

41st ANNUAL REPORT

2016-2017



STAR DELTA TRANSFORMERS LTD.

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STAR DELTA TRANSFORMERS LIMITED

CIN : L31102MP1977PLC001393

Email ID : star.delta@rediffmail.com, Website : www.stardeltatransformers.com

Phone : 0755-2586680, 4261003

| | |
|--------------------------------|--|
| BOARD OF DIRECTORS | : Mr. Kishore Gupta (Chairman & Managing Director) DIN : 00014205 : Mr. Rakesh Gupta (Executive Director & CFO) DIN : 00014139 : Mr. Laxmendra Maheshwari (Independent Director) DIN : 00278005 : Mr. Shashendra Lahri (Independent Director) DIN : 02704101 : Mrs. Chhavi Kharb (Women Cum Independent Director) DIN : 01791358 |
| REGISTERED OFFICE | : STAR DELTA TRANSFORMERS LTD., 92-A, Industrial Area, Govindpura, Bhopal-462 023 |
| WORKS | : 92-A, Industrial Area, Govindpura, Bhopal - 462 023 |
| AUDITORS | : M/s. A.K. Khabya & Co., Chartered Accountants, Bhopal. |
| BANKERS | : HDFC |
| REGISTRAR & TRANSFER AGENTS | : System Support Services, 209, Shivai Industrial Estate, 89 Andheri Kurla Road, Saki Naka, Andheri (E), Mumbai - 400072 Link Intime India Pvt. Ltd. C 101, 247 Park LBS Marg, Vikhroli west Mumbai 400083 |
| COMPANY SECRETARY | : Miss. Shweta Agarwal |
| SECRETARIAL AUDITORS | : M/s ASA & Associates, Practicing Company Secretaries, Bhopal |
| COST AUDITOR | : M/s Sanjay Kasliwal Cost Accountants, Bhopal |

STAR DELTA TRANSFORMERS LIMITED

REGD. OFFICE : 92-A, INDUSTRIAL AREA, GOVINDPURA, BHOPAL

CIN : L31102MP1977PLC001393

Email ID : star.delta@rediffmail.com, Website : www.stardeltatransformers.com

NOTICE

Dear Members,

Notice is hereby given that the Forty first Annual General Meeting of the Members of the Star Delta Transformers Limited will be held on Thursday, 28th day of September, 2017 at 11.30 A.M., at the Registered office of the Company at 92 A, Industrial Area, Govindpura, Bhopal 462023 (M. P.) to transact the following business.

ORDINARY BUSINESS:

1. Adoption of Audited financial statement along with the reports of the Board of Directors and Auditor's thereon;

To receive, consider and adopt the Audited Financial Statements of the Company for the financial year ended March 31, 2017 together with the reports of the Board of Directors and Auditors thereon.

2. Appointment of Director in place of Director who retires by Rotation;

To appoint a Director in place of Mr. Rakesh Gupta (DIN: 00014139), who retires by rotation and being eligible, offers himself for reappointment.

3. Appointment and fixing of the Remuneration of the Statutory Auditors;

To consider and if thought fit, to pass, the following resolution as an Ordinary Resolution:

"RESOLVED THAT pursuant to the provisions of section 139, 142 and other applicable provisions, if any, of the Companies Act, 2013 ("the Act") and the Rules framed thereunder, as amended from time to time, and pursuant to the recommendations by the Audit Committee, M/s. S.L. Khabya & Co, Chartered Accountants, (FRN: 00004-C) be and is hereby appointed as Statutory Auditors of the Company in place of the retiring auditors (M/s. A.K. Khabya & Co.), to hold office from the conclusion of this Annual General Meeting (AGM) until the conclusion of the 46th AGM of the Company subject to ratification of appointment by the members at every AGM held after this AGM, on a remuneration as may be mutually agreed between Board of Directors of the Company and the Auditors."

SPECIAL BUSINESS

4. To Ratify/Confirm the remuneration payable to Cost Auditors for the financial year ending 31st March, 2018;

To consider and if thought fit, to pass, the following resolution as an Ordinary Resolution:

"RESOLVED THAT pursuant to the provisions of Section 148 and other applicable provisions, if any, of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014 (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force), the remuneration, as approved by the Board of Directors on recommendation of Audit committee and set out in the Statement annexed to the Notice convening this meeting, to be paid to the Cost Auditors appointed by the Board of Directors of the Company, to conduct the audit of cost records of the Company for the financial year ending March 31, 2018, be and is hereby ratified/confirmed.

RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorized to do all acts and take all such steps as may be necessary, proper or expedient to give effect to this resolution."

By order of the Board of Directors

-sd-

Kishore Gupta

(DIN: 00014205)

Chairman & Managing Director

Date : 11th August, 2017

Place : Bhopal

Notes:

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND TO VOTE INSTEAD OF HIMSELF. THE PROXY NEED NOT BE A MEMBER OF THE COMPANY. THE PROXY FORM DULY STAMPED, COMPLETED AND SIGNED SHOULD REACH THE REGISTERED OFFICE OF THE COMPANY NOT LATER THAN 48 HOURS BEFORE THE TIME FIXED FOR THE COMMENCEMENT OF THE MEETING. THE PROXY FORM IS ENCLOSED WITH THE NOTICE.

A person can act as proxy on behalf of Members not exceeding fifty (50) and holding in the aggregate not more than 10% of the total share capital of the Company. In case a proxy is proposed to be appointed by a Member holding more than 10% of the total share capital of the Company carrying voting rights, then such proxy shall not act as a proxy for any other person or shareholders.

Corporate members intending to send their authorized representatives to attend the Meeting are requested to send a certified copy of the Board Resolution authorizing their representatives to attend and vote on their behalf at the meeting.

2. 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 to their Depository Participants with whom they are maintaining their demat accounts. Members holding shares in physical form can submit their PAN to the Company / Registrar.
3. Explanatory Statement Pursuant to Section 102 of the Companies Act, 2013 is enclosed and forms a part of this notice.
4. Brief details of the directors, who are being appointed / re-appointed, are annexed hereto as per requirements of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 / Secretarial Standards.
5. The Register of members and the Share Transfer Books of the company will remain closed from 22nd day September, 2017 to 28th day September, 2017 (both days inclusive).
6. Members wishing to claim dividends, which had remained unpaid are requested to contact the Registrar and Share Transfer Agents/Company. Members are requested to note that the amount of dividend which remains unclaimed for a period of 7 years from the date of transfer to unpaid dividend Account will be transferred to the Investor Education and Protection Fund as per provisions of the Companies Act 2013.
7. Members desiring any information on the Accounts are requested to write to the company at least 10 days prior to the date of the meeting to enable the management to keep the information ready.
8. Members / Proxies / Authorised Representatives are requested to bring to the Meeting necessary details of their shareholding, attendance slip(s) and copy(ies) of their Annual Report.
9. In case of joint holders attending the Meeting, only such joint holder who is higher in the order of names will be entitled to vote at the Meeting.
10. All documents referred to in the accompanying Notice are available for inspection at the Registered Office of the Company during Office hours on all days except Sundays and public holidays, up to the date of this Annual General Meeting (AGM).
11. In order to implement the Green Initiatives of the Government, whereby Companies have now been allowed to send/ serve notice(s) / document(s) / Annual Report(s) etc. to their members through electronic mode, your Company hereby requests all its members to register their email ID with the Registrar and Transfer Agent (in case of Physical holding) and with the Depository Participant (in case of Dematerialized holding), if not yet provided, to promote Green Initiative.
12. Members holding shares in physical form and desirous of making a nomination in respect of their shareholding in the Company, as permitted under Section 72 of the Companies Act, 2013 or any statutory re-enactment thereof, are requested to submit the request in prescribed form SH-13 to the RTA.
13. Members are requested to intimate any change of address at the earliest to the Company/Registrar and Share Transfer Agents/Depository participant.

2016-2017

14. Members may cast their votes through electronic means by using an electronic voting system from a place other than the venue of AGM ("Remote E-voting") in the manner provided below, during the e-voting period.
15. The Remote E-voting period commences on September 25, 2017 (9:00 am) and ends on September 27, 2017 (5:00 pm). During the aforesaid period, Members of the company may opt to cast their votes through Remote E-voting. At the end of the Remote E-voting period, facility will be blocked.
16. A person whose name is recorded in the register of members or in the register of beneficial owners maintained by the depositories as on September 21, 2017 (the "Cut off Date") only shall be entitled to vote through Remote E-voting and at the AGM. The voting rights of Members shall be in proportion to their share of the paid-up equity share capital of the Company as on the Cut Off date.
17. At the venue of meeting, voting shall be done through ballot papers ("Polling Paper") and the members attending the meeting who have not casted their vote by Remote E-voting shall be entitled to cast their vote through Ballot Paper.
18. Members who have cast their votes by remote e-voting prior to the meeting may attend the meeting, but shall not be entitled to cast their vote again.
19. The Board of Directors has appointed Ms. Shadab Anjum, Practising Company Secretary (Membership No. 8893) as the scrutiniser to the remote e-voting process, and voting at the venue of the annual general meeting in a fair and transparent manner.
20. The scrutiniser shall, immediately after the conclusion of voting at the general meeting, first count the votes cast at the meeting, thereafter unlock the votes through e-voting in the presence of at least two witnesses, not in the employment of the Company and make, not later than three (3) days from the conclusion of the meeting, a consolidated scrutiniser's report of the total votes cast in favour or against, if any, to the Chairman of the Company, who shall countersign the same.

The scrutiniser shall submit his report to the Chairman, who shall declare the result of the voting. The results declared along with the scrutiniser's report shall be placed on the website of the company and on the website of agency, immediately after the result is declared and simultaneously will be communicated to the Bombay Stock Exchange.

The instructions for shareholders voting electronically are as under:

- (i) The voting period begins on September 25, 2017 (9:00 am) and ends on September 27, 2017 (5:00 pm). During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date (record date) of September 21, 2017 may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter..
- (ii) The shareholders should log on to the e-voting website www.evotingindia.com.
- (iii) Click on Shareholders.
- (iv) Now Enter your User ID
 - a. For CDSL: 16 digits beneficiary ID,
 - b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
 - c. Members holding shares in Physical Form should enter Folio Number registered with the Company.
- (v) Next enter the Image Verification as displayed and Click on Login.
- (vi) If you are holding shares in demat form and had logged on to www.evotingindia.com and voted on an earlier voting of any company, then your existing password is to be used.
- (vii) If you are a first time user follow the steps given below:

| For Members holding shares in Demat Form and Physical Form | |
|---|--|
| PAN | 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 first two letters of their name and the 8 digits of the sequence number in the PAN field. |

| | |
|------------------------------|---|
| | <ul style="list-style-type: none"> ● In case the sequence number is less than 8 digits enter the applicable number of 0's before the number after the first two characters of the name in CAPITAL letters. Eg. If your name is Ramesh Kumar with sequence number 1 then enter RA00000001 in the PAN field. |
| Dividend Bank of Birth (DOB) | <ul style="list-style-type: none"> ● Enter the dividend bank details or Date of Birth demat account or folio (in dd/mm/yyyy format) as recorded in your demat account or in the company please enter the member id/folio number in the Dividend Bank details field as mentioned in instruction (iv). |

- (viii) After entering these details appropriately, click on "SUBMIT" tab.
- (ix) Members holding shares in physical form will then directly reach the Company selection screen. However, members holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- (x) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- (xi) Click on the **EVSN** for the relevant Star Delta Transformers Limited on which you choose to vote.
- (xii) On the voting page, you will see "RESOLUTION DESCRIPTION" and against the same the option "YES/NO" for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
- (xiii) Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.
- (xiv) After selecting the resolution you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.
- (xv) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.
- (xvi) You can also take a print of the votes cast by clicking on "Click here to print" option on the Voting page.
- (xvii) If a demat account holder has forgotten the changed password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
- (xviii) **Shareholders can also cast their vote using CDSL's mobile app m-Voting available for android based mobiles. The m-Voting app can be downloaded from Google Play Store. Apple and Windows phone users can download the app from the App Store and the Windows Phone Store respectively Please follow the instructions as prompted by the mobile app while voting on your mobile.**
- (xix) **Note for Non - Individual Shareholders and Custodians**
- Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodian are required to log on to www.evotingindia.com 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 favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.
- (xx). 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

Explanatory Statement

(Pursuant to Section 102 of the Companies Act, 2013)

As required by Section 102 of the Companies Act, 2013 ("Act"), the following explanatory statement sets out all material facts relating to the business mentioned under Item No. 04 of the accompanying Notice:

Item No. 4:

The Board of Directors, on recommendation of the Audit committee has approved the appointment and Remuneration of M/s. Sanjay Kasliwal, as Cost Auditors of the Company to conduct the audit of the cost records of the Company for the financial year 2017-18.

In accordance with the provisions of Section 148 of the Act read with the Companies (Audit and Auditors) Rules, 2014, the remuneration payable to the Cost Auditors as recommended by the Audit Committee and approved by the Board of Directors, has to be ratified / confirmed by the members of the Company.

Board approved the remuneration of Rs. 25000/- (Rupees Twenty five thousand) plus out of pocket expenses on the recommendation of Audit Committee.

Accordingly, ratification/confirmation by the members is sought to the remuneration payable to the Cost Auditors by passing an Ordinary Resolution.

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

All documents referred to in the accompanying Notice are available for inspection at the Registered Office of the Company during Office hours on all days except Sundays and public holidays, up to the date of this Annual General Meeting (AGM).

Information Required To Be Furnished under Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015. And Secretarial Standards-II Issued By The Institute Of Company Secretaries Of India.

(As on 31st March, 2017)

| | |
|--|--|
| Name of Director | Mr. Rakesh Gupta |
| Date of Birth | 05th August, 1962 |
| Age | 54 |
| Experience | 32 |
| Qualification | Bsc, LLB |
| Expertise | Finance & Legal |
| Date of first appointment on the Board | 15th October, 1987 |
| List of other Companies in which Directorships held | NIL |
| Terms and Conditions | As per the agreement for the appointment of whole time director entered into by the Company with Mr. Rakesh Gupta. |
| Relationship with other Directors, Managers and KMPs | As per Section 2(77) of the Companies Act 2013, he is covered under the relative (Brother) of Mr. Kishore Gupta (Managing Director) |
| No. of Board Meetings attended during the year | 5 |
| Membership/Chairmanship in Committees of the Board | 3 |
| Remuneration sought to be paid | As per the agreement for the appointment of whole time director entered into by the Company with Mr. Rakesh Gupta The Company has obtained the members approval for payment of minimum remuneration in the event of inadequacy or absence of profit |
| Remuneration last drawn | 11,61,600 P.A. |
| Shareholding in the Company | 562100 |
| Shareholding of non-executive directors in Company | Nil |

By order of the Board of Directors

-sd-

Kishore Gupta

(DIN: 00014205)

Chairman & Managing Director

Date: 11th August, 2017

Place: Bhopal

DIRECTOR'S REPORT

To
THE MEMBERS
STAR DELTA TRANSFORMERS LIMITED
BHOPAL

Your Directors have pleasure in presenting the 41st Annual Report of your Company for the financial year ended 31st March, 2017.

1. FINANCIAL HIGHLIGHTS AND OPERATION:

(Rupees in Thousands)

| | 2016-2017 | 2015-2016 |
|---|------------------|------------------|
| Sales and other income | 648077 | 787916 |
| Profit before depreciation | 57726 | 55998 |
| Depreciation | 7887 | 7834 |
| Profit before tax | 49839 | 48164 |
| Provision for tax | 17500 | 15800 |
| Deffered tax provision written off | (900) | 1200 |
| Income tax earlier year | 1079 | (481) |
| Net Profit after tax | 32160 | 31645 |
| Profit brought forward from previous year | 33331 | 6685 |
| Transfer to general reserve | 0 | 5000 |
| Balance carried | 65491 | 33330 |

2. STATE OF COMPANY'S AFFAIRS & FUTURE OUTLOOK:

The Company's revenue has been decreased from Rs.787915576 to Rs 648076617. i.e. 17.75% and Company's profit before tax has increased from Rs 48164389 to Rs 49839432 i.e. 3.48%.

Company is expected to have good demand for Distribution and Power Transformers and power related equipments because massive investments are planned in coming years by the Govt. (Central & States) as well as private sector.

3. DIVIDEND:

The Board of Directors has not recommended any dividend for the financial year 2016-17.

4. AMOUNTS TRANSFERRED TO RESERVES:

The Company has not transferred any amount to its General reserve.

5. DETAILS OF SUBSIDIARY/JOINT VENTURES/ASSOCIATE COMPANIES

As on March 31, 2017, the Company does not have any Subsidiary/Joint Venture/Associate Companies.

6. CHANGE IN THE NATURE OF BUSINESS:

There is no change in the nature of the business of the company during the year.

7. MATERIAL CHANGES AND COMMITMENTS:

No material changes and commitments affecting the financial position of the Company occurred between the end of the financial year to which this financial statements relate and the date of this report

8. EXTRACT OF ANNUAL RETURN

The Extract of Annual Return as required under section 92(3) of the Companies Act, 2013 and rule 12(1) of the Companies (Management and Administration) Rules, 2014, in Form MGT-9 is annexed herewith for your kind perusal and information. **(Annexure: I)**

9. LOANS, GUARANTEES AND INVESTMENTS

The Company has not given any loan to any person or other body corporate or given any guarantee or provided security in connection with a loan to any other body corporate or person or acquired by way of subscription, purchase or otherwise, the securities of any other body corporate during the financial year under review.

10. RELATED PARTY TRANSACTIONS

The Company has implemented a Related Party Transactions policy for the purposes of identification and monitoring of such transactions. The policy on related party transactions as approved by the Board is uploaded on the Company's website <http://www.stardeltatransformers.com> During the financial year 2016-17, the Company entered into transactions with related parties, all of which were in the ordinary course of business and on arm's length basis and in accordance with the provisions of the Companies Act, 2013 read with the Rules issued thereunder and the Listing Regulations. Further, there were no transactions with related parties which qualify as material transactions under the Listing Regulations.

There are no transactions that are required to be reported in Form AOC-2 and as such does not form part of the Report.

Suitable disclosures have been made in the financial statements as prescribed in accounting standards.

11. CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE OUTGO:Conservation of Energy:

Company continues its efforts to reduce and optimize the energy consumption at all manufacturing facilities, including corporate office through continuous monitoring and high degree of awareness for energy conservation. Company also has its own solar power plant. Company has not made any capital investment on energy conservation equipments.

| A. POWER & FUEL CONSUMPTION | 2016-17 | 2015-16 |
|--|----------------|----------------|
| I ELECTRICITY | | |
| Purchased Units | 353999 | 364993 |
| Total Amount (Rs.) | 3469403 | 3425925 |
| Rate per Unit (Rs.) | 9.80 | 9.39 |
| Own Generation | | |
| Diesel Generator, Units | 941 | 1170 |
| Units per Ltr. Of Diesel | 39 | 35 |
| Average Cost per unit (Rs) | 39 | 35 |

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| | | |
|-------------------|---|---|
| II COAL | — | — |
| Quantity (MT) | — | — |
| Total Cost (Rs) | — | — |
| Average Rate (Rs) | — | — |

B . CONSUMPTION PER UNIT OF PRODUCTION

| | STANDARD (IF ANY) | 2016-17 | 2015-16 |
|-------------------------|------------------------------|----------------|----------------|
| Products (with Details) | Transformers | 751.858 | 1434.154 |
| Units KVAH | — | 353999 | 364993 |
| Electricity/ MVA | — | 470.83 | 254.50 |
| Coal | — | — | — |

Technology Absorption:

The Company continues to use the latest technologies for improving the productivity and quality of its services and products. The Company's has not imported technology during the last three years and No Research work has been carried out and therefore there is no expenditure on this account.

Foreign Exchange earnings and outgo:

Foreign Exchange Earnings: NIL

Foreign Exchange Outgo: NIL

12. RISK MANAGEMENT

Risk management policy and processes enable the Company to proactively manage uncertainty and changes in the internal and external environment to limit negative impacts and capitalize on opportunities. Risk Management is a central part of firm's strategic management. Risk Management is a continuous process. There are four fundamental approaches:

- Identity
- Asses & Evaluate
- Take action
- Review & report

Identified risk elements

- State/local regulations
- Labour concerns
- General economic conditions
- Commodity/ Raw material prices
- Competition
- Demand for products
- Technology innovation
- Legal/ Secretraial
- Natural disasters

Company through its functional heads reviews from time to time the deviation from the benchmarks and promptly make report to the Board, which in turn takes the corrective action to avoid severe conditions. The framework seeks to create transparency, minimize adverse impacts on the business objectives and enhance the Company's competitive advantage.

13. DIRECTORS AND KMP:

During the Financial year 2016-17 the following changes have occurred in the constitution of Directors/KMP of the Company:

- Mr. Rakesh Gupta (DIN: 00014139) was reappointed as Whole time Director of the company in the Annual General Meeting held on 30th September 2016.
- Pursuant to provisions of section 152 and Articles of Association of the Company, Mr. Rakesh Gupta (DIN:00014139), Whole time Director will retire by rotation at the Annual General Meeting and being eligible, has offered himself for re-appointment.

14. DEPOSITS

Your Directors state that no disclosure or reporting is required in respect of Details relating to deposits covered under Chapter V of the Act, because there were no transactions on these items during the year under review.

15. INDEPENDENT DIRECTORS & DECLARATION

Company's Board of Director comprises of following three Independent Directors:

| Name | Date of Original appointment | Date of Re-appointment |
|---|------------------------------|------------------------|
| Mr. Laxmendra Maheshwari (DIN:00278005) | 25/06/2009 | 27/03/2015 |
| Mr. Shahshendra Lahri (DIN:02704101) | 25/06/2009 | 27/03/2015 |
| Mrs. Chhavi Kharb (DIN: 01791358) | 27/03/2015 | — |

All the Independent Directors have confirmed that they meet the criteria as mentioned under Regulation 16(1)(b) of the SEBI Listing Regulations read with Section 149(6) of the Act.

The Company has received declarations from all the Independent Directors of the Company confirming that they meet the criteria of independence prescribed under the Act and the Listing Regulations.

The Company issues a formal letter of appointment to independent directors in the manner as provided in the Companies Act, 2013. As per regulation 46(2) of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 the terms and conditions of appointment of independent directors are placed on the Company's website (http://www.stardeltatransformers.com/star_delta_investor1.php)

A separate meeting of Independent Directors was conducted as per Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 on 13th August 2016. All the independent directors were present for the meeting.

16. ANNUAL EVALUATION

Pursuant to the provisions of the Companies Act, 2013, Schedule IV & Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, the company has evaluated the performance of every Director, Independent Directors, Board and its Committees and Chairperson based on the criteria laid down by the Nomination and Remuneration Committee. Rating sheets were circulated to the directors for the purpose of evaluation. A summary of performance evaluation of the Board, its Committees and individual directors was prepared on the basis of rating sheets received from the individual directors and the same was placed before the Board.

17. DETAILS OF ADEQUACY OF INTERNAL FINANCIAL CONTROLS

Internal financial controls with reference to the financial statements were adequate and operating effectively.

18. CORPORATE SOCIAL RESPONSIBILITY

Company ceases to be a company covered under 135(1) of Companies Act 2013 for three consecutive financial years hence provisions of Corporate Social Responsibility does not apply to the company. However, the Company has voluntarily spent Rs. one Lakh on the CSR activities. The CSR initiatives of the Company were under the thrust areas of education through Friends of tribals society, Bhopal.

There are no details that are required to be reported in Annual Report on CSR activities.

19. ANTI SEXUAL HARASSMENT POLICY

The Company has zero tolerance towards sexual harassment at the workplace. The Company has in place an Anti-Sexual Harassment Policy in line with the requirements of the Sexual Harassment of Women at the Work place (Prevention, Prohibition and Redressal) Act, 2013. All women employees (permanent, contractual, temporary, trainees) are covered under this policy. During the year 2016-17, no complaints were received by the committee

20. VIGIL MECHANISM

As per Section 177(9) and (10) of the Companies Act, 2013, and Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 the company has established Vigil Mechanism for directors and employees to report genuine concerns and made provisions for direct access to the chairperson of the Audit Committee. Company has formulated the present policy for establishing the vigil mechanism/ Whistle Blower Policy to safeguard the interest of its stakeholders, Directors and employees, to freely communicate and address to the Company their genuine concerns in relation to any illegal or unethical practice being carried out in the Company. The same has been posted on the website of the Company. No personnel of the Company was denied access to the Audit Committee.

21. NUMBER OF MEETINGS OF THE BOARD

There were five meetings of the Board held during the year, details of which are as follows:

| S.No. | Date | Board Strength | No. of Directors Present |
|-------|------------|----------------|--------------------------|
| 1 | 28.05.2016 | 5 | 5 |
| 2 | 27.06.2016 | 5 | 5 |
| 3 | 13.08.2016 | 5 | 5 |
| 4 | 11.11.2016 | 5 | 5 |
| 5 | 11.02.2017 | 5 | 5 |

22. COMMITTEES OF THE BOARD

The Company's Board has the following Committees:

1. Audit Committee

Pursuant to the provisions of Section 177 of the Companies Act 2013 and rules made there and Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 the Committee consists of the following members:

| Name of Member | Category | Status |
|---|------------------------------------|-------------|
| Mrs. Chhavi Kharab (DIN:01791358) | Non-Executive Independent Director | Chairperson |
| Mr. Laxmendra Maheshwari (DIN:00278005) | Non-Executive Independent Director | Member |
| Mr. Rakesh Gupta (DIN:00014139) | Executive Director/Promoter | Member |

2. Nomination and Remuneration Committee

Pursuant to the provisions of Section 178 of the Companies Act 2013 and rules made there and Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 the Committee consists of the following members:

| Name of Member | Category | Status |
|---|------------------------------------|-------------|
| Mr. Laxmendra Maheshwari (DIN:00278005) | Non-Executive Independent Director | Chairperson |
| Mr. Shashendra Lahri (DIN:02704101) | Non-Executive Independent Director | Member |
| Mrs. Chhavi Kharab (DIN:01791358) | Non-Executive Independent Director | Member |
| Mr. Kishore Gupta (DIN:00014205) | Executive Director/Promoter | Member |

3. Stakeholders Relationship Committee

Pursuant to the provisions of Section 178 of the Companies Act 2013 and rules made there and Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 the Committee consists of the following members:

| Name of Member | Category | Status |
|---|------------------------------------|-------------|
| Mr. Laxmendra Maheshwari (DIN:00278005) | Non-Executive Independent Director | Chairperson |
| Mrs. Chhavi Kharab (DIN:01791358) | Non-Executive Independent Director | Member |
| Mr. Rakesh Gupta (DIN:00014139) | Executive Director/Promoter | Member |

4. Corporate Social Responsibility Committee

Pursuant to the provisions of Section 135 of the Companies Act 2013 and rules made there under, Corporate Social Responsibility Committee consists of the following members:

| Name of Member | Category | Status |
|---|------------------------------------|-------------|
| Mr. Kishore Gupta (DIN:00014205) | Executive Director/Promoter | Chairperson |
| Mr. Rakesh Gupta (DIN:00014139) | Executive Director/Promoter | Member |
| Mr. Laxmendra Maheshwari (DIN:00278005) | Non-Executive Independent Director | Member |

The detailed description of the above Committees of the board is provided in the Corporate Governance section of the annual report.

23. TRAINING TO INDEPENDENT DIRECTORS:

With a view to familiarize the independent directors with the Company's operations, as required under regulation 25(7) of the SEBI Listing Regulations, 2015, the Company conduct various familiarization programmes for the independent directors as and when required.

The details of such familiarisation programmes are placed on the Company's website www.stardeltatransformers.com

24. PARTICULARS OF EMPLOYEES:

The information required under Section 197 of the Act read with rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 are given below:

- a. The ratio of the remuneration of each director to the median remuneration of the employees of the Company for the financial year:

| Name | Designation | Ratio to median remuneration |
|---------------|------------------------------|-------------------------------------|
| Kishore Gupta | Chairman & Managing Director | 13.55 |
| Rakesh Gupta | Whole time director | 09.94 |

Notes:

Number of employees for calculations (as on 31.03.2017)

Median basic remuneration of employees other than directors

- b. The percentage increase in remuneration of each director, chief executive officer, chief financial officer, company secretary in the financial year:

There was 10% increase in the remuneration of Mr. Kishore Gupta (DIN:00014205) Managing Director and Mr. Rakesh Gupta (DIN:00014139) Whole time director & Chief financial officer in the financial year 2016-17.

There was 25% increase in the basic remuneration of Miss Shweta Agarwal, Company Secretary cum Compliance officer.

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

| | 2016-17 | 2015-16 | Percentage increase in median remuneration in 2016-17 |
|--|---------|---------|---|
| Median Remuneration of employees other than whole time directors | 116880 | 108900 | 7.32% |

- d. The number of permanent employees on the rolls of Company:

Total permanent employees as on 31.03.2017 are Fifty excluding Directors

- e. Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration:

On an average individual employees remuneration increased by 3%-25% from Financial year 2015-16 to Financial year 2016-17, There was 10% increase in the remuneration of Mr. Kishore Gupta (DIN:00014205) Chairman & Managing Director and Mr. Rakesh Gupta (DIN:00014139) Whole time director & Chief financial officer in the financial year 2016-17.

The increase in remuneration is in line with the market trends, cost of living and to ensure the retention of skilled staff and compliance of Minimum wages Act.

There are no exceptional circumstances for increase in the managerial remuneration

- f. Affirmation that the remuneration is as per the remuneration policy of the Company:

The company affirms that the remuneration is as per the remuneration policy of the Company:

- g. Statement containing the particulars of employees in accordance with Rule 5 (2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014:

| Name | Designation | Remuneration (per month) (Basic) As on 31 March 2017 | Nature of employment, whether contractual or otherwise | Qualifications and experience of the employee | Date of commencement of employment | Age | The last employment held by such employee before joining the Company | The percentage of equity shares held by the employee in the Company | Whether any such employee is a relative of any director or manager of the Company and if so, name of such Director or manager |
|----------------------|--|--|--|---|------------------------------------|-----|--|---|---|
| Anil Ranjan Das | Vice president | 124300 | Permanent | B.E. | 01.12.2008 | 58 | Self-employed | Nil | No |
| SudhirShrivastava | Marketing head | 75000 | Permanent | B.E. | 06-03-2017 | 47 | Job in private company | Nil | No |
| Mayank Gupta | Vice president | 72600 | Permanent | B.E., MBA | 22.06.2011 | 31 | - | 14.27 | Yes (son of Mr Kishore Gupta, Managing director) |
| Pramod Singh pundhir | Production manager | 45000 | Permanent | B.E. | 06-06-2016 | 38 | Job in private company | Nil | No |
| VikasChuahan | Testing manager | 40000 | Permanent | B.E., B.tech | 25-06-2016 | 28 | Job in private company | Nil | No |
| Rohit Shrivastava | Sales Executive | 28660 | Permanent | B.Tech | 01.10.2001 | 45 | - | Nil | No |
| Shweta Agarwal | Company Secretary & Compliance officer | 25000 | Permanent | Company Secretary | 22.04.2015 | 27 | - | Nil | No |
| A. K. Daga | Accountant | 24200 | Permanent | M.Com | 16.08.1991 | 57 | - | 0.01 | No |
| Tahir hussain | Supervisor | 22120 | Permanent | Graduate | 01.11.2009 | 57 | - | 0.03 | No |
| Rajendra Kumar Jain | Accountant | 17160 | Permanent | M.Com | 17-09-2007 | 55 | Job in private company | Nil | No |

There was no employee who in terms of remuneration drawn:

- i. if employed throughout the financial year, was in receipt of remuneration for that year which, in the aggregate, was not less than one crore and two lakh rupees;
- ii. if employed for a part of the financial year, was in receipt of remuneration for any part of that year, at a rate which, in the aggregate, was not less than eight lakh and fifty thousand rupees per month;
- iii. if employed throughout the financial year or part thereof, was in receipt of remuneration in that year which, in the aggregate, or as the case may be, at a rate which, in the aggregate, is in excess of that drawn by the managing director or whole-time director or manager and holds by himself or along with his spouse and dependent children, not less than two percent of the equity shares of the company.

25. REMUNERATION POLICY:

The remuneration policy as recommended by the Nomination and Remuneration Committee and approved by Board in Board meeting is presented in the Corporate Governance report forming part of the Annual report.

26. SHARES IN SUSPENSE ACCOUNT:

There are no shares in suspense account

27. SHARES IN UNCLAIMED SUSPENSE ACCOUNT:

There are no shares in unclaimed suspense account

28. CODE OF CONDUCT:

Regulation 17(5) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 requires listed companies to lay down a Code of Conduct for its directors and senior management, incorporating duties of directors as laid down in the Companies Act, 2013. As required the said code has been posted on the website of the Company (<http://www.stardeltatransformers.com/index.php>.) All the Board members and Senior Management personnel have affirmed compliance with the code for the year ended 31 March 2017. A declaration to this effect signed by the Managing Director forms part of the Corporate Governance report.

29. MEMORANDUM AND ARTICLES OF ASSOCIATION

During the Financial year under review Company has inserted new clause in the Articles of Association regarding Chairperson of the Company in the Annual general meeting held on 30th September 2016.

30. REGISTRAR & TRANSFER AGENT OF THE COMPANY

The RTA activity in relation to the Company has been transferred from System support services to Link Intime India Pvt. Ltd. with effect from 15th October, 2016. The Board of Directors of your Company, at their meeting held on 13th August, 2016, approved the appointment of Link Intime India Pvt Ltd (LI) as the Registrar & Transfer Agent.

31. CORPORATE GOVERNANCE

A separate report on the Corporate Governance is attached as a part of the annual report. The Auditors Certificate regarding Compliance of the conditions of Corporate Governance is also annexed hereto as **Annexure II** which forms part of this report.

32. MANAGEMENT DISCUSSION & ANALYSIS

A separate report on the Management Discussion & Analysis is attached as a part of the annual report.

33. AUDITORS and REPORT thereon***Statutory Audit***

M/s. S.L. Khabya & Co, Chartered Accountants, (FR No. 00004C) will be appointed as Statutory Auditors of the Company in place of the retiring auditors, to hold office from the conclusion of this Annual General Meeting (AGM)

until the conclusion of the 46th AGM of the Company subject to ratification by members at every Annual general meeting.

There are no qualifications or adverse remarks in the Auditors 'Report which require any clarification / explanation. The Notes on financial statements are self-explanatory, and needs no further explanation.

Secretarial Audit

Pursuant to the provisions of section 204 of the Companies Act, 2013 and Rules made there under the Company has appointed, ASA & Associates, Company Secretaries in Practice, to undertake the secretarial audit of the Company. Secretarial Audit Report for the year 2016-17 in the prescribed form MR-3 is annexed to this Report **(ANNEXURE- III)**.

Pursuant to the provisions of section 204(3) and 134(3) of the Companies Act, 2013 and Rules made there under, the Board of directors of Star Delta Transformers Limited provide the following clarification in respect to the observations raised by the Secretarial auditor in Secretarial audit report:

Company is in compliance with all the provisions of various acts applicable to the Company. However due to inevitable reasons, some points were missed. Company has taken note of the same and will ensure compliance in the future.

Cost Audit

Pursuant to section 148 of the Companies Act, 2013, and the Rules made there under, the Board of Directors had, on the recommendation of the Audit Committee, appointed of M/s. Sanjay Kasliwal Cost Accountants, to audit the cost accounts of the Company for the financial year 2017-18 on a remuneration of Rs. 25000/- (Rupees Twenty five thousand) plus out of pocket expenses on the recommendation of Audit Committee, subject to ratification by the shareholders at the annual general meeting. Accordingly, a resolution seeking members' ratification for the remuneration payable to the cost auditor is included in the Notice convening the annual general meeting.

34. GENERAL DISCLOSURES:

Your Directors state that no disclosure or reporting is required in respect of the following items as there were no transactions on these items during the year under review:

1. Issue of Bonus Shares and/or Right Shares.
2. Issue of equity shares with differential rights as to dividend, voting or otherwise.
3. Issue of shares (including sweat equity shares) to employees of the Company under any scheme.
4. Buy Back of Shares.
5. Significant or material orders passed by the Regulators or Courts or Tribunals which impact the going concern status and Company's operations in future.
6. During the Financial Year 2016-17, no change has been occurred in the share capital of the Company. (General disclosure)

35. DETAILS OF FRAUDS REPORTABLE U/S 143(12):

There is no fraud being or has been committed against the company by officers or employees of the company, which are reportable by the Auditors to the Central Government under sub-section (12) of Section 143 and which need to be disclosed in the Board report during the year under review.

36. DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to Section 134(5) of the Companies Act, 2013 the Board of Directors of the Company confirms that-

2016-2017

- (a) In the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures;
- (b) The directors had 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 of the profit and loss of the company for that period;
- (c) The directors had 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 had prepared the annual accounts on a going concern basis; and
- (e) The directors, 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 had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

ACKNOWLEDGEMENT

Your Directors wish to express their grateful appreciation to the continued co-operation received from the Banks, Government Authorities, Customers, Vendors and Shareholders during the year under review. Your Directors also wish to place on record their deep sense of appreciation for the committed service of the Executives, staff and Workers of the Company.

On behalf of Board of Directors

Place : Bhopal

Date : 11th August, 2017

Sd/-

(KISHORE GUPTA)

(DIN : 00014205)

CHAIRMAN & MANAGING DIRECTOR

Sd/-

(RAKESH GUPTA)

(DIN : 00014139)

DIRECTOR

ANNEXURE-I Form No. MGT-9

EXTRACT OF ANNUAL RETURN

As on the financial year ended on 31st March 2016
[Pursuant to section 92(3) of the Companies Act, 2013 and rule 12(1) of the
Companies (Management and Administration) Rules, 2014]

I. REGISTRATION AND OTHER DETAILS:

| | |
|--|---|
| 1. CIN: | L31102MP1977PLC001393 |
| 2. Registration Date | 17th February 1977 |
| 3. Name of the Company | Star Delta Transformers Limited |
| 4. Category / Sub-Category of the Company | Public Limited Company/Company Limited by Shares |
| 5. Address of the Registered office and contact details | 92-A Industrial Area, Govindpura, Bhopal-462023, Ph no: +91-755-2586680, 4261003, Email id: star.delta @rediffmail.com |
| 6. Whether listed company | Yes |
| 7. Name, Address and Contact details of Registrar and Transfer Agent, if any: | <p>System Support Services, 209, Shivai Industrial Estate, 89 Andheri Kurla Road, Saki Naka, Andheri (E), Mumbai-400072 Phone : 022-28500835, email : sysss72@yahoo.com</p> <p>Link Intime India Pvt. Ltd. C 101, 247 Park LBS Marg, Vikhroli west Mumbai 400083 Tel. : +91-22-49186000 Fax. : +91-22-4918 6060 Email : rnt.helpdesk@linkintime.co.in</p> |

RTA activities in relation to the Company have been transferred from System support services to Link Intime India Pvt Ltd. with effect from 15th October 2016.

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

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

| Sl. No. | Name and Description of main products / services | NIC Code of the Product/ service | % to total turnover of the company |
|---------|--|----------------------------------|------------------------------------|
| 1. | Distribution/Power Transformers | 27102 | 68.17 |
| 2. | Service | 82990 | 30.16 |

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

Company does not have any holding, Subsidiary or Associate Company.

IV. 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 (31-03-2016) | | | | No. of Shares held at the end of the year(31-03-2017) | | | | %Change during the year |
|---------------------------|--|----------|---------|-------------------|---|----------|---------|-------------------|-------------------------|
| | Demat | Physical | Total | % of Total Shares | Demat | Physical | Total | % of Total Shares | |
| A. Promoters | | | | | | | | | |
| (1) Indian | | | | | | | | | |
| a) Individual/ HUF | 2189800 | 0 | 2189800 | 72.98 | 2189800 | 0 | 2189800 | 72.98 | — |
| b) CentralGovt/State Govt | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | — |

2016-2017

| | | | | | | | | | |
|--|----------------|--------------|----------------|--------------|----------------|--------------|----------------|--------------|----------|
| c) BodiesCorp. | 60000 | 0 | 60000 | 1.99 | 60000 | 0 | 60000 | 1.99 | — |
| d) Banks / FI | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | — |
| e) Any Other | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | — |
| Sub-total(A) (1):- | 2249800 | 0 | 2249800 | 74.98 | 2249800 | 0 | 2249800 | 74.98 | — |
| 2) Foreign | | | | | | | | | |
| a) NRIs - Individuals | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | — |
| b) Other - Individuals | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | — |
| c) Bodies Corp. | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | — |
| d) Banks / FI | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | — |
| e) Any Other | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | — |
| Sub-total (A) (2):- | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | — |
| Total shareholding of Promoter (A)=(A)(1)+(A)(2) | 2249800 | 0 | 2249800 | 74.98 | 2249800 | 0 | 2249800 | 74.98 | — |
| B. Public Shareholding | | | | | | | | | |
| 1. Institutions | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | — |
| a) Mutual Funds | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | — |
| b) Banks / FI | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | — |
| c) Central Govt | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | — |
| d) State Govt(s) | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | — |
| e) Venture Capital Funds | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | — |
| f) Insurance Companies | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | — |
| g) FIs | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | — |
| h) Foreign Venture Capital | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | — |
| (i) Others (specify) | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | — |
| Sub-total (B)(1):- | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | — |
| 2. Non- Institutions | | | | | | | | | |
| a) Individuals | | | | | | | | | |
| Individual shareholders holding nominal share capital upto Rs. 1 lakh | 281351 | 21500 | 302851 | 10.09 | 289560 | 21500 | 311060 | 10.36 | 0.27 |
| Individual shareholders holding nominal share capital in excess of Rs 1 lakh | 311150 | 0 | 311150 | 10.37 | 325820 | 0 | 325820 | 10.85 | 0.48 |
| NBFCs registered with RBI | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | - |
| Employee trusts | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | - |
| Overseas depositories | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | - |
| c) Others (specify) | | | | | | | | | |
| NRI Individuals (Non Rep.) | 1000 | 0 | 1000 | 0.03 | 1000 | 0 | 1000 | 0.03 | - |
| NRI (Repatriation) | 1275 | 0 | 1275 | 0.034 | 475 | 0 | 475 | 0.015 | -0.026 |
| Hindu undivided family | 29634 | 0 | 29634 | 0.98 | 13902 | 0 | 13902 | 0.46 | -0.524 |
| Clearing member | 6363 | 0 | 6363 | 0.21 | 5270 | 0 | 5270 | 0.175 | -0.036 |
| Body corporate | 98127 | 0 | 98127 | 3.27 | 92873 | 0 | 92873 | 3.09 | -0.175 |
| Sub-total (B)(2):- | 728900 | 21500 | 750400 | 25.01 | 728900 | 21500 | 750400 | 25.01 | — |
| Total Public Shareholding (B)=(B)(1)+ (B)(2) | 728900 | 21500 | 750400 | 25.01 | 728900 | 21500 | 750400 | 25.01 | — |
| C. Shares held by Custodian for GDRs & ADRs | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | — |
| Grand Total (A+B+C) | 2978700 | 21500 | 3000200 | 100 | 2978700 | 21500 | 3000200 | 100 | — |

ii. Shareholding of Promoters

| Sl | Shareholder's Name No. | Shareholding at the beginning of the year | | | Share holding at the end of the year | | | % change in share holding during the year |
|-----|---------------------------|---|--|---|--------------------------------------|----------------------------------|---|---|
| | | No. of Shares | % of total 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 | |
| 1. | KISHORE GUPTA | 583500 | 19.4487 | 0.5000 | 583500 | 19.4487 | 0.5000 | Nil |
| 2. | RAKESH GUPTA | 562100 | 18.7354 | 3.9997 | 562100 | 18.7354 | 3.9997 | Nil |
| 3. | MAYANK GUPTA | 428300 | 14.2757 | 4.4997 | 428300 | 14.2757 | 4.4997 | Nil |
| 4. | ARCHANA GUPTA | 268300 | 8.9427 | 3.9997 | 268300 | 8.9427 | 3.9997 | Nil |
| 5. | MANJU GUPTA | 241500 | 8.0495 | 0.5000 | 241500 | 8.0495 | 0.5000 | Nil |
| 6. | MANALI GUPTA | 70000 | 2.3332 | 0.0000 | 70000 | 2.3332 | 0.0000 | Nil |
| 7. | ARK TRANSFORMERS PVT LTD. | 60000 | 1.9999 | 0.0000 | 60000 | 1.9999 | 0.0000 | Nil |
| 8. | ARCHIT GUPTA | 20000 | 0.6666 | 0.0000 | 20000 | 0.6666 | 0.0000 | Nil |
| 9. | TUSHARIKA GUPTA | 10000 | 0.3333 | 0.0000 | 10000 | 0.3333 | 0.0000 | Nil |
| 10. | LAXMI NARAYAN GUPTA | 4600 | 0.1533 | 0.0000 | 4600 | 0.1533 | 0.0000 | Nil |
| 11. | NEETA GUPTA | 1500 | 0.0500 | 0.0000 | 1500 | 0.0500 | 0.0000 | Nil |
| | Total | 2249800 | 74.9883 | 13.4991 | 2249800 | 74.9883 | 13.4991 | Nil |

iii. Change in Promoters' Shareholding

There are no changes (increase/decrease) in the shareholding of the promoters in the year 2016-17.

iv. Shareholding Pattern of top ten Shareholders (other than Directors, Promoters and Holders of GDRs and ADRs):

| Sl. No. | Top 10 Shareholders | Shareholding at the beginning of the year (31.03.2016) | | Cumulative Shareholding during the year | |
|---------|-----------------------------|--|----------------------------------|---|----------------------------------|
| | | No. of shares | % of total shares of the company | No. of shares | % of total shares of the company |
| 1 | Arihant Capital Markets Ltd | 80909 | 2.69 | 80909 | 2.69 |
| 2 | Subramanian P | 11050 | 0.36 | 59720 | 1.99 |
| 3 | Ajay Goenka | 48500 | 1.61 | 48500 | 1.61 |
| 4 | Omprakash Gupta | 38400 | 1.27 | 38400 | 1.27 |
| 5 | Nirmal Gupta | 28200 | 0.93 | 28200 | 0.93 |
| 6 | ArvindGoenka | 25000 | 0.83 | 25000 | 0.83 |
| 7 | Sanwal Prasad Goenka | 25000 | 0.83 | 25000 | 0.83 |
| 8 | AruneGoenka | 24000 | 0.79 | 24000 | 0.79 |
| 9 | AyushGoenka | 24000 | 0.79 | 24000 | 0.79 |
| 10 | SnehlataGoenka | 20200 | 0.67 | 20200 | 0.67 |

v. Shareholding of Directors and Key Managerial Personnel:

| Sl. No. | Name & Designation | Shareholding at the beginning of the year | | Shareholding at the end of the year | | Cumulative Shareholding during the year | |
|---------|--|---|----------------------------------|-------------------------------------|----------------------------------|---|----------------------------------|
| | | No. of shares | % of total shares of the company | No. of shares | % of total shares of the company | No. of shares | % of total shares of the company |
| 1 | Kishore Gupta (DIN : 00014205) (Chairman & Managing Director) | 583500 | 19.44 | 583500 | 19.44 | — | — |
| 2 | Rakesh Gupta (DIN : 00014139) (Whole time director & CFO) | 562100 | 18.73 | 562100 | 18.73 | — | — |

There is no change (increase/decrease) in the shareholding of Directors and Key managerial personnel during the year 2016-17

V. INDEBTEDNESS**Indebtedness of the Company including interest outstanding/accrued but not due for payment****In lakhs**

| | Secured Loans excluding deposits | Unsecured Loans | Deposits | Total Indebtedness |
|--|----------------------------------|-----------------|-------------|--------------------|
| Indebtedness at the beginning of the financial year | | | | |
| i) Principal Amount | 57660550.03 | NIL | N.A. | 57660550.03 |
| ii) Interest due but not paid | NIL | NIL | N.A. | NIL |
| iii) Interest accrued but not due | NIL | NIL | N.A. | NIL |
| Total(i +ii + iii) | 57660550.03 | NIL | N.A. | 57660550.03 |
| Change in Indebtedness during the financial year | | | | |
| Addition | NIL | NIL | N.A. | NIL |
| Reduction | (13416275.91) | NIL | N.A. | (13416275.91) |
| Net Change | (13416275.91) | NIL | N.A. | (13416275.91) |
| Indebtedness at the end of the financial year | | | | |
| i) Principal Amount | 44244274.12 | NIL | N.A. | 44244274.12 |
| ii) Interest due but not paid | NIL | NIL | N.A. | NIL |
| iii) Interest accrued but not due | NIL | NIL | N.A. | NIL |
| Total(i +ii + iii) | 44244274.12 | NIL | N.A. | 44244274.12 |

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL**A. Remuneration to Managing Director, Whole-time Directors and/or Manager:**

| Sl. No. | Particulars of Remuneration | Name | | Total Amount |
|---------|---|--------------------------------------|---------------------------------------|-------------------|
| | | Kishore Gupta (Managing Director) | Rakesh Gupta (Whole time Director) | |
| 1. | Gross salary | | | |
| | (a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961 | 1584000 | 1161600 | 2745600 |
| | (b) Value of perquisites u/s 17(2) Income-tax Act, 1961 | 158400 | — | 158400 |
| | (c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961 | — | — | — |
| 2. | Stock Option | — | — | — |
| 3. | Sweat Equity | — | — | — |
| 4. | Commission - as % of profit - Others, specify... | — | — | — |
| 5. | Others, please specify | — | — | — |
| | Total (A) | 1742400 | 1161600 | 2904000 |
| | Ceiling as per the Act | | | 4983943.21 |

B. Remuneration to other directors:

| Sl. No. | Particulars of Remuneration | Name of Directors | | | Total Amount |
|---------|--|---|------------------|--------------|--------------|
| | | Laxmendra Maheshwari | Shashendra Lahri | Chhavi Kharb | |
| | (1) Independent Directors | | | | |
| | ● Fee for attending board committee meeting | 5000 | 5000 | 5000 | 15000 |
| | ● Commission | — | — | — | — |
| | ● Conveyance | — | — | — | — |
| | Total (1) | 5000 | 5000 | 5000 | 15000 |
| | (2) Other Non-Executive Directors | Company do not have any non executive directors | | | |
| | ● Fee for attending board committee meetings | | | | |
| | ● Commission | | | | |
| | Others, please specify | | | | |
| | Total (2) | — | | | |
| | Overall Ceiling as per the Act | Rs one Lakh per meeting | | | |

C. Remuneration to key managerial personnel other than MD/Manager/WTD

| Sl. No. | Particulars of Remuneration | Key Managerial Personnel | | | |
|---------|--|--|-------------------|---|--------|
| | | CEO | Company Secretary | CFO | Total |
| 1. | Gross salary (a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961 (b) Value of perquisites u/s 17(2) Income-tax Act, 1961 (c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961 | No CEO has been appointed by the Company | 336586 | Whole time Director acts as the CFO of the Company for which no separate remuneration is paid | 336586 |
| 2. | Stock Option | — | — | — | — |
| 3. | Sweat Equity | — | — | — | — |
| 4. | Commission ● as % of profit ● Others, specify... | — | — | — | — |
| 5. | Others, please specify | — | — | — | — |
| | Total | — | 336586 | — | 336586 |

VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES:

There are no Penalties or Punishments imposed on the Company. No compounding of offences.

ANNEXURE-II
AUDITORS' CERTIFICATE ON CORPORATE GOVERNANCE

**The Board of Directors,
Star Delta Transformers Limited
Bhopal - 462023**

We have reviewed the implementation of Corporate Governance Procedure by the Company during the year ended 31st March, 2017, with the relevant records and documents maintaining by the Company, furnished to us for our review and the report on Corporate Governance as approved by the Board of Directors.

The compliance of conditions of Corporate Governance is the responsibility of the management. Our examination is neither an audit nor an expression of opinion on the financial statements of the Company.

On the basis of the above and according to the information and explanations given to us, in our opinion, the Company has complied in all material respects with the conditions of Corporate Governance as stipulated in Clause 49 of the Listing Agreement with the Stock Exchanges.

We further state that our examination of 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.

For A.K. Khabya & Co
Chartered Accountants
Firm Registration No. 001994C

Sd/-
M.N.G. PILLAI
Partner
M.No. 074051

Place : BHOPAL

Date : 29th May, 2017

ANNEXURE-III
SECRETARIAL AUDIT REPORT
FOR THE FINANCIAL YEAR ENDED ON 31st March, 2017

[Pursuant to section 204(1) of the Companies Act, 2013 and Rule No. 9 of the Companies (Appointment and Remuneration Personnel) Rules, 2014]

To,

The Members,

Star Delta Transformers Limited
92 A, Industrial Area,
Govindpura, Bhpoal (M.P.) 462023,

We were appointed by the Board of Directors of Star Delta Transformers Limited (CIN: L31102MP1977PLC001393) (hereinafter referred to as "the Company") to conduct Secretarial Audit for the financial year from 01st April 2016 to 31st March 2017. We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by the Company.

Secretarial Audit was conducted in a manner that provided us with a reasonable basis for evaluating the corporate conduct/ statutory compliance and expressing our opinion there on.

Management's Responsibility:

The Management of the Company is completely responsible for preparation and maintenance of Secretarial records and for developing proper systems to ensure compliance with the provisions of applicable laws, rules and regulations.

Auditor's Responsibility:

Our responsibility is to express an opinion on the secretarial records, standards and procedures followed by the Company with respect to secretarial compliances, on the basis of verification done by us on test basis.

Further our responsibility is also to express an opinion on existence of adequate Board Process and Compliance Management System, commensurate to the size of the company, based on the secretarial records as shown to us during the said audit and also based on the information furnished to us by the officers and the agents of the company during the said audit.

We have followed the audit practices and processes as were appropriate to the best of our understanding to obtain reasonable assurance about the correctness of the contents of the secretarial records. The verification was done on the test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices, we followed, provide a reasonable basis for our opinion.

We have not verified the correctness, appropriateness and bases of financial records, books of accounts and decision taken by the Board and by various committees of the company during the period under scrutiny. We have checked the Board Process and Compliance Management System to understand and to form an opinion as to whether there is an adequate system of seeking approval of the Board, their committees, members of the Company and of other authorities as per provisions of various statutes as mentioned hereinafter.

Wherever required we have obtained the management representation about the compliance of the laws, rules and regulations and happening of events, etc.

Our report is neither an assurance as to future viability of the Company nor of the efficacy or effectiveness or accuracy with which the management has conducted the affairs of the company.

Based on information and/or details received during our visit to company's Registered Office and on verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company at its Registered Office and also the information provided by the Company, its Company Secretary, its officers, agents, functional heads and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the

company has, during the audit period covering the financial year ended on 31st March, 2017 generally complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance -mechanism in place to the extent, in the manner and subject to there porting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained at Registered Office by the Company for the financial year ended on 31st March, 2017 according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the rules made there under;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder: - Not Applicable to the Company during the Audit Period as the Company has not issued share capital during the financial year under review; however the Company has complied with Rule 19A of the Securities Contracts (Regulation) Rules, 1957 with respect to continuous listing requirement with the stock exchange.
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed there under;
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings; - Not Applicable to the Company during the Audit Period.
- (v) The Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act') viz.: -
 - (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011; - Not Applicable to the Company during the Audit Period; however the Company has complied with Regulation 30 of SEBI (SAST) Regulations, 2011 with respect to Continual disclosures with the stock exchange;
 - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
 - (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009; - Not Applicable to the Company during the audit period as the Company has not issued Share Capital during the financial year under review.
 - (d) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee tock Purchase Scheme) Guidelines, 1999 and the Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014; - Not Applicable to the Company during the Audit Period as the Company has not issued Employee Stock Option Scheme and Employee Stock Purchase Scheme.
 - (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008; - Not Applicable to the Company during the Audit Period as the Company has not issued and listed any debt securities during the financial year under review.
 - (f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with Client;
 - (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; - Not Applicable to the Company during the Audit Period as the Company has not delisted/ propose to delist its equity shares from any Stock Exchange during the financial year under review;
 - (h) The Securities and Exchange Board of India (Buy back of Securities) Regulations, 1998; - Not Applicable to the Company during the Audit Period as the Company has not bought back any of its securities during the financial year under review;
 - (i) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.
- (vi) The Management/ Company has confirmed that, the company being a Transformer (Electric) Industry, there are no

specific applicable laws to the Company which requires specific approvals or compliances under any act or regulations except Energy Conservation Act, 2001 and as per information / declaration given by the management, the Company has obtained permission for affixing label as per provisions of Section 14(a) of Energy Conservation Act, 2001 read with Regulation No. 7 of Bureau of Energy Efficiency (Particulars and Manner of their Display on Labels of Distribution Transformers) Regulations, 2009.

(vii) The Management/ Company has identified and confirmed the following laws as other laws applicable to the Company:

- General Clauses Act, 1897
- Registration Act, 1908
- Indian Stamp Act, 1899
- Limitation Act, 1963
- Transfer of Property Act, 1882
- Indian Contract Act, 1872
- Negotiable Instrument Act, 1881
- Sale of Goods Act, 1930
- Information Technology Act, 2000
- Micro, Small and Medium Enterprises Development Act, 2006
- Consumer Protection Act, 1986
- Legal Metrology Act, 2009
- Public Liability Insurance Act, 1991
- Arbitration and Conciliation Act, 1996
- Sexual Harassment of Women at Work place (Prevention, Prohibition and Redressal) Act, 2013
- The Factories Act, 1948
- The Payment of Bonus Act, 1965
- Employee Provident Fund (EPF) & Miscellaneous Provisions Act, 1952
- Employee State Insurance (ESI) Act, 1948
- The Employees Compensation Act, 1923
- The Payment of Gratuity Act, 1972
- The Payment of Wages Act, 1936
- The Minimum Wages Act, 1948
- The Madhya Pradesh Minimum Wages Fixation Act, 1962
- The Equal Remuneration Act, 1976
- Maternity Benefit Act, 1961
- The Child Labour (Prohibition & Regulation) Act, 1986
- Industrial Disputes Act, 1947
- Madhya Pradesh Industrial Employment (Standing Orders) Act, 1961

- Industrial (Development and Regulation) Act, 1951
- Madhya Pradesh Industrial Relation Act, 1960
- The Madhya Pradesh Shram Kalyan Nidhi Adhiniyam, 1982
- The Income Tax Act, 1961
- Indirect Tax Laws i.e. Madhya Pradesh VAT Act, Madhya Pradesh Professional Tax Act, Entry Tax, Central Sales Tax, Service Tax & Central Excise Act etc.
- Environmental Laws i.e. The Environment (Protection) Act, 1986, The Air (Prevention & Control of Pollution) Act, 1981, The Water (Prevention & Control of Pollution) Act, 1974, Hazardous wastes (Management, Handling and Transboundary Movement) Rules, 2016.

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

- (i) Secretarial Standards on Meetings of the Board of Directors (SS-1) and Secretarial Standard on General Meetings (SS-2) issued by the Institute of Company Secretaries of India and made effective from 01st of July 2015.
- (ii) The Listing Agreement entered into by the Company with Bombay Stock Exchange.

During the period under review the Company has generally complied with the provisions of the Act, Rules, Regulations Guidelines, Standards etc. mentioned above subject to the following observations as mentioned below:

1. *In terms of provisions/requirements of Section 124(6) read with Rule 6 of the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 and Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Amendment Rules, 2017, the Company was required to inform the shareholder (in respect of whose shares, dividend has not been paid or claimed for seven consecutive years or more) regarding transfer of their shares in the name of IEPF, three months before the due date of transfer of shares (i.e. upto 28/02/2017) and also required simultaneously to publish a notice in the leading newspaper in English and Regional Language, however the Company has sent information to the concerned shareholders regarding transfer of their shares in the name of IEPF, on 30/03/2017 and also published the notice of the same in the English and Hindi Newspaper on 31/03/2017.*
2. *As per provisions of Section 134 of the Companies Act, 2013, financial statements (including consolidated financial statements, if any), are required to be approved by the Board of Directors before they are signed on behalf of the Board, for submission to the Auditor for their report thereon, however as per information given by the management, the Board of Directors of the Company has only approved the Audited Financial Statements and not approved the unaudited/draft Financial Statements.*
3. *In respect of qualification/disqualification of Auditor(s), we have relied on the Certificates/Consents given by the Concerned Auditor(s).*
4. ***The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations {hereinafter referred to as "the Listing Regulations"}:***
 - (a) *As per information/declaration given by the management, the Board of Directors of the Company has appointed M/s Link In time India Pvt. Ltd. as RTA in place of M/s System Support Services, with effect from 15th October, 2016 and has executed a tripartite agreement between itself, the existing share transfer agent (i.e. System Support Services) and New Share Transfer Agent (i.e. Link In time India Pvt. Ltd.), in terms of Regulation 7(4) of the Listing Regulations on 13th October, 2016, however aforesaid tripartite agreement has*

been cancelled by the System Support Services on 01st April, 2017 and a fresh tripartite agreement will be executed.

- (b) The Board of Directors of the Company in their meeting held on 13th August, 2016 has appointed M/s Link In time India Pvt. Ltd. as new RTA in place of existing RTA M/s System Support Services w.e.f. 01st October, 2016 and subsequently changed the effective date of appoint of new RTA M/s Link In time India Pvt. Ltd. from 01st October, 2016 to 15th October, 2016, however no such changes noted in the Minutes Book of Board Meeting.
- (c) Company has partially complied with the provisions/requirements of the Regulation 30(8) of the Listing Regulations.

5. **Labour Laws:**

- (a) As per information given by the management, the Company has paid bonus under the Payment of Bonus Act, 1965 and complied with the provisions of the Payment of Bonus Act, 1965; however the Company has not submitted/filed Form No. D (Annual Return) to the Concerned Labour Authority/Officer. Further as per explanation provided by the management, the Company has not received any show cause notice/intimation/objection/directions in this regard from above mentioned authority.
 - (b) Payment of gratuity has not made within the prescribed time limit under the Payment of Gratuity Act, 1972 and As per information/declaration provided by the management, the Company has made payment of gratuity only through LIC and the payment of gratuity has been paid by the Company to its employees within a week from the date of reimbursement by the LIC made.
 - (c) As per information/documents provided by the management, the Payment of Contribution under the Madhya Pradesh Shram Kalyan Nidhi Adhiniyam, 1982 for the half year ended 30th June, 2016 has been made with some delay.
6. Income Tax Act: As per information given by the management, the Company has submitted/deposited all the applicable Returns/Challans of TDS & TCS on or before due dates; except TCS Return for the IV Quarter.
7. Service Tax Act: As per information/document provided by the management, the Company has filed/submitted/deposited all the Challans>Returns of Service Tax on or before due dates, except payment of Challan for the month of September 2016.
8. Professional Tax Act: As per information/documents provided by the Management, the Company has filed/submitted some Challans for Professional Tax after due dates and Returns under the Professional Tax are not yet filed.
9. Central Excise Act: As per information/documents provided by the Management, the Company has filed/submitted all the Returns/Challans of Excise on or before due dates; except Excise Return for the month of August 2016.
10. As per information given by the management, as the quantity of hazardous substances handled by the Company is below the quantity specified under the Public Liability Insurance Act, 1991, therefore provisions of the Public Liability Insurance Act, 1991 are not applicable to the Company.
11. As per information provided by the management, the Company has obtained Consent of the M.P. Pollution Control Board under Section 25 of the Water (Prevention & Control of Pollution) Act, 1974, Section 21 of the Air (Prevention & Control of Pollution) Act, 1981 and Authorisation under Hazardous Waste (Management handling & Trans boundary movement) Rules and has not submitted any Report/Document/Return to any authority and has also not maintained any Register/Record under any environmental law and rules made thereunder.

12. *The Company has partially complied with the provisions of Section 4 of the Sexual Harassment of Women at Work place (Prevention, Prohibition and Redressal) Act, 2013, in respect of constitution/composition of the Internal Complaints Committee.*
13. *The Company has generally complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc mentioned above; however there are some lacunas in complying with some of the Act, Rules, Regulations, Guidelines, Standards, etc.*
14. *As informed by the Management the company has responded to notices by various statutory Regulatory Authorities & initiated actions for corrective measures, wherever necessary to the extent possible.*

We further report that:

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors and Non-Executive Independent Directors. There were no changes in the composition of the Board of Directors during the period under review; however the Company has reappointed Mr. Rakesh Gupta (DIN: 00014139) as Whole Time Director w.e.f. 30th September, 2016 and complied with the provisions of the Act.

Adequate notice is given to all Directors/Members of the Committee to schedule the Board Meetings and Committee Meetings, agenda and detailed notes on agenda were sent atleast seven days in advance and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

All decisions at Board Meetings, Committee Meetings are carried through majority. Further decisions at General Meetings are carried through requisite majority.

In terms of provisions/requirements of Section 124(5) and Section 125(2) read with Rule 5 of the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016, the Company was required to transfer the amount of dividend (alongwith the interest accrued thereon) which remained unpaid or unclaimed for a period of seven years from the date of transfer to Unpaid Dividend Account, into the specified Bank Account of PNB (Accredited Bank of the Pay and Accounts Office, MCA) or Other Authorised Bank, within 30 days of such amounts becoming due to be credited to the Investor Education and Protection Fund (IEPF) and as per information/declaration given by the management, the Company has transferred the same into the specified Bank Account of PNB on 21/10/2016 (i.e. before the last date 04/11/2016 for such transfer) which was credited in the aforesaid Account on 23/10/2016, however the SRN of aforesaid payment/transfer could not be linked with IEPF Portal and due to which the Form No. IEPF-1 (Statement of Amounts Credited to Investor Education and Protection Fund) could not be filed and thereafter the amount transferred by the Company to IEPF has also been reversed to the Company's Account. The Company has again transferred the above mentioned amount of unpaid dividend (alongwith the interest accrued thereon) to the IEPF, through Internet Banking on 20/03/2017 and also filed Form No. IEPF-1 on 20/03/2017 which was finally approved/accepted on IEPF Portal on 04/04/2017. Whereas delayed filing of aforesaid forms/details was due to some technical problem/issue and not on the part of the Company, this should be reported as compliance.

As per information/declaration given by the management, in terms of requirements of the Rule 5 of the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016, the Company has filed Form No. IEPF-2 (Statement of unclaimed and unpaid amounts), on 21/12/2016 i.e. within 90 days of the AGM and also successfully uploaded the Investor-wise details of unclaimed and unpaid amounts on IEPF Portal on 27/12/2016 i.e. within 07 days from the date of filing Form No. IEPF-2, however due to some technical problem/issue Form No. IEPF-2 has been rejected. After that, the Company has again filed Form No. IEPF-2 on 20/07/2017 and 26/07/2017 respectively and has

also uploaded the Investor-wise details of unclaimed and unpaid amounts on IEPF Portal on 22/07/2017 and 27/07/2017 respectively, however all the aforesaid forms (Form No. IEPF-2) were also rejected due to same problem/issue i.e. due to some technical problem/issue. As the aforesaid failure was due to some technical problem/issue and not on the part of the Company, this should be reported as compliance.

Register of members with Index and Register of Share transfer is maintained by the Registrar and Share Transfer Agent (RTA) at the office of RTA and periodic information is sent to company.

We further report that there are generally adequate systems and processes in the company commensurate with the size and operations of the company to monitor and ensure compliance with Applicable Laws, Rules, Regulations, Guidelines, Standards; however some deviations were observed during the period under review but the Company is striving to ensure timely compliance with the different Acts/Laws/Rules/ Regulations/ Guidelines and Standards.

For **ASA & Associates**
Company Secretaries

Sd/-

S.M. Ashraf

Membership No.: FCS 6233

C P No.: 5148

Email: smashraf08@gmail.com

Website: www.asacsonline.com

Place: Bhopal

Date : 11th August, 2017

This report is to be read with our letter of even date which is annexed as Annexure A and forms an integral part of this report.