

53rd ANNUAL REPORT 2016-17



MULTIMETALS LIMITED

MULTIMETALS LIMITED

BOARD OF DIRECTORS

MR. VASUDEV AGRAWAL
(CHAIRMAN)

MR. RAJENDRA AGRAWAL
(VICE CHAIRMAN & MANAGING DIRECTOR)

MR. NITIN AGRAWAL
(EXECUTIVE DIRECTOR)

MRS. PRIYANKA AGRAWAL
(EXECUTIVE DIRECTOR)

MR. AASHISH MAHESHWARI

MR. VIJAY KUMAR JAIN

MRS. VINEETA MEHTA

MR. AAKASH KABRA

MANAGEMENT COMMITTEE

MR. D. B. BHATNAGAR
(PRESIDENT)

MR. H. N. GUPTA
(COMMERCIAL MANAGER)

SECRETARY

MR. B. S. TANWAR

BANKERS

BANK OF INDIA
STATE BANK OF BIKANER & JAIPUR
ICICI BANK LIMITED

AUDITORS

M. P. SHARMA AND COMPANY, KOTA

STOCK EXCHANGES AT WHICH THE
SHARES OF THE COMPANY ARE
LISTED

-CALCUTTA STOCK EXCHANGE
ASSOCIATION LTD., KOLKATA

REGISTERED OFFICE & WORKS

HEAVY INDUSTRIES AREA,
KANSUA ROAD,
KOTA – 324 003 (RAJASTHAN)

MULTIMETALS LIMITED

NOTICE is hereby given that the Fifty Third Annual General Meeting of the members of the Company will be held on Tuesday, the 19th September, 2017 at 11.00 A.M. at the Registered Office of the Company situated at Heavy Industries Area, Kansua Road, Kota - 324 003 (Rajasthan) to transact the following business :

ORDINARY BUSINESS:

1. To receive, consider and adopt the audited Balance Sheet as on 31st March, 2017 and Statement of Profit & Loss for the financial year ended on that date, together with the Directors' Report and Auditors' Report thereon.
2. To appoint a Director in place of Mr. Vasudev Agrawal (DIN: 01217145), who retires by rotation at this Annual General Meeting and being eligible has offered himself for re-appointment.
3. To appoint a Director in place of Mr. Nitin Agrawal (DIN: 00383246), who retires by rotation at this Annual General Meeting and being eligible has offered himself for re-appointment.
4. To appoint the auditors of the Company and to fix their remuneration.

Explanation:- The Companies Act, 2013 was notified effective April 1, 2014. Section 139 of the Act lays down the criteria for appointment and mandatory rotation of statutory auditors. Pursuant to section 139 of the Act and the rules made there under, it is mandatory to rotate the Statutory Auditors on completion of two terms of five consecutive years. The rules also lay down the transitional period that can be served by the existing auditors depending on the number of consecutive years for which an audit firm has been functioning as auditors in the same Company. The incumbent auditors, M/s M. P. Sharma and Company, Chartered Accountants (ICAI Registration No. 001130C) Kota have served the Company for 9 years before the Act was notified and will be completing the maximum number of transitional period of three years at the ensuing 53rd AGM.

The Audit Committee of the Company has proposed and on 29th May, 2017, the Board has recommended the appointment of M/s Jain Akhil & Co., Chartered Accountants (ICAI Registration No. 030283N) New Delhi, as Statutory Auditors of the Company. M/s Jain Akhil & Co. will hold office for a period of five consecutive years from the conclusion of the 53rd AGM of the Company till the conclusion of the 58th AGM. The first year of audit will be of the financial statements for the year ending March 31, 2018.

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

"RESOLVED THAT pursuant to the provisions of section 139 and 142 and other applicable provisions of the Companies Act, 2013 and the rules made there under, as amended from time to time and pursuant to the recommendations of the audit committee and recommendation of the Board, M/s Jain Akhil & Co., Chartered Accountants (ICAI Registration No. 030283N) New Delhi, be and is hereby appointed as the Statutory Auditors of the company, to hold office for a period of five consecutive years commencing from the financial year 2017-18, to hold office upto 58th Annual General Meeting of the Company, on a remuneration that may be determined by the audit committee in consultation with the auditors."

SPECIAL BUSINESS:

5. To consider and if thought fit to pass the following resolutions, with or without modification, as a Special Resolution :

"RESOLVED THAT pursuant to provisions of section 188 of the Companies Act, 2013 and other applicable provisions read with the rules framed thereunder and in terms of applicable provisions of Securities and Exchange Board of India (Listing obligations and disclosures requirements) Regulations, 2015 including any statutory modification (s) or re-enactment (s) thereof, for the time being in force, consent of the members of the Company be and is hereby accorded to the contracts / arrangements / transactions to be entered into with any of the related parties on the terms as mentioned in the explanatory statement hereto."

"RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorized to finalise and approve the necessary contracts / arrangements / transactions with related parties and to do all the acts, deeds and things as may be necessary for purpose."

6. To ratify the remuneration of Cost Auditor and in this regard to consider and, if thought fit, to pass with or without modification(s), the following resolution as an Ordinary Resolution:

MULTIMETALS LIMITED

"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 & Auditors) Rules, 2014 (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force), the remuneration payable to M/s S N Mittal & Co., Cost and Works Accountants, Kota, appointed by the Board of Directors of the Company to conduct the audit of the Cost Records of the Company for the financial year ending 31st March, 2018, amounting to Rs.51,000/- (Rupees Fifty One Thousand only) alongwith tax as applicable be and is hereby ratified and confirmed."

Kota

AUGUST 10, 2017

REGISTERED OFFICE:

Heavy Industries Area, Kansua Road, Kota - 324 003 (Rajasthan)

CIN: L27101RJ1962PLC001519

By Order of the Board
FOR MULTIMETALS LIMITED

(B. S. TANWAR)

SECRETARY

M.N. 4191

MULTIMETALS LIMITED

NOTES:

1. **A member entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and on a poll to vote instead of himself/herself. The proxy need not be a member of the company. A blank proxy form is enclosed. The proxy form duly stamped and executed should be deposited at the registered office of the company at least 48 hours before the time fixed for the commencement of the meeting.**

A person can act as a proxy on behalf of members not exceeding fifty 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 10 percent of the total share of the company carrying voting rights may appoint a single person as proxy or such person shall not act as a proxy for any other person or shareholder.

2. Corporate members intending to send their authorized representative 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.
3. Members/Proxies should fill the Attendance Slip for attending the Meeting and bring their Attendance slips along with their copy of the Annual Report to the Meeting.
4. 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.
5. Brief resume of directors including those proposed to be appointed or re-appointed, nature of their expertise in specific functional areas, names of companies in which they hold Directorships and memberships/ Chairmanships of Board Committees, Share holding & relationships between directors inter-se as stipulated under regulation 36(3) of SEBI (Listing obligations and disclosures requirements) Regulations, 2015 are provided in the Corporate Governance Report forming part of the Annual Report.
6. The Board has notified closure of Register of members and Share Transfer Books from 13th September, 2017 to 19th September, 2017 (both days inclusive) for the purpose of 53rd Annual General meeting.
7. The Ministry of Corporate Affairs (MCA) on 10th May, 2012 notified the IEPF (Uploading of information regarding unpaid and unclaimed amounts lying with companies) Rules, 2012 (IEPF Rules), which is applicable to the Company. The objective of the IEPF Rules is to help the shareholders ascertain status of the unclaimed amounts and overcome the problems due to misplacement of intimation thereof by post etc. In terms of the said IEPF Rules, the Company has uploaded the information in respect of the Unclaimed Dividends in respect of the financial years 2008-09.
8. Relevant documents referred to in the accompanying notice or the statutory registers, as applicable to the Company, are open for inspection at the Registered Office of the Company on all working days (barring Saturday and Sunday) between 11.00 a.m. to 1.00 p.m. prior to the date of the AGM.
9. Members who have not registered their e-mail address so far are requested to register their e-mail address for receiving all communication including Annual Report, Notices, Circulars, etc, from the Company electronically.
10. **Explanatory Statement pursuant to Section 102 of the Companies Act, 2013, in respect of Item no 5 and 6 set out above is annexed hereto.**

11. Voting through electronic means:

Pursuant to provisions of section 108 of the Companies Act' 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014 and regulation 44 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company is pleased to offer e-voting facility to the members to cast their votes electronically on all resolutions set forth in the notices convening the 53rd Annual General Meeting to be held on Tuesday, the 19th September, 2017 at 11.00 A.M. The Company has made necessary arrangement for e-voting on CDSL platform. The Company has appointed M/s JPS & Associates, Company Secretaries, Jaipur, to act as Scrutinizer for the e-voting process.

The instructions for shareholders voting electronically are as under:

- (i) The voting period begins on 16th September, 2017 at 9.30 a.m. IST and ends on 18th September, 2017 at 5.00 p.m. IST. 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 12th September, 2017, may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
- (ii) Shareholders who have already voted prior to the meeting date would not be entitled to vote at the meeting venue.
- (iii) The shareholders should log on to the e-voting website www.evotingindia.com.
- (iv) Click on Shareholders.

MULTIMETALS LIMITED

(v) 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.

(vi) Next enter the Image Verification as displayed and Click on Login.

(vii) 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.

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

For Members holding shares in Demat Form and Physical Form	
PAN	<p>Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders)</p> <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.• 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 Details Or Date of Birth (DOB)	<p>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.</p> <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)

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

(x) 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.

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

(xii) Click on the EVSN for the relevant Company i.e. M/s Multi Metals Limited on which you choose to vote.

(xiii) 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.

(xiv) Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.

(xv) 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.

(xvi) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.

(xvii) You can also take out print of the voting done by you by clicking on "Click here to print" option on the Voting page.

(xviii) If a Demat account holder has forgotten the same password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.

(xix) Shareholders can also cast their vote using CDSL's mobile app m-Voting available for android based mobiles. The m-Voting app can be downloaded from Google Play Store. iPhone and Windows phone users can download the app from the App Store and the Windows Phone Store respectively on or after 30th June 2016. Please follow the instructions as prompted by the mobile app while voting on your mobile.

(xx) Note for Non - Individual Shareholders and Custodians

MULTIMETALS LIMITED

- 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 they have to create 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 emailed 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.
- (xi) 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.

Kota
AUGUST 10, 2017
REGISTERED OFFICE:
Heavy Industries Area, Kansua Road, Kota - 324 003 (Rajasthan)
CIN: L27101RJ1962PLC001519

By Order of the Board
FOR MULTIMETALS LIMITED

(B. S. TANWAR)
SECRETARY

MULTIMETALS LIMITED

EXPLANATORY STATEMENT PURSUANT SECTION 102(1) OF THE COMPANIES ACT, 2013

Item No. 5

During the normal course of business the Company needs to enter into various transactions with certain related parties. Although the management of the Company endeavor to undertake the transactions at Arms Length Price, However, at times it may happen that establishing the Arms Length Price is very difficult or not possible because of peculiar nature of transactions and under such circumstances, these kind of transactions may attract the provisions of section 188 of the Companies Act, 2013.

Further, since the paid-up capital of the Company is above of 10.00 Crores, therefore in terms of provisions of first proviso to sub section (1) of section 188 read with Rule 15(3)(i) of the Companies (Meeting of Board and Committees) Rules, 2014, the company required to obtain approval of the members of the Company for undertaking any related party transactions / arrangement.

In view of the above, approval of members is being sought for following related party transactions:-

S. No.	Name of related party	Name of the Director or KMP who is related if any	Nature of Relationship	Nature material terms, estimated monetary value per year and particulars of the contract or arrangement (Value in Rs.)
1.	Oriental Power Cables Limited	Mr. Mukesh Kasera, CFO	Direct	Sale/Purchase of Copper Cathodes and Aluminum Rods Upto Rs.1,00,00,000/- p. a.
2.	Oriental Power Cables Limited	Mr. Mukesh Kasera, CFO	Direct	Job work of Rods & Section etc. Upto Rs.50,00,000/- p. a.
3.	Kota Dall Mill, Kota	Mr. Vasudev Agarwal, Chairman	Indirect	Renewal of lease and license Rs. 5,16,000/- p. a.

Therefore the Resolution placed at item no.5 is proposed for consideration of shareholders and if thought fit to be passed as a special resolution.

Item No. 6

The Board of Directors of the Company on recommendation of the Audit Committee approved the Appointment and remuneration of M/s S N Mittal & Co., Cost and Works Accountants, Kota, as Cost Auditor to conduct the audit of cost records of the Company for the Financial Year ending March 31, 2018.

In terms of the provisions of Section 148 of the Companies Act, 2013 read with Rule 14 of the Companies (Audit and Auditors) Rules, 2014, the remuneration payable to the Cost Auditor is to be ratified by the members of the Company. Accordingly, the Consent of the Members is sought for ratification of remuneration payable to the Cost Auditor for the financial year ending on March 31, 2018 as set out in the resolution.

The Board recommends the Resolution a set out under item no. 6 for ratification by Members.

None of the directors or their relatives is interested in the resolution.

Kota
AUGUST 10, 2017
REGISTERED OFFICE:
Heavy Industries Area, Kansua Road, Kota - 324 003 (Rajasthan)
CIN: L27101RJ1962PLC001519

By Order of the Board
FOR MULTIMETALS LIMITED

(B. S. TANWAR)
SECRETARY

MULTIMETALS LIMITED

DIRECTORS' REPORT

To, The Shareholders,
Multi Metals Limited,
KOTA.

Your Directors are pleased to submit the 53rd Annual Report and Audited Statement of Accounts of your company for the year ended 31st March, 2017.

1. FINANCIAL RESULTS

(Rs. in Crores)

	For the year ended on 31st March, 2017	For the year ended on 31st March, 2016
Sales Turnover	116.28	156.56
Profit for the year (Before Financial Exp., Tax, Depreciation & Extraordinary Items)	17.51	18.18
Financial Expenses	3.31	4.72
Depreciation & Amortisation Exp.	7.49	6.06
Profit before Taxes	6.71	7.40
Less: Provision For Taxes (incl. Deferred Tax Asset/ Liabilities)	2.80	2.58
Net Profit After Tax	3.91	4.82
EPS (In Rs.)	3.27	4.04

2. STATE OF THE COMPANY'S AFFAIRS

The sales turnover of the Company reduced during the year to Rs. 116.28 Crores as compared to the previous year's Rs. 156.56 Crores on account of slowdown in the economy. Accordingly, profits of the Company also reduced and Company posted Net Profit at Rs 3.91 Crores as compared to Rs 4.82 Crores achieved during last year. It is a matter of satisfaction that the operational efficiency of the Company has substantially improved and it is reflected in increase in rate of profitability.

However looking at the prevailing economic environment, your Directors are enthusiastic and foresee enough opportunities of witnessing promising growth in not only the domestic economy but reasonable growth in export markets.

3. MANAGEMENT DISCUSSION AND ANALYSIS

A detailed Report on Management Discussion and Analysis is annexed with this Report as Annexure-A.

4. DIVIDEND

Your directors are of a view to plough back the profits in order to meet the requirements for the increased working capital, hence the directors do not recommend any dividend to be declared for the year under review.

5. CHANGES IN CAPITAL STRUCTURE AND NATURE OF BUSINESS

There was no Change in company's capital structure and nature of business of the Company during the year under review.

6. SUBSIDIARIES, JOINT VENTURES AND ASSOCIATE COMPANIES

The Company did not have any subsidiaries, joint ventures or associate company during the year under review. Therefore there is no information available to be provided under Rule 8(5) of the Companies (Accounts), Rules, 2014.

7. PARTICULARS OF EMPLOYEES AND RELATED DISCLOSURES

There are upto 190 numbers of permanent employees on the roll of company during the year under review.

There is no information available to be provided in terms of the provisions of Section 197(12) of the Companies Act, 2013 read with Rules 5(2) and 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, as there was no employee drawing remuneration in excess of the limits set out in the said Rules, during the year under review.

Disclosures pertaining to remuneration and other details as required under section 197(12) of the Act read with rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 are provided in the Corporate Governance Report annexed as **Annexure B**, however, having regard to the provisions of first proviso of Section 136(1) of the Act, the Annual Report excluding the aforesaid information is being sent to the members of the Company. The said information is available for inspection at the Registered Office of the Company during working hours and any member interested in obtaining such information may write to the Company Compliance officer and the same will be furnished on request.

8. REPORT ON CORPORATE GOVERNANCE

Your Company is fully compliant with the Corporate Governance guidelines, as laid out in regulation 17 to 27 read with Schedule V and clauses (b) to (i) of sub-regulation (2) of regulation 46 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015. A separate report on corporate governance is attached herewith as **Annexure-B**.

MULTIMETALS LIMITED

The Practicing Company Secretary has examined the requirements of Corporate Governance with reference to regulation 17 to 27 and clauses (b) to (i) of regulation 46(2) and paragraphs C, D and E of Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and has certified the compliance, as required under the above said clauses. The Certificate in this regard is attached as Annexure-C to this Report.

The Managing Director / Chief Financial Officer (CEO/CFO) certification as required under part B of schedule II of the SEBI Listing Regulations is attached as **Annexure-D** to this Report.

9. DIRECTORS AND KEY MANAGERIAL PERSONNEL

In accordance with the provisions of the Companies Act, 2013 during the year under review, Mr. Vasudev Agarwal and Mr. Nitin Agarwal, retire by rotation at the ensuing Annual General Meeting and being eligible, offer themselves for re-appointment.

Independent Directors of the Company have declared that they meet the criteria of Independence in terms of Section 149(6) of the Companies Act, 2013 and that there is no change in their status of Independence.

10. DIRECTORS' RESPONSIBILITY STATEMENT

To the best of our knowledge and belief and according to the information and explanations obtained by us, your Directors make the following statements in terms of Section 134(3)(c) of the Companies Act, 2013:

- I. In the preparation of Annual Accounts for the Financial Year ended on 31st March, 2017, the applicable Accounting Standards had been followed along with proper explanation relating to material departures.
- II. 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 financial year and of the profit of the Company for the year under review.
- III. The Directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of Companies Act, 2013 and for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities.
- IV. The Directors have prepared the accounts for the financial year ended on 31st March, 2017, on going concern basis.
- V. Proper internal financial controls were followed by the Company and that such internal financial controls are adequate and were operating effectively.
- VI. 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.

11. NUMBER OF MEETINGS OF THE BOARD

Six meetings of the board were held during the year. For details of the meetings of the board, please refer to the Corporate Governance Report, which forms part of this report.

12. AUDITORS

Statutory Auditors

Under Section 139 of the Companies Act, 2013 and the rules made thereunder, it is mandatory to rotate the Statutory Auditors on completion of the maximum term permitted under the said section. Accordingly, the existing auditors, M/s M.P. Sharma & Co., shall vacate their office of Auditors of the Company at the conclusion of the forthcoming AGM. The Audit Committee of the Company has proposed and on 29th May, 2017, the Board of Directors of the Company has recommended the appointment of M/s Jain Akhil & Co., Chartered Accountants (ICAI Registration No. 030283N) New Delhi, as Statutory Auditors of the Company. M/s Jain Akhil & Co. will hold office for a period of five consecutive years from the conclusion of the 53rd AGM of the Company till the conclusion of the 58th AGM. The first year of audit will be of the financial statements for the year ending March 31, 2018.

The notes to the accounts referred to in the Auditors' Report are self-explanatory and therefore do not call for any further comments.

Secretarial Auditors

Pursuant to the provisions of Section 204 of The Companies Act, 2013 and The Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Company has appointed M/s JPS & Associates, Jaipur a firm of Company Secretaries in Practice to conduct Secretarial Audit of the company for the FY 2016-17. The Secretarial Audit Report for the Financial Year ended on March 31, 2017 is annexed herewith as **Annexure-E**.

Reply to Auditors Observation

As per Point VII (1) of the Secretarial Auditors Report, "the Company has not complied with section 148 of the Companies Act, 2013 w.r.t. filing of Cost Audit Report with ROC."

In this regard it may be noted that the delay occurred due to non receipt of report from Cost Auditors.

As per Point VII (2) of the Secretarial Auditors Report, "the Company has not complied with regulation 38 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 w.r.t. maintaining minimum public shareholding of 25%."

In this regard it may be noted that the promoters of the Company are in process of diluting their shareholding and to make due compliance.

Cost Auditors

Pursuant to the provisions of Section 148 of Companies Act 2013 read with The Companies (Cost Records and Audit) Rules, 2014 the Board has appointed M/s Parihar Pawan & Associates as Cost Auditors of the Company for the Financial Year 2016-17.

Internal Auditors

Pursuant to the provisions of Section 138 of Companies Act 2013 read with the Rule 13 of Companies (Accounts) Rules, 2014,