	37,425,255
ASSETS :			
1. Non-Current Assets			
FIXED ASSETS :			
(i) Property Plant & equipment	10	17,082,443	16,274,077
(ii) Capital Work in Progress		-	-
(iii) Intangible Assets		-	-
		17,082,443	16,274,077
b) Non-Current Investments		-	-
c) Long-Term Loans and Advance	11	194,411	535,012
d) Other Non-Current Assets	12	9,752,103	9,068,560
2. Current Assets :			
a) Current Investment		-	-
b) Inventories	13	2,972,920	1,987,918
c) Trade Receivables	14	5,323,904	4,868,199
d) Cash & Cash Equivalents	15	2,378,789	4,161,882
e) Short Term Loans and Advances	11	748,672	442,943
f) Other Current Assets	12	76,026	86,664
TOTAL		38,529,269	37,425,255
Summary of Significant Accounting Policies	2		

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
Devang Doctor
(Partner)
M. No. 039833

For, BOBSHELL ELECTRODES LTD.

Sd/-	Sd/-	Sd/-
Jenish S.Joshi Chief Financial Officer	Shailesh Joshi Director	Anish D. Bodawala Director

Place : Ahmedabad
Date : 30th May, 2017

Place : Ahmedabad
Date : 30th May, 2017

BOBSHELL ELECTRODES LIMITED

STATEMENT OF PROFIT & LOSS FOR THE YEAR ENDED 31ST MARCH 2017

Particulars	Note No.	31 March, 2017 Amt. (Rs.)	31 March, 2016 Amt. (Rs.)
INCOME :			
Gross Revenue from Operations	16	30,854,015	38,948,761
Less : Excise Duty		1,677,341	2,527,565
Net Revenue from Operations		29,176,674	36,421,196
Other Income	17	952,790	942,280
Total Revenue (i)		30,129,464	37,363,476
EXPENDITURE :			
Cost of Materials Consumed	18	12,776,759	18,128,169
(Increase)/ Decrease in inventory of Finished Goods	19	(107,011)	192,897
Employee Benefits Expense	20	11,173,995	9,478,609
Finance Cost	21	135,685	124,619
Depreciation and Amortisation expense	22	881,886	926,047
Other Expenses	23	5,556,294	7,295,401
Total Expenses (ii)		30,417,608	36,145,742
Profit / (Loss) before Tax [(i) - (ii)]		(288,144)	1,217,734
Tax Expense :			
Current Tax		--	233,000
Deferred Tax Liability/Asset		72,367	57,111
		72,367	290,111
Profit / (Loss) for the year		(360,511)	927,623
Basic earnings per share	24	(0.06)	0.15
Summary of Significant Accounting Policies	2		

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

Devang Doctor
(Partner)
M. No. 039833

Place : Ahmedabad
Date : 30th May, 2017

For, BOBSHELL ELECTRODES LTD.

Sd/-
Jenish S.Joshi
Chief Financial Officer

Sd/-
Shailesh Joshi
Director

Sd/-
Anish D. Bodawala
Director

Place : Ahmedabad
Date : 30th May, 2017

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2017

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. Property Plant & Equipment

Freehold land is carried at historical cost & all other item of Property plant & Equipment are stated as per Cost Model as per revised Accounting Standard 10 i.e., After recognition as an asset, an item of property, plant and equipment should be carried at its cost less any accumulated depreciation and any accumulated impairment losses.. 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 Property Plant & Equipment

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

g. Revenue Recognition

- Sales are recognized 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 recognized 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 deferred 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 recognized 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

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2017

NOTE - 3 - SHARE CAPITAL :

Particulars	As at 31 March 2017		As at 31 March 2016	
	Number	Amt (Rs.)	Number	Amt (Rs.)
Authorised Shares :				
Equity Shares of Rs. 10/- each.	7,000,000	70,000,000	7,000,000	70,000,000
Issued :				
Equity Shares of Rs. 10/- each.	6,006,000	60,060,000	6,006,000	60,060,000
Subscribed & fully Paid up :				
Equity Shares of Rs. 10/- each fully paid up	6,006,000	60,060,000	6,006,000	60,060,000
TOTAL	6,006,000	60,060,000	6,006,000	60,060,000

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 31/03/2017 and 31/03/2016 is set out below.

Particulars	As at 31 March 2017		As at 31 March 2016	
	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 31/03/2017 & 31/03/2016 is set out below.

Particulars	As at 31 March 2017		As at 31 March 2016	
	Number	Amt (Rs.)	Number	Amt (Rs.)
Shares at the beginning	6,006,000	60,060,000	6,006,000	60,060,000
Addition	-	-	-	-
Deletion	-	-	-	-
Shares at the end	6,006,000	60,060,000	6,006,000	60,060,000

NOTE - 4 - RESERVE & SURPLUS :

Particulars	As at	As at
	31 March 2017 Amt. (Rs.)	31 March 2016 Amt. (Rs.)
Surplus / (Deficit) in the Statement of Profit and Loss :		
Balance as per Last Financial Statement	(25,531,459)	(26,459,082)
Add : Profit for the year	(360,511)	927,623
Net Surplus/ (Deficit) at year end	(25,891,970)	(25,531,459)
Other Adjustments on account of Depreciation	--	--
TOTAL	(25,891,970)	(25,531,459)

BOBSHELL ELECTRODES LIMITED

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2017

NOTE - 5 - LONG TERM BORROWINGS :

Particulars	Non Current		Current	
	As at 31-3-2017 Amt (Rs.)	As at 31-3-2016 Amt (Rs.)	As at 31-3-2017 Amt (Rs.)	As at 31-3-2016 Amt (Rs.)
Term Loan - From Financial Institute (Secured)	--	-	785,742	120,263
TOTAL	--	-	785,742	120,263
Less : Amount disclosed under head "Other Current Liabilities" (Note 8)	-	-	785,742	120,263
TOTAL	-	-	-	-

Term Loan From Financial Institute :

Term Loan from the financial institute was taken in the Financial Year 15-16 and carries Interest @ 12% . The loan is repayable in 12 monthly instalments. The loan is secured by hypothecation of the Vehicle for which the loan is taken. The said loan is repaid during F.Y 16-17.

Term Loan borrowed during f.y 16-17 is repayable in 12 monthly installments and carries interest rate 10.26%. The loan is secured by hypothecation of the Vehicle for which the loan is taken.

Particulars	As at 31 March 2017 Amt. (Rs.)	As at 31 March 2016 Amt. (Rs.)
NOTE - 6 - DEFERRED TAX LIABILITY / DEFERRED TAX ASSET :		
Deferred Tax Liability :		
Opening Balance	1,615,457	1,558,346
Add : Deferred Tax Asset / Liability	72,367	57,111
TOTAL	1,687,824	1,615,457
NOTE - 7 - TRADE PAYABLE :		
a. total outstanding dues of micro enterprises and small enterprises	-	-
b. total outstanding dues other than micro enterprises and small enterprises	778,054	211,452
TOTAL	778,054	211,452
Micro Small and Medium Enterprises Disclosures		
	As at 31-03-2017	As at 31-03-2016
a. the principal amount and interest due thereon remaining unpaid at the end of accounting year	0	0
b. the amount of interest paid by the buyer in terms of the section 16 of the MSME Act alongwith the amount of the payment made to the supplier beyond the appointed day during accounting year	0	0
c. the amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year)but without adding the interest specified under MSME act 2006.	0	0
d. the amount of interest accrued and remaining unpaid at the end of accounting year	0	0
e. the amount of further interest remaining due and payable even in the succeeding years ,until such date when the interest dues above are actually paid to the small enterprise,for the purpose of disallowance of a deductible expenditure under section 23 of the MSME Act,2006.	0	0

BOBSHELL ELECTRODES LIMITED

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2017

NOTE - 8 - OTHER CURRENT LIABILITIES :

Particulars	31 March 2017 Amt. (Rs.)	31 March 2016 Amt. (Rs.)
Current maturity of long term borrowings (Note 5)	785,742	120,263
Other Payables.	437,774	387,060
TOTAL	1,223,516	507,323
NOTE - 9 - SHORT TERM PROVISIONS :		
Provision for Employee Benefits	671,845	562,481
TOTAL	671,845	562,481

NOTE - 10 - TANGIBLE ASSETS :

COST OF VALUATION	Fre Hold Land	Factory Building	Office Building	Plant & Machinery	Office Equipment	Furniture & Fixtures	Vehicles	Computer	TOTAL
As at 31 March 2015	5,340,823	5,991,147	1,874,000	2,257,713	239,909	455,126	4,572,731	147,292	20,878,741
Addition	-	-	-	-	89,500	-	791,110	-	880,610
Disposal	-	-	-	-	-	-	632,581	-	632,581
Other Adjustment	-	-	-	-	-	-	-	-	-
As at 31 March 2016	5,340,823	5,991,147	1,874,000	2,257,713	329,409	455,126	4,731,260	147,292	21,126,770
Addition	-	-	-	-	82,300	23,500	1,584,452	-	1,690,252
Disposal	-	-	-	-	-	-	-	-	-
Other Adjustment	-	-	-	-	-	-	-	-	-
As at 31 March 2017	5,340,823	5,991,147	1,874,000	2,257,713	411,709	478,626	6,315,712	147,292	22,817,022
Depreciation									
As at 31 March 2015	-	3,161,193	267,702	-	4,830	172,911	763,170	43,770	4,413,576
Charge for the year	-	180,742	68,415	-	21,835	48,752	594,944	11,359	926,047
Disposal	-	-	-	-	-	-	486,930	-	486,930
Other Adjustment	-	-	-	-	-	-	-	-	-
As at 31 March 2016	-	3,341,935	336,117	-	26,665	221,663	871,184	55,129	4,852,693
Charge for the year	-	180,742	68,415	-	31,678	50,526	539,166	11,359	881,886
Disposal	-	-	-	-	-	-	-	-	-
Other Adjustment	-	-	-	-	-	-	-	-	-
As at 31 March 2017	-	3,522,677	404,532	-	58,343	272,189	1,410,350	66,488	5,734,579
NET BLOCK									
As at 31 March 2016	5,340,823	2,649,212	1,537,883	2,257,713	302,744	233,463	3,860,076	92,163	16,274,077
As at 31 March 2017	5,340,823	2,468,470	1,469,468	2,257,713	353,366	206,437	4,905,362	80,804	17,082,443

BOBSHELL ELECTRODES LIMITED

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2017

NOTE - 11 - LOANS & ADVANCES :

Particulars	Long Term		Short Term	
	As at 31-3-2017 Amt (Rs.)	As at 31-3-2016 Amt (Rs.)	As at 31-3-2017 Amt (Rs.)	As at 31-3-2016 Amt (Rs.)
(A) Capital Advances :				
Unsecured, Considered Good	--	--	-	-
(A)	--	--	-	-
(B) Security Deposit :				
Unsecured , Considered Good	194,411	535,012	190,948	194,500
(B)	194,411	535,012	190,948	194,500
(C) Other Loans & Advances :				
(i) Advance Tax/ TDS Receivable	-	-	88,665	87,020
Less : Provision	-	-		233,000
Net Advance	-	-	88,665	(145,980)
(ii) Prepaid Expense	-	-	-	
(iii) Loans/ Advances to Employees	-	-	268,925	265,000
(iv) Balance with Statutory / Govt. Authorities	-	-	-	2,067
(v) Advance to Suppliers	-	-	200,134	127,356
(C)	--	-	394,423	179,135
TOTAL (A+B+C)	35,012	1,089,836	442,943	691,935

NOTE - 12 - OTHER ASSETS :

Particulars	Non Current		Current	
	As at 31-3-2017 Amt (Rs.)	As at 31-3-2016 Amt (Rs.)	As at 31-3-2017 Amt (Rs.)	As at 31-3-2016 Amt (Rs.)
A. Non Current Bank Balance (Note 15)	9,752,103	9,068,560	-	-
B. Accrued Interest	--	-	-	-
C. Vat Receivable	--	-	-	4,053
D. MODVAT Excise Duty Account	--	-		2
E. Prepaid Insurance	--	-	76,026	82,611
TOTAL	9,752,103	9,068,560	76,026	86,664

NOTE - 13 - INVENTORIES :

Particulars	31 March 2017 Amt. (Rs.)	31 March 2016 Amt. (Rs.)
Raw Materials & Others	2,382,156	1,504,165
Finished Stock	590,764	483,753
TOTAL	2,972,920	1,987,918

BOBSHELL ELECTRODES LIMITED

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2017

NOTE - 14 - TRADE RECEIVABLES :

Particulars	Non Current		Current	
	As at 31-3-2017 Amt (Rs.)	As at 31-3-2016 Amt (Rs.)	As at 31-3-2017 Amt (Rs.)	As at 31-3-2016 Amt (Rs.)
A. Outstanding for a period exceeding six months from the date they are due for payment				
- Unsecured , Considered Good	--	--	2,031,609	2,863,332
(A)	<u> </u>	<u> </u>	<u>2,031,609</u>	<u>2,863,332</u>
B. Other Receivables :				
Unsecured , Considered Good	--	--	3,292,295	2,004,867
(B)	<u> </u>	<u> </u>	<u>3,292,295</u>	<u>2,004,867</u>
TOTAL (A+B)	<u> </u>	<u> </u>	<u>5,323,904</u>	<u>4,868,199</u>

NOTE - 15 - CASH AND CASH EQUIVALENTS :

A. Cash and Cash Equivalents :				
Balances with Bank :				
in Current Accounts	--	--	2,155,531	4,042,512
Cash on Hand	--	--	223,258	119,369
(A)	<u> </u>	<u> </u>	<u>2,378,789</u>	<u>4,161,881</u>
B. Other Bank Balances :				
Deposits with original maturity for more than 12 months	9,752,103	9,068,560	--	--
	<u>9,752,103</u>	<u>9,068,560</u>	<u> </u>	<u> </u>
Less :				
Amount disclosed Under Non Current Assets (Note 13)	9,752,103	9,068,560	--	--
(B)	<u> </u>	<u> </u>	<u> </u>	<u> </u>
TOTAL (A+B)	<u> </u>	<u> </u>	<u>2,378,789</u>	<u>4,161,881</u>

NOTE - 16 - REVENUE FROM OPERATIONS :

Particulars	31 March 2017 Amt. (Rs.)	31 March 2016 Amt. (Rs.)
Sale of Products :		
Net Sales	30,095,386	37,727,381
Less :Excise Duty	918,712	1,306,185
	<u>29,176,674</u>	<u>36,421,196</u>
Add:Excise on Sales	1,677,341	2,527,565
Gross Sales	<u>30,854,015</u>	<u>38,948,761</u>
TOTAL	<u>30,854,015</u>	<u>38,948,761</u>

NOTE - 17 - OTHER INCOME :

Discount	91,631	95,045
Interest	861,159	847,235
TOTAL	<u>952,790</u>	<u>942,280</u>

BOBSHELL ELECTRODES LIMITED

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2017

NOTE - 18 - COST OF MATERIALS CONSUMED :

Particulars	31 March, 2017		31 March, 2016	
	Amt (Rs.)	Amt (Rs.)	Amt (Rs.)	Amt (Rs.)
Inventory at the Beginning of the year	1,504,165		1,675,960	
ADD : Purchases	13,654,750		17,956,374	
LESS : Inventory at the end of the year	2,382,156		1,504,165	
Cost of Materials Consumed		<u>12,776,759</u>		<u>18,128,169</u>

NOTE - 19 - (INCREASE) / DECREASE IN INVENTORIES :

Particulars	31 March	31 March
	2017	2016
	Amt. (Rs.)	Amt. (Rs.)
Inventory at the beginning of the year		
Finished Stock	483,753	676,650
	<u>483,753</u>	<u>676,650</u>
Inventory at the end of the year		
Finished Stock	590,764	483,753
	<u>590,764</u>	<u>483,753</u>
(Increase) / Decrease in Stock	<u>(107,011)</u>	<u>192,897</u>
NOTE - 20 - EMPLOYEE BENEFIT EXPENSES :		
Director's Remuneration	3,000,000	2,000,000
Provident Fund	738,182	508,646
Salary, Wages & Bonus	7,257,681	6,105,837
Gratuity fund with LIC	9,868	444,957
Staff Welfare	168,264	419,169
TOTAL	<u>11,173,995</u>	<u>9,478,609</u>
NOTE - 21 - FINANCE COST :		
Bank Guarantee Charges	75,408	58,752
Interest On Car Loan	49,682	65,867
Interest on Incometax	10,595	-
TOTAL	<u>135,685</u>	<u>124,619</u>
NOTE - 22 - DEPRECIATION AND AMORTISATION EXPENSES :		
Depreciation of Property Plant & Equipment	881,886	926,047
TOTAL	<u>881,886</u>	<u>926,047</u>

BOBSHELL ELECTRODES LIMITED

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2017

NOTE - 23 - OTHER EXPENSES :

Particulars	31 March 2017 Amt. (Rs.)	31 March 2016 Amt. (Rs.)
Auditors Remuneration	70,000	79,800
Conveyance & Lodging	327,985	401,951
Excise On Closing Stock	170,739	146,062
Factory Expense	437,911	316,177
Freight Expenses	358,438	448,825
Insurance	172,079	99,263
Rates & Taxes	36,547	36,522
Power & Fuel Expense	851,832	843,416
Stores & Spares	41,449	49,049
Travelling Expense	375,363	367,585
Vehicle Repairs	126,499	113,312
Service Tax	24,858	22,085
Miscellaneous Expenses	927,909	1,304,928
Commission	1,400,000	1,800,000
Office Expense	234,685	670,985
Bad Debts	-	595,441
TOTAL	5,556,294	7,295,401

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 31-03-2017	Year ended 31-03-2016
1	Net Profit / (Loss) attributable to shareholders	(3,60,511)	9,27,623
2	Weighted average no. of. Equity Shares	60,06,000	6,006,000
3	Basic Earning Per Share	0.06	0.15

25. RELATED PARTY TRANSACTIONS :

Name	Relationship	Nature of transaction	Amt (Rs)		Outstanding Balance (Rs)	
			2016-17	2015-16	2016-17	2015-16
Shailesh Joshi	Chairman & Managing Director	Remuneration	30,00,000	20,00,000	-	-
Kashyap Pathak	Director	Remuneration	-	-	-	-
Jenish Joshi	CFO	Remuneration	18,00,000	15,00,000	-	-

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

BOBSHELL ELECTRODES LIMITED

CASH FLOW STATEMENT FOR THE YEAR 2016-17

Particulars	31 March,2017 Amt. (Rs.)	31 March,2016 Amt. (Rs.)
A. CASH FLOW FROM OPERATING ACTIVITIES:		
Profit after tax	(360,511)	927,623
Adjusted for		
Add: Depreciation	881,886	926,046
Loss on sale of Vehicle	--	74,651
Provision for deferred tax	72,367	57,111
Operating Profit before Working Capital Changes	<u>593,742</u>	<u>1,985,431</u>
Movement in Working Capital :		
Increase / (Decrease) in Trade Payables	566,602	(1,093,244)
Increase / (Decrease) in Provisions	109,364	259,807
Increase / (Decrease) in Other Current Liabilities	716,193	(411,179)
(Increase) / Decrease in Trade Receivables	(455,705)	1,317,242
(Increase) / Decrease in Inventories	(985,002)	364,692
(Increase) / Decrease in Current Loans & Advances	(305,729)	248,992
(Increase) / Decrease in Other Assets	10,638	(66,162)
Cash generated from / (used in) operations	(343,639)	620,148
Income Tax Paid	-	-
Net Cash Flow From / (Used in) Operating Activities (A)	<u>250,103</u>	<u>2,605,580</u>
B. CASH FLOW FROM INVESTING ACTIVITIES :		
Purchase of Property Plant & Equipment	(1,690,252)	(880,610)
Sale of Property Plant & Equipment	--	71,000
Net Cash Flow From / (Used in) Investing Activities (B)	<u>(1,690,252)</u>	<u>(809,610)</u>
C. CASH FLOW FROM FINANCING ACTIVITIES:		
Increase or Decrease in Long term Loans and advances	340,601	554,824
(Increase) / Decrease in Other Non Current Assets	(683,543)	(642,181)
Proceeds from Long Term Borrowings	-	-
Net Cash Flow From / (Used in) Financing Activities (C)	<u>(342,942)</u>	<u>(87,357)</u>
Net Increase / (Decrease) in Cash & Cash Equivalent (A+B+C)	<u>(1,783,091)</u>	<u>1,708,613</u>
Cash & Cash Equivalents at the beginning of the year	4,161,881	2,453,268
Cash & Cash Equivalents at the end of the year	<u>2,378,790</u>	<u>4,161,881</u>

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

Devang Doctor
(Partner)
M. No. 039833

Place : Ahmedabad
Date : 30th May, 2017

For, BOBSHELL ELECTRODES LTD.

Sd/-	Sd/-	Sd/-
Jenish S.Joshi	Shailesh Joshi	Anish D. Bodawala
Chief Financial Officer	Director	Director

Place : Ahmedabad
Date : 30th May, 2017

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 **23rd ANNUAL GENERAL MEETING** of the Company held on Thursday, 28th September, 2016 at 11.00 A.M. at 802, 8th Floor, 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 **23rd Annual General Meeting** of the Company, to be held on Friday, 30th September, 2016 at at 11.00 a.m. at 802, 8th Floor, Swagat Building, Nr. Lal Bunglow, 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. Kamlesh Shah as Director
3	Appointment of ANA & Associates. as Statutory Auditor and fix their remuneration
SPECIAL BUSINESS	
4	Appointment Of Mr.Shailesh M. Joshi as Managing Director

Affix
Revenue
Stamp

Signed this _____ day of _____ 2016

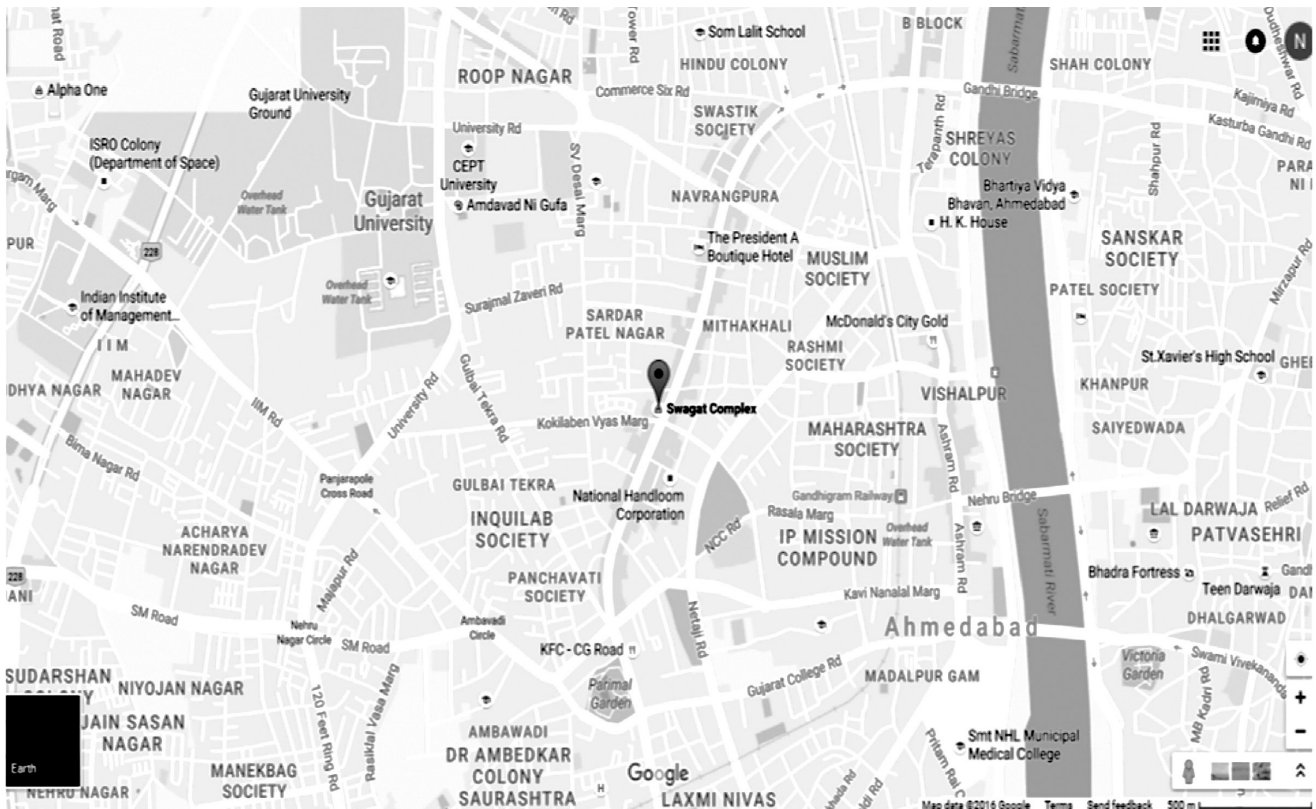
Signature of first proxy
holder

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.**