

26TH ANNUAL REPORT

OF

ASHOKA REFINERIES LIMITED

**FOR THE YEAR
2016 – 2017**

STATUTORY AUDITORS

SUNIL JOHRI AND ASSOCIATES

CHARTERED ACCOUNTANTS

**110, WALLFORT OZONE, FAFADIH CHOWK
RAIPUR, (CG)**

Mob: 9893121888

Email: johri62@rediffmail.com

ASHOKA REFINERIES LIMITED

Reg. Off: Shyam Complex, Ramsagar Para, Raipur (C. G.) 492001

PH-07714036578 FAX – 0771-4036578

CIN NO: L15143CT1991PLC006678

www.ashokarefineries.com

Email: ar@raipur@yahoo.com

To
All the Members

NOTICE

NOTICE is hereby given that 26th Annual General Meeting of the Company will be held at 11.30am on Monday, the 31st July, 2017 at Shyam Complex, Ramsagar Para, Raipur (C. G.) to transact following business:

ORDINARY BUSINESS:

1. To receive, consider and adopt financial statement containing the Balance Sheet as at 31st March, 2017 and Statement of Profit & Loss, Cash Flow, Related Party Transactions and Notes to the Financial Statements for the period ended 31st March, 2017 forming part of the Accounts for the year 2016-17, and the Report of the Independent Auditors thereon.
2. To consider re-appointment of director Shri Sudhir Dixit (DIN 02023125) who retire by rotation and being eligible, offers himself for reappointment and if thought fit, to pass the following resolution with or without modification as an **ordinary resolution** –

"RESOLVED THAT pursuant to the provisions of Section 152 of the Companies Act, 2013, Shri Sudhir Dixit (DIN 02023125), who retires by rotation at this meeting and being eligible has offered himself for re-appointment, be and is hereby re-appointed as a Director of the Company, liable to retire by rotation."

3. The Companies Act, 2013 the Act') 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 thereunder, 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 auditor in the same company. The present auditors, Sunil Johri & Associates, Chartered Accountants (Firm registration number: 005960C) have served the Company for over 10 years before the Act was notified and will be completing the maximum number of transitional period (three years) at the ensuing 26th AGM.

The audit committee of the Company has proposed in their meeting held on 29th June, 2017 and subsequently the Board has recommended the appointment of M/s Agrawal Shukla & Co., Chartered Accountants, (Firm registration number 326151E) as the statutory auditors of the Company in their meeting held on 30th June, 2017. They will hold office for a period of five consecutive years from the conclusion of the 26th Annual General Meeting of the Company till the conclusion of the 31st Annual General Meeting to be held in 2021-22. The first year of audit will be of the financial statements for the year ending on 31st March, 2018, which will include the audit of the quarterly financial statements for the year. Therefore, shareholders are requested to consider and if thought fit, to pass the following resolution as **ordinary resolution**:

"RESOLVED THAT pursuant to Section 139 and 142 other applicable provisions of the Companies Act, 2013 and rules made there under (including any statutory modification(s) or re-enactment thereof for the time being in force), M/s Agrawal Shukla & Co., Chartered Accountants, Raipur (Firm registration number Firm registration number 326151E) be and are hereby appointed as Statutory Auditors of the Company to hold office for a consecutive period of five years from conclusion of 26th Annual General Meeting till the conclusion of the 31st Annual General Meeting (subject to ratification of their appointment at every Annual General Meeting) at such remuneration as shall be fixed mutually by the Audit Committee in consultation with Auditors and Board of Directors of the Company."

SPECIAL BUSINESS:

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

"RESOLVED THAT the consent of the members of the Company be and is hereby given in terms of Section 180(1)(a) and other applicable provisions, if any, of the Companies Act, 2013 read with the Companies (Meetings of Board and its Powers) Rules, 2014 including any statutory modifications and re-enactments thereof, for the time being in force, for creation of charge / mortgage / pledge / hypothecation / security in addition to existing charge / mortgage / pledge / hypothecation / security, in such form and manner and with such ranking and at such time and on such terms as the board may determine, on all or any of the movable and/or immovable properties, tangible or intangible assets of the Company, both present and future and/or the whole or any part of the undertaking(s) of the Company as the case may be in favour of the lender(s), agent(s) and trustee(s), for securing the borrowings availed/ to be availed by the Company by way of loan(s) and securities issued/to be issued by the Company from time to time.

RESOLVED FURTHER THAT the securities to be created by the Company as aforesaid may rank prior / pari-passu / subservient with / to the mortgagees and/or charges already created or to be created in future by the Company, as may be agreed to between the Companies' Board of Directors and the lenders.

RESOLVED FURTHER THAT for the purpose of giving effect to this resolution, the Board be and is hereby authorised to do all such acts, deeds, and things and deal with all such matters and take all such steps as may be necessary."

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

"RESOLVED THAT the consent of the members of the Company be and is hereby accorded under the provisions of section 180(1)(c) and other applicable provisions, if any, of the Companies Act, 2013 read with the Companies (Meetings of Board and its Powers) Rules, 2014 including any statutory modification(s) and re-enactment(s) thereof, for the time being in force to the Board of Directors of the Company to borrow any sum or sums of money from time to time, notwithstanding that the money or monies to be borrowed together with the money already borrowed by the Company (apart from temporary loans obtained from the Company's Bankers in the ordinary course of business) may exceed the aggregate of its paid up share capital and free reserves, that is to say, reserves not set apart for any specific purpose, subject to such aggregate borrowings not exceeding the amount which is Rs.50Crores (Rupees fifty Crores only) over and above the aggregate of paid up share capital of the Company and its free reserves and that the Board be and is hereby authorised to arrange or fix terms and conditions of all such monies to be borrowed from time to time as to interest, repayment, security or otherwise as it may, in its absolute discretion, think fit.

RESOLVED FURTHER THAT for the purpose of giving effect to this resolution, all the directors of the Company be and are hereby authorised severally the Board authorised to do all such acts, deeds, and things and deal with all such matters and take all such steps as may be necessary."

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

RESOLVED THAT pursuant to the provisions of section 186 of the Companies Act, 2013 (as amended or re-enacted from time to time) read with rule no 11 & 13 the Companies (Meeting of Board and its Powers) Rules, 2014 the consent of the members of the Company be and is hereby accorded to grant of loans or make investment or provide security or guarantee in for an amount(s) exceeding 60% of paid-up capital, free reserves and securities premium account or 100% of free reserves and securities premium account but not exceeding Rs.60.00 (Rupees Sixty Crores only) on such terms and conditions as may be decided by the Board of Directors of the Company from time to time.

RESOLVED FURTHER THAT in case of divestment of the investment, the Directors of the Company be and are hereby authorized to sign the necessary applications, papers, forms, documents etc. for effective implementation of decision of divestment taken by the Company from time to time.

RESOLVED FURTHER THAT for the purpose of giving effect to the above, Board of Directors of the Company and/or any person authorized by the Board from time to time be and is hereby empowered and authorised to take such steps as may be necessary for obtaining approvals, statutory or otherwise, in relation to the above and to settle all matters arising out of and incidental thereto and to sign and to execute deeds, applications, documents and writings that may be required, on behalf of the Company and generally to do all such acts, deeds, matters and things as may be necessary, proper, expedient or incidental for giving effect to this resolution."

All the members are requested to attend the meeting.

By order of the Board
For, Ashoka Refineries Limited

Sd/-
(Monika Jain)
Company Secretary & Compliance Officer

Date: 30th June, 2017
Place: Raipur

Notes:

1. A member of the company entitled to attend and vote at the meeting, is entitled to attend a proxy to attend and vote instead of himself and a proxy need not be a member.
2. Instruments of proxies in order to be valid must be deposited at the registered office of the company not less than 48 hours before the time for the meeting.
3. The statement pursuant to Section 102 of the Companies Act, 2013, relating to the special business to be transacted at the meeting is annexed hereto.
4. Details pursuant to SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015 in respect of director seeking appointment/re-appointment at Annual General Meeting forms part of the notice.
5. The Register of Members and Share Transfer Books will remain closed from 26th July, 2017 to 31st July, 2017 (both days inclusive).
6. Members who are holding Shares in Physical Form are requested to notify their e-mail address, addresses or Bank details or changes if any to the Company's Registrar and Transfer Agent (RTA) and always quote their Folio Numbers in all correspondences with the Company and RTA. In respect of holding Shares in Electronic Form, members are requested to notify any change in email, addresses or Bank details to their respective Depository Participants.
7. 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 Act, are requested to submit details to the Registrar and Transfer Agents of the Company, in the prescribed Form SH. 13 for this purpose.
8. Corporate Member(s) intending to send their Authorized Representative(s) are requested to send a duly certified copy of the Board Resolution authorizing such representative(s) to attend and vote at the Annual General Meeting.
9. There shall be voting by show of hands at the Annual General Meeting. The members who will be physically present at the Annual General Meeting shall be provided with polling papers to cast their votes at the meeting.
10. The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in securities market. Members holding Shares in Electronic Form are, therefore, requested to submit the PAN to their Depository Participants with which they are maintaining their Demat Accounts. Members holding shares in Physical Form can submit their PAN details to the Company's Registrar and Transfer Agent.
11. Members who are still holding Shares in Physical Form are advised to dematerialize their shareholdings to avail the benefits of dematerialization which beside others include easy liquidity (since trading is permitted only in Dematerialized Form), electronic transfer, savings in stamp duty, prevention of forgery etc.
12. The Ministry of Corporate Affairs has taken "Green Initiative in the Corporate Governance" by allowing paperless compliances by the Companies and has issued circulars stating that service of notice/documents including Annual Report can be effected through e-mail to its members. To support this green initiative of the Government in full measure, the Company is sending Annual Report electronically to the e-mail addresses of members as obtained from Depositories/other sources, unless specifically requested to be sent in Physical Form. The members, who have not registered/updated their e-mail addresses so far, are requested to register/update their e-mail addresses, in respect of electronic holdings with the Depository through their concerned Depository Participant. Members who hold their Shares in Physical Form shall be sent hard copies of Annual Report and who are desirous of receiving the communications/documents in Electronic Form are requested to promptly register their e-mail addresses with the Company.

13. Members may also take a note that notice of 26th Annual General Meeting and Annual Report for 2016-17 will also be available on the Company's website www.ashokarefineries.com.
14. Members are requested to bring their attendance slip and copy of annual report at the meeting.
15. Voting through electronic means-
 - a. In compliance with provisions of Section 108 of the Companies Act, 2013 and Rule 20 of the Companies (Management and Administration) Rules, 2014 and Regulation the Company is leased to provide members facility to exercise their right to vote at the 26th Annual General Meeting (AGM) by electronic means and the business may be transacted through e-Voting Services provided by Central Depository Services (India) Limited.

b. THE INSTRUCTIONS FOR SHAREHOLDERS VOTING ELECTRONICALLY ARE AS UNDER:

- (i) The voting period begins on 28th July, 2017 from 10.00am onwards and ends on 30th July, 2017 at 5.00pm. During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date 25th July, 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.
- (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 (v).

- (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 **Ashoka Refineries 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 a print of the votes cast by clicking on "Click here to print" option on the Voting page.
- (xviii) If a demat account holder has forgotten the login password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
- (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.

EXPLANATORY STATEMENT

Following Statement, pursuant to the provisions of Section 102 of the Companies Act, 2013, sets out the material facts relating to the Item Nos. 4 mentioned in this notice:

ITEM NO. 4:

Banks and Financial Institutions sanctions/advances credit facilities to the companies subject to mortgage or charge over the immovable and movable properties (present and future) of the company, along with hypothecation on the stocks, goods, book debts etc. of the company. The company has to borrow from time to time and thus the proposed resolution enables the company to comply with the requirements of creating charge/mortgage over assets of the company to secure repayment of loan, interest, etc in favour of Banks and financial institutions. Pursuant to the provisions of Section 180(1) (a) Of the Companies Act, 2013, necessary powers required by the Board to sell, lease, mortgage and/or dispose of whole or substantially the whole of the undertaking (s). The same requires the approval of the members by way of special resolution as per the requirements of Section 180(1) (a) of the Companies Act, 2013.

The Board recommends the above Special resolution for your approval, as the same is in the interest of the company.

None of the Directors, Key Managerial Personnel and their relatives are interested or concern in the resolution.

ITEM NO. 5:

The provisions of Section 180(1)(c) of the Companies Act, 2013 provides that the Board of Directors of a company shall borrow monies (apart from temporary loans obtained or to be obtained from the Company's bankers in the ordinary course of business) from time to time on behalf of the Company upto the aggregate of its paid up share capital and free reserve, and consent of the members by a special resolution is required in case where the money to be borrowed, together with the money already borrowed by the company will exceed aggregate of its paid up share capital and free reserves.

The company is constantly reviewing opportunities for new and expansion of its business operations and would, therefore required to borrow in order to achieve greater financial flexibility and therefore proposed that the board of directors of the company be authorized to borrow from time to time such sum of money even though the money so borrowed together with money already borrowed exceed in the aggregate of the paid up share capital and free reserves of the company provided however that the total borrowing (apart from temporary loans obtained or to be obtained from company's bankers in the ordinary course of business) shall not exceed as specified in proposed resolution.

It is, therefore, proposed that a Special Resolution be passed by the members of the Company.

None of the Directors, Key Managerial Personnel and their relatives are interested or concern in the resolution.

ITEM NO. 6:

In order to make optimum use of funds available with the Company and also to achieve long term strategic and business objectives, the Board of Directors of the Company proposes to make use of the same by making investment in other bodies corporate or granting loans, giving guarantee or providing security to other persons or other body corporate or as and when required.

Pursuant to the provisions of section 186(3) of the Companies Act, 2013 and rules made there under, the Company needs to obtain prior approval of shareholders / members by way of special resolution passed at the General Meeting in case the amount of investment, loan, guarantee or security proposed to be made is more than the higher of sixty percent of the paid up share capital, free reserves and securities premium account or one hundred percent of free reserves and securities premium account.

Accordingly, the Board of Directors of the Company proposes to obtain approval of shareholders by way of special resolution as contained in the notice of the General Meeting for an amount not exceeding **Rs.60 crores (Rupees Sixty Crores only)** outstanding at any time notwithstanding that such investments, outstanding loans given or to be given and guarantees and security provided are in excess of the limits approved the members in the this meeting.

The Directors therefore, recommend the Special Resolution for approval of the shareholders.

None of the Directors, Key Managerial Personnel and their relatives are interested or concern in the resolution.

ADDITIONAL DISCLOSURE AS PER REGULATION 36(3) OF THE SEBI (LISTING OBLIGATION & DISCLOSURE REQUIREMENTS) REGULATIONS, 2015

1. MR. SUDHIR DIXIT

Mr. Sudhir Dixit is associated with the Company since 1997 and has extensive knowledge and experience about the business. He is a Commerce post graduate and possesses good knowledge of accounts and finance therefore has been entrusted with responsibilities of Chief Financial Officer since year 2015. He is performing his duties and responsibilities with due care.

Disclosure of relationships between directors inter-se

NIL

Listed Companies (other than Ashoka refineries Limited) in which Mr. Sudhir Dixit holds directorship and committee membership

DIRECTORSHIP

NIL

Chairperson / Membership of the Committees

NIL

Shareholding in the Company

NIL

ASHOKA REFINERIES LIMITED

Reg. Off: Shyam Complex, Ramsagar Para, Raipur (C. G.) 492001

PH-07714036578 FAX – 0771-4036578

CIN NO: L15143CT1991PLC006678

www.ashokarefineries.com

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CORPORATE PROFILE

BOARD OF DIRECTORS

Mr. Shabir Memon	Managing Director (MD)
Mr. Sudhir Dixit	Director & CFO
Mr. Ravi Kamra	Independent Director
Mr. Deepak Tyagi	Independent Director
Mrs. Satyawati Parashar	Independent Director
Mr. Ghanshyam Soni	Independent Director

COMMITTEES OF THE BOARD

I. AUDIT COMMITTEE	
Mr. Ravi Kamra – Independent Director	Chairman
Mrs. Satyawati Parashar – Independent Director	Member
Mr. Sudhir Dixit – Director & CFO	Member
II. NOMINATION & REMUNERATION COMMITTEE	
Mrs. Satyawati Parashar– Independent Director	Chairman
Mr. Shabir Memon – Managing Director	Member
Mr. Ravi Kamra – Independent Director	Member
III. STAKEHOLDERS RELATIONSHIP COMMITTEE	
Mrs. Ravi Kamra – Independent Director	Chairman
Mr. Shabir Memon – Managing Director	Member
Mr. Sudhir Dixit – Director & CFO	Member

COMPLIANCE OFFICER

Ms. Monika Jain	Company Secretary
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INDEPENDENT AUDITORS

Sunil Johri & Associates Chartered Accountants Nathani Building, Shastri Chowk, G.E. Road, Raipur – 492 001	SATISH BATRA & ASSOCIATES, Company Secretaries, C-501, Ashoka Ratan, PO Shankar Nagar, Raipur (C. G.) 492 007
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SECRETARIAL AUDITORS

LISTED ON

BOMBAY STOCK EXCHANGE, MUMBAI	BEETAL Finance And Computer Services (P) Limited BEETAL HOUSE, 99 Madangir, Behing LSC, Near Dada Harsukhdar Mandir, Delhi – 110062 Telephone :011- 29961281 Email Address : Beetalrta@Gmail.Com
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REGISTRAR & SHARE TRANSFER AGENTS

REGISTERED OFFICE

Shyam Complex, Ramsagar Para, Raipur (C. G.) 492001

DIRECTORS' REPORT

To the Members
Ashoka Refineries Limited,
Raipur (C. G.) 492001,

Your Directors have pleasure in presenting the **26th Annual Report** on the business and operation of the Company together with audited statement of accounts for the year ended on 31st March, 2016.

1. **FINANCIAL RESULTS:**

Particulars	31 st March, 2017	31 st March, 2016
Operating Income	0	0.00
Other Income	1,75,070.00	565.00
Total Receipts:	1,75,070.00	565.00
Total Expenses	10,21,195.00	5,49,604.90
Profit/ (Loss) Before Tax:	(8,46,125.00)	(5,49,039.00)
Prior Period Expenses	(24,800.00)	0.00
Tax Expenses	0.00	0.0
Profit/ (Loss) for the period :	(8,70,925.00)	(5,49,039.00)
Earnings Per Share (in Rs.)	(0.26)	(0.11)

2. **PERFORMANCE REVIEW & PROSPECTS FOR THE CURRENT YEAR**

During the year under review, the Company could not operate on account of acute economic recession, due to lack of business opportunities and inadequacy of equity base. The Company suffered a net loss of Rs.8.71 lacs mainly due to write off of Bad-debts during the year under review.

Your Directors deeply regret for the poor performance of the company due to reasons beyond their control. The economic condition continues to be bad and the Company is planning for a take-off in the next year.

3. **TRANSFER TO RESERVES**

The loss incurred during the year is proposed to be transferred to Profit & Loss Account.

4. **DIVIDEND**

In view of losses, your directors are not in a position to recommend any dividend for the year under review.

5. **INDUSTRIAL RELATIONS:**

The Company is not running any industry. The management & employer relations continue to be cordial.

6. **CHANGE IN THE NATURE OF BUSINESS, IF ANY**

There is no change in the nature of business of the Company.

7. **LISTING**

The Company continues to be listed on Bombay Stock Exchange (BSE). All the dues whether relating to Stock Exchange, Depositories and Registrar & Transfer Agent stands paid. The company is duly complying with all the requirements laid under SEBI (LODR) regulations, 2015.

8. **MATERIAL CHANGES AND COMMITMENTS, IF ANY, AFFECTING THE FINANCIAL POSITION OF THE COMPANY**

No material changes and commitments affecting the financial position of the Company have occurred during the current year.

9. **DETAILS IN RESPECT OF ADEQUACY OF INTERNAL FINANCIAL CONTROLS WITH REFERENCE TO THE FINANCIAL STATEMENTS**

The Company has adequate Internal Control System, commensurate with its size, scale and operations. The Internal Audit Department monitors and evaluates the efficacy and adequacy of internal control system in the Company, its compliance with operating systems, accounting procedures and policies of the Company.

During the year no reportable material weakness in the design or operation was observed.

10. **DETAILS OF SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS OR COURTS OR TRIBUNALS IMPACTING THE GOING CONCERN STATUS AND COMPANY'S OPERATIONS IN FUTURE**

There are no such orders passed by the regulators or courts or tribunals impacting the going concern status and company's operations in future.

11. **SUBSIDIARIES, JOINT VENTURES AND ASSOCIATE COMPANIES**

The Company does not have any Subsidiary, Joint venture or Associate Company. The Company is also not a subsidiary of any other company.

12. **DEPOSITS:**

The Company did not accept any deposit within the meaning of Section 73 of the Companies Act, 2013 and the Rules made there under. As such there are no small depositors in the company.

13. **STATUTORY AUDITORS**

The Companies Act, 2013 the Act' 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 thereunder, 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 auditor in the same company. The present auditors, Sunil Johri & Associates, Chartered Accountants (Firm registration number: 005960C) have served the Company for over 10 years before the Act was notified and will be completing the maximum number of transitional period (three years) at the ensuing 26th AGM.

The audit committee of the Company has proposed on 29th June, 2017 in their meeting and subsequently the Board has recommended the appointment of M/s Agrawal Shukla & Co., Chartered Accountants (Firm registration number 326151E) as the

statutory auditors of the Company. They will hold office for a period of five consecutive years from the conclusion of the 26th Annual General Meeting of the Company till the conclusion of the 31st Annual General Meeting to be held in 2021-22. The first year of audit will be of the financial statements for the year ending on 31st March, 2018, which will include the audit of the quarterly financial statements for the year.

M/s Agrawal Shukla & Co has given their consent and eligibility certificate to act as Statutory Auditors of the Company, if their appointment is approved by the members of the company.

Your Directors recommend their appointment on a remuneration to be decided by the Board of Director and the Auditor mutually.

14. **AUDITORS OBSERVATION:**

As regard the qualification remarks by the Auditors, it is stated that the Company has taken in process analysis of HRD Data for the purpose of providing gratuity liability in accordance with AS-15.

15. **Directors**

a) **Appointment/re-appointment/resignation**

Mr. Ravi Kamra, Mrs. Satyawati Parashar and Mr. Deepak Tyagi were appointed as independent directors at the annual general meeting of the Company held on 30th September, 2015. Pursuant to the provisions of section 149 of the Act, they have submitted a declaration that each of them meets the criteria of independence as provided in section 149(6) of the Act and there has been no change in the circumstances which may affect their status as independent director during the year.

During the year, the non-executive directors of the Company had no pecuniary relationship or transactions with the Company.

Mr. Shabbir Menon was appointed as Managing Director not liable to retire similarly independent Directors appointed are not liable to retire as per the provisions of the Act. Therefore, considering the above Mr. Sudhir Dixit is the only director liable to retire therefore by rotation at the ensuing Annual General Meeting and being eligible has offered himself for re-appointment. Your Directors recommend his appointment as a Director.

Pursuant to the provisions of section 203 of the Act, the key managerial personnel of the Company are Mr. Shabir Memon (Managing Director), Mr. Sudhir Dixit (Chief Financial Officer) and Ms. Monika Jain (Company Secretary & Compliance Officer).

b) **Declaration by Directors under Section 184**

Directors declare that no directors are disqualified from being appointed as Director of the Company under Section 184 of the Companies Act, 2013.

16. **SHARE CAPITAL**

Authorised Capital of the Company is Rs.3,75,00,000.00 divided into 37,50,000 equity shares of Rs.10.00 each further the issued, paid-up and subscribed capital stands at Rs.3,40,19,000.00 divided into 34,01,900 equity shares of Rs.10.00 each. There have been no changes in the Share Capital of the company. Further, Company has not -

- a. Issued any equity shares with differential rights during the year.
- b. Issued any sweat equity shares during the year
- c. Issued employee stock options during the year.
- d. Made any provision for purchase of its own shares during the year.

17. **SECRETARIAL AUDIT**

Being a listed company, your Company is required to obtain Secretarial Audit Report. Therefore, in terms of provisions of Section 204 of the Companies Act, 2013 Act and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Board of Directors had appointed Satish Batra & Associates, a Practicing Company Secretary firm for conducting secretarial audit of the Company for the financial year 2016-2017. His report is annexed herewith as **Annexure-1**.

The report does not contain any qualification, reservation or adverse remark.

18. **MANAGEMENT DISCUSSION AND ANALYSIS:**

Management's Discussion and Analysis Report for the year under review as stipulated under Schedule V of SEBI (LODR) Regulations, 2015 is presented in Annexure-2.

19. **PARTICULARS OF CONTRACTS OR ARRANGEMENTS WITH RELATED PARTIES**

Your Company did not enter into any contract or arrangement during the financial year with related parties. Form AOC-2 as required under the Companies (Accounts) Rules, 2014 is attached as Annexure-4.

20. **EXTRACT OF THE ANNUAL RETURN AS REQUIRED UNDER SECTION 92(3) OF THE COMPANIES ACT, 2013**

Extract of Annual return of the Company is annexed herewith as an Annexure-5 to this report.

21. **CONSERVATION OF ENERGY & TECHNICAL ABSORPTION:**

The Company is not a manufacturing Company and as such no provisions of Conservation of Energy, Technology Absorption under Section 134 of the Companies Act, 2013 read with the Companies (Accounts) Rules, 2014 are attracted.

As the Company has not carried out any activities relating to the export and import during the financial year. There is no foreign exchange expenses and foreign income during the financial year.

22. **CORPORATE SOCIAL RESPONSIBILITY**

The Company is not covered under Section 135(2) of the Companies Act, 2013. Hence, no policy or disclosures are required to be made under the said section or applicable rules.

23. **NUMBER OF MEETINGS OF THE BOARD OF DIRECTORS**

The Board of Directors met 6 (six) times during the year under review. Proper notices of the meeting were given to all the Directors and intimation were duly made to Stock Exchange regarding the conducting of the Board Meeting and its outcome.

24. **PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS**

Details of Loans, Guarantees, and Investments covered under the provisions of Section 186 of the Companies Act, 2013 are given in Note No. 7 to the Financial Statements.

25. **DISCLOSURE OF DIRECTORS' REMUNERATION**

As per Section 197(12) read with Rule 5 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, no remuneration has been paid to any of the Directors of the Company.

26. **RISK MANAGEMENT POLICY**

Risk Management is a very important part of business as it is an inherent part of any business unless and until a Company takes a risk can't achieve success. Higher the risk maximum the return. Therefore, your directors keep a close watch on the risk prone areas and take actions from time to time. The policy of the Company is to comply with statutory requirements and try to overcome the risk of penalties and prosecutions.

The Company does not have any insurable assets. However, the policy of the Company is to keep insured all insurable assets to keep them adequately insured against risks and uncertainties like fire, riot, earthquake, terrorism, loss of profit, etc.

27. **DIRECTORS' RESPONSIBILITY STATEMENT**

Pursuant to requirement under Section 134(5) of the Companies Act, 2013, with respect to Directors' Responsibility Statement, it is hereby confirmed:-

- i. In the preparation of the annual accounts for the year ended 31st March, 2017, the applicable accounting standards had been followed along with proper explanation relating to material departures;
- ii. The directors have ensured that all applicable accounting policies are applied by them consistently and directors have 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 as at 31st March, 2017 and of the profit and loss of the Company for that period;
- iii. The directors had taken and continue to take 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;
- iv. The directors had prepared and continue to prepare the annual accounts on a going concern basis;
- v. The directors had laid and continue to lay down internal financial controls to be followed by the company and that such internal financial controls are adequate and were operating effectively; and
- vi. The directors had devised and continue to devise proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

28. **PERSONNEL:**

There was no employee receiving remuneration attracting provisions of section 134(3) (q) of the Companies Act, 2013 read with Rule 5(2) & (3) of rules the Companies (Appointment & Remuneration of Managerial Personnel) Rules, 2014.

29. **PREVENTION SEXUAL HARASSMENT OF WOMEN AT WORKPLACE**

Your Directors further state that during the year under review, there were no reported instances pursuant to the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.

30. **ACKNOWLEDGEMENT**

Your directors wish to place on record their sincere appreciation for contributions made by employees of the company and cooperation extended by the bankers and all persons who have directly and indirectly contributed to the success of the company.

Your directors also acknowledge the trust and confidence you have reposed in the company.

BY AND ON BEHALF OF THE BOARD.

DATED: 30th June, 2017
PLACE: Raipur (C. G.)

SD/-
(Shabir Memon)
Managing Director
DIN 02023147

SD/-
(Sudhir Dixit)
Director & CFO
DIN 02023125