

BHARAT AGRI FERT & REALTY LTD.



**32nd ANNUAL REPORT
(2016 - 2017)**

Corporate Information

BOARD OF DIRECTORS

Shri Yogendra D. Patel
Chairman & Managing Director
Smt. Anjni Y. Patel
Whole Time Director
Ms. Chandni Y. Patel
Whole Time Director
Shri Vijal Y. Patel
Whole Time Director
Shri K. N. Jethwa
Whole Time Director
Shri Suresh M. Bhadrecha
Independent Director
Shri Shirish P. Gajendragadkar
Independent Director
Shri Ramesh J. Vekaria
Independent Director
Shri Rohit C. Vakharia
Independent Director
Shri Yogesh S. Rathod
Independent Director

C.E.O.

Shri Shailendra D. Patel

COMPANY SECRETARY

Shri A. J. Chakote

STATUTORY AUDITORS

M/s. Desai Saksena & Associates
Chartered Accountants

BANKERS

Bank of Baroda

REGISTERED OFFICE

Bharat Fertiliser House,
12, Nanabhai Lane,
Fort,
Mumbai – 400 023.
Tel.No.(022)22835547
Website : www.bharatrealty.co.in

CHANGED w.e.f. 20st JUNE, 2017

301, 3rd Floor, Hubtown Solaris,
N. S. Phadke Marg, Near East West Flyover,
Andheri (East), Mumbai - 400 069.
Tel. No.(022)61980100/26820498/90/91
CIN No. L24100MH1985PLC036547

REGISTRARS & SHARE TRANSFER AGENT

M/s. Link Intime (India) Pvt. Ltd.
C 101, 247 Park, L.B.S. Marg,
Vikhroli (West), Mumbai - 400 083.

SITE OFFICE

Shiv Sai Paradise, 'C' Mayfair Gr. Floor,
Opp. URCT, Majiwada, Thane (West) - 400 601.

PLANT & ANCHAVIYO RESORT

Kharivali Village
Taluka : Wada
Dist : Palghar.

Sr. No.	Contents	Page No.
1.	Notice to Members	03 - 06
2.	Director's Report & Annexures to Directors Report	07 - 23
3.	Management Discussion & Analysis	24 - 24
4.	Report on Corporate Governance	25 - 34
5.	Auditors Report	35 - 41
6.	Annual Accounts	42 - 81
7.	Attendance slip/Proxy form	83 - 85
<u>ANNUAL GENERAL MEETING</u>		<u>BOOK CLOSURE :</u>
Date : Friday 29th September, 2017		20th September, 2017
Time : 3.30 P.M.		To
Venue : Sardar Patel Baug,		29th September, 2017
Shri Vile Parle Patidar Mandal, Parleshwar Road,		(Both Days Inclusive)
Vile Parle (East), Mumbai – 400 057.		

32nd ANNUAL REPORT (2016 - 2017)

NOTICE TO THE MEMBERS

NOTICE is hereby given that the 32nd Annual General Meeting of the Members of **BHARAT AGRI FERT & REALTY LIMITED** will be held on Friday, 29th September, 2017, at 3.30 P.M. at Sardar Patel Baug, Shri Vile Parle Patidar Mandal, Parleshwar Road, Vile Parle (East), Mumbai - 400 057 to transact, with or without modification(s) the following business:

ORDINARY BUSINESS:

1. To receive, consider and adopt:
 - a. the Audited Standalone Financial Statements of the Company for the financial year ended 31st March, 2017 including Audited Balance Sheet as at 31st March, 2017, the Statement of Profit and Loss for the year ended on that date and Cash Flow Statement together with the Reports of the Board of Directors and Statutory Auditors thereon; and
 - b. the Audited Consolidated Financial Statements of the Company for the financial year ended 31st March, 2017 including Audited Balance Sheet as at 31st March, 2017, the Statement of Profit and Loss for the year ended on that date and Cash Flow Statement together with the Report of Statutory Auditors thereon.
2. To appoint a Director in place of **Shri. Vijal Yogendra Patel (DIN: 06882828)**, who retires by rotation and being eligible offers himself for re-appointment.
3. 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, 142 and all other relevant provisions of the Companies Act, 2013 and the Rules made thereunder, (including any statutory modification(s) or re-enactment(s) thereof for the time being in force), the appointment of **M/s. Desai Saksena & Associates**, Chartered Accountants, Mumbai (Firm Registration Number: **102358W** with the Institute of Chartered Accountants of India), as Statutory Auditors of the Company, by resolution passed at the 29th AGM until the conclusion of the 33rd AGM be and is hereby ratified for the balance term and accordingly they continue to hold office from the conclusion of the 32nd AGM until the conclusion of the 33rd AGM on such remuneration as may be agreed upon by the Audit Committee/Board of Directors in consultation with the Statutory Auditors."

SPECIAL BUSINESS:

4. 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 148 and other applicable provisions of the Companies Act, 2013 and the Companies (Audit and Auditors) Rules, 2014 (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force), **M/s. S. R. Singh**, Cost Accountants (Firm Registration Number: **101398**) appointed by the Audit Committee/Board of Directors to conduct the audit of the cost records of the Company be paid a remuneration for the financial year ending 31st March, 2018 of Rs. 75,000/- plus taxes as may be applicable and out of pocket expenses as may be incurred by them in connection with the aforesaid audit"
5. 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 Sections 149, 152 and 160 read with Schedule IV and other applicable provisions, if any, of the Companies Act, 2013 ("the Act") and the Companies (Appointment and Qualification of Directors) Rules, 2014, and applicable provisions of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force), **Shri. Rohit C. Vakharia (DIN: 06928019)**, who has been appointed as an Additional Director (Independent) by the Board of Directors with effect from 12th August, 2016, in terms of Section 161 of the Act and who holds office upto the date of this Annual General Meeting and in respect of whom the Company has received a notice in writing under Section 160 of the Act from a member, proposing his candidature for the office of Director of the Company, be and is hereby appointed as an Independent Director of the Company to hold office for a term of five (5) consecutive years, i.e. upto 11th August, 2021, not liable to retire by rotation."

By order of the Board
For Bharat Agri Fert & Realty Limited

Registered Office:

Bharat Fertiliser House,
12, Nanabhai Lane, Fort, Mumbai 400 023.

Dated: 30th May, 2017

Sd/-
A. J. Chakote
Company Secretary

NOTES:

1. **A MEMBER ENTITLED TO ATTEND AND VOTE AT THE AGM IS ENTITLED TO APPOINT ONE OR MORE PROXIES TO ATTEND AND VOTE IN THE MEETING INSTEAD OF HIMSELF/HERSELF, AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY.**
THE INSTRUMENT APPOINTING THE PROXY, DULY COMPLETED, MUST BE DEPOSITED AT THE COMPANY'S REGISTERED OFFICE NOT LESS THAN 48 HOURS BEFORE THE COMMENCEMENT OF THE MEETING. A PROXY FORM FOR THE AGM IS ENCLOSED.

BHARAT AGRI FERT & REALTY LTD.

A person can act as a proxy on behalf of members not exceeding 50 and holding in the aggregate not more than 10 per cent of the total share capital of the Company carrying voting rights. A member holding more than ten per cent of the total share capital of the company carrying voting rights may appoint a single person as proxy and such person shall not act as a proxy for any other person or shareholder.

2. The business set out in the notice may be transacted through electronic voting system and the Company is providing facility for voting by electronic means. Instructions and other information relating to e-voting are given in this Notice under Note No. 21. The Company will also send communication relating to remote e-voting which inter alia would contain details about User ID and password along with a copy of this Notice to the members separately.
3. The Explanatory Statement pursuant to Section 102(1) of the Companies Act, 2013 with respect to the special business set out in the Notice is annexed hereto.
4. Corporate members intending to send their authorized representatives to attend the Meeting pursuant to Section 113 of the Companies Act, 2013 are requested to send to the Company a certified copy of the relevant Board Resolution together with their respective specimen signatures authorizing their representative(s) to attend and vote on their behalf at the Meeting.
5. In case of joint holders attending the Meeting, only such joint holder who is higher in order of names will be entitled to vote.
6. A statement giving the details of the Directors seeking appointment and re-appointment, nature of their expertise in specific functional areas, names of the companies in which they hold directorships, memberships / chairmanships for Board / Committees, shareholding and relationship between Directors inter-se as stipulated in Regulation 36(3) of SEBI LODR with Stock Exchange, are provided in the **Annexure I**.
7. The Register of Directors and Key Managerial Personnel and their shareholding, maintained under Section 170 of the Companies Act, 2013, will be available for inspection by the members at the AGM.
8. The Register of Members and the Share Transfer Books of the Company will remain closed from Wednesday, 20th September, 2017 to Friday, 29th September, 2017 (both days inclusive).
9. 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 the Depository Participants with whom they maintain their demat accounts. Members holding shares in physical form should submit their PAN to the Registrar /Company.
10. Members desirous of seeking any information concerning the Accounts of the Company are requested to address their queries in writing to the Company at least seven days before the date of the meeting so that the requested information can be made available at the time of the meeting.
11. Members / Proxies are requested to please bring their copies of the Annual Report to the meeting since copies of the Annual Report will not be distributed at the meeting.
12. The shares of the Company are listed on BSE Limited, Mumbai.
13. In view of Circular issued by the SEBI for appointing common agency for both the modes of transfers i.e. physical as well as Demat, the Company has already appointed M/s. Link Intime (India) Pvt. Ltd. as Registrar & Transfer Agent for both the modes of transfer i.e. physical as well as Demat. Members are therefore requested to send their grievances to them for early disposal at the address given below.
M/S. LINK INTIME (INDIA) PRIVATE LIMITED
[Unit: BHARAT AGRI FERT & REALTY LIMITED]
C 101, 247 PARK, L. B. S. MARG, VIKHROLI (WEST), MUMBAI - 400 083.
Phone: +91 22 4918 6000 Fax: +91 22 49186060
Email: rnt.helpdesk@linkintime.co.in; URL: www.linkintime.co.in
14. Members holding Shares in physical form are requested to notify immediately any change in their address with PIN CODE to the Registrar and Transfer Agent of the Company at the address given above AND in case their shares are held in Demat, this information should be passed on directly to their respective Depository Participants and not to the Company.
15. All documents referred to in the Notice will be available for inspection at the Company's registered office during normal business hours except public holidays between 11.00 A. M. and 1.00 P. M. upto the date of the AGM.
16. Members/Proxies holding their Shares in physical mode are requested to fill the enclosed attendance slip and handover the same at the entrance with signature. In the absence thereof, they may not be admitted to the meeting venue.
17. Members who are holding shares in dematerialized form are requested to bring their Client ID and DP ID numbers for easy identification at the meeting.
18. In all correspondence with the Company, members are requested to quote their Folio No. and in case their shares are held in demat form; they must quote their Client ID and DP ID numbers.
19. The Company is concerned about the environment and utilizes natural resources in a sustainable way. We request you to update your email address with the Depository Participant to enable us to send you the quarterly reports and other communications via email.
20. Pursuant to Section 124 of the Companies Act, 2013, the unpaid dividend that are due for transfer to the Investor Education and Protection Fund are as follows :

Sr. No.	Year ended	Date of Declaration	Due date of transfer to IEPF
1	31.03.2012	24.07.2012	23.08.2019
2	31.03.2013(Interim)	22.10.2012	21.11.2019
3	31.03.2013	16.08.2013	15.09.2020
4	31.03.2014 (Interim)	24.10.2013	23.11.2020
5	31.03.2014	11.09.2014	10.10.2021
6	31.03.2015	25.09.2015	24.10.2022

Members who have not encashed the dividend warrant(s) so far in respect of the above financial years, are therefore, requested to make their claim to the Registrar of the Company or the Company at the Registered Office, with full details.

32nd ANNUAL REPORT (2016 - 2017)

21. Voting through electronic means:

- (i) Pursuant to Section 108 of the Companies Act, 2013, (Companies Management & Administration) Rules, 2014, as amended from time to time, the Company is pleased to provide its members the facility of remote e-voting (i.e. e-voting from a place other than the venue of AGM) to exercise their right to vote at the 32nd Annual General Meeting (AGM). The business may be transacted through e-voting services rendered by Central Depository Services (India) Limited (CDSL).
- (ii) The facility for voting, either through electronic voting system or through ballot/polling paper shall also be made available at the venue of 32nd AGM. The members attending the meeting, who have already cast their vote through remote e-voting may attend the meeting but shall not be entitled to cast their vote again at AGM.
- (iii) The Board of Directors has appointed Shri. Prabhat Maheshwari, Partner, GMJ & Associates, Company Secretaries, Mumbai as the Scrutinizer for conducting the remote e-voting and voting process at AGM in a fair and transparent manner.
- (iv) Voting rights shall be reckoned on the paid up value of shares registered in the name of the members/ beneficial owner (in case of electronic shareholding) as on cut-off date i.e. 22nd September, 2017.
- (v) A person, whose name is recorded in the register of members or in register of beneficial owners maintained by the depositories as on the cut-off date, i.e. 22nd September, 2017 only shall be entitled to avail the facility of e-voting / remote e-voting.
- (vi) Any person who becomes a member of the Company after dispatch of the Notice of the Meeting and holding shares as on the Cut - off date i.e. 22nd September, 2017, may obtain the User ID and password from LINK INTIME (INDIA) PRIVATE LIMITED (Registrar & Transfer Agent of the Company.)
- (vii) Subject to receipt of requisite number of votes, the Resolutions shall be deemed to be passed on the date of the Meeting, i.e. 29th September, 2017.

The instructions for members for voting electronically are as under:-

- (i) The voting period begins on Tuesday, 26th September, 2017 at 9.00 A. M. and ends on Thursday, 28th September, 2017 at 5.00 P. M. During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on cut-off date i.e., 22nd September, 2017, may cast their vote electronically. The e-voting module shall be disabled by CDSL after 5.00 P. M. on 28th September, 2017.
- (ii) Log on to the e-voting website www.evotingindia.com
- (iii) Click on "Shareholders" tab.
- (iv) Now, select the "COMPANY NAME" from the drop down menu and click on "SUBMIT"
- (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 *	Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders) Members who have not updated their PAN with the Company/Depository Participant are requested to use the sequence number which is printed on Address Sticker.
DOB#	Enter the Date of Birth as recorded in your demat account or in the company records for the said demat account or folio in dd/mm/yyyy format.
Dividend Bank Details#	Enter the Dividend Bank Details as recorded in your demat account or in the company records for the said demat account or folio. Please enter the DOB or Dividend Bank Details in order to login. If the details are not recorded with the depository or company please enter the member id / folionumber in the Dividend Bank details field.

- (ix) After entering these details appropriately, click on "SUBMIT" tab.
- (x) Members holding shares in physical form will then reach directly 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 <Bharat Agri Fert & Realty Ltd.> 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 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.

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

· Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) are required to log on to <https://www.evotingindia.com> and register themselves as Corporates.

· They should submit a scanned copy of the Registration Form bearing the stamp and sign of the entity to helpdesk.evoting@cdslindia.com.

· After receiving the login details they have to create a user who would be able to link the account(s) which they wish to vote on.

· The list of accounts should be mailed to helpdesk.evoting@cdslindia.com and on approval of the accounts they would be able to cast their vote.

· They should upload a scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, 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

**ANNEXURE TO NOTICE
EXPLANATORY STATEMENT PURSUANT TO SECTION 102 (1) OF THE COMPANIES ACT, 2013:**

The following statement sets out all material facts relating to the Special Business mentioned in the accompanying Notice.

Item No. 4:

The Board, on the recommendation of the Audit Committee, has approved the appointment of the Cost Auditor, M/s. S. R. Singh, Cost Accountants, to conduct the audit of the cost records of the Company at Rs. 75,000/- plus taxes as may be applicable to be paid as remuneration for the financial year ending 31st March, 2018.

In terms of the provisions of Section 148 of the Companies Act 2013, and Companies (Audit and Auditors) Rules, 2014 (including any amendments thereto or any statutory modification(s) or re-enactment(s) thereof for the time being in force), the remuneration payable to the Cost Auditors has to be ratified by the members of the Company. Accordingly, consent of the members is sought for passing an Ordinary Resolution as set out at Item No. 4 of the Notice for ratification of the remuneration payable to the Cost Auditors for the financial year ending 31st March, 2018.

None of the Directors / Key Managerial Personnel of the Company / their relatives is / are, in any way, concerned or interested, financially or otherwise, in the resolution set out at Item No.4 of the Notice.

Item No. 5:

The Board of Directors on the recommendation of the Nomination and Remuneration Committee, appointed Shri. Rohit C. Vakharia (**DIN: 06928019**) as an Additional Director (Independent) with effect from 12th August, 2016 to hold office for a period of five consecutive years with effect from 12th August, 2016, not liable to retire by rotation, subject to consent by the members of the company at the ensuing Annual General Meeting ('AGM'). As an Additional Director Shri. Rohit C. Vakharia holds office till the date of AGM and is eligible for being appointed as an Independent Director. The Company has received a notice pursuant to Section 160 of the Companies Act, 2013 ('the Act') together with the requisite amount of deposit from a Member signifying his intention to propose the appointment of Shri. Rohit C. Vakharia as a Director of the Company. Shri. Rohit C. Vakharia is not disqualified from being appointed as a Director in terms of Section 164 of the Act and has also given his consent to act as a Director of the Company. The Company has also received a declaration from Shri. Rohit C. Vakharia confirming that he meets the criteria of independence as prescribed under the Act and Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations"). In the opinion of the Board, Shri. Rohit C. Vakharia fulfills the conditions for his appointment as an Independent Director as specified in the Act and the Listing Regulations and he is independent of the management. Considering his vast experience, his presence on the Board will be of immense value to the Company. Shri. Rohit C. Vakharia is a Chartered Accountant A copy of the draft letter of appointment for Independent Directors setting out the terms and conditions for appointment of Independent Directors is available for inspection by the Members at the Registered Office of the Company on all working days between 10:00 A.M. to 1:00 P.M. Shri. Rohit C. Vakharia is not related to any Director and Key Managerial Personnel of the Company. None of the Directors, Key Managerial Personnel and their relatives are concerned or interested in the above resolution. The Board commends the Ordinary Resolution as set out in Item No. 5 of this Notice for your approval.

By Order of the Board
Bharat Agri Fert & Realty Limited.

Registered Office:

Bharat Fertiliser House,
12, Nanabhai Lane, Fort, Mumbai -400 023.

Dated: 30th May, 2017.

Sd/-
A.J. Chakote
Company Secretary

Annexure I

Additional Information on Directors Recommended for Appointment/ Re-appointment as required under Regulation 36(3) of Sebi (Listing Obligations And Disclosure Requirements) Regulations, 2015

Name of Director	Shri Vijal Yogendra Patel	Shri Rohit C. Vakharia
Date of Birth	25/11/1988	20/09/1955
Qualification	BMS	Chartered Accountant
Date of Appointment	29/05/2014	12/08/2016
Brief Resume	Successfully handled completion of Phase I of Residential Complex at Thane and Phase II is under his supervision.	Financial Consultant
Expertise in specific functional areas	Creating and maintaining brand image for Anchaviyo Resort and handling marketing team.	Working as financial advisor for more than 2 decades
Relationship between the Directors	Son of Yogendra D. Patel & Anjni Y. Patel Brother of Ms. Chandni Yogendra Patel	NA
Directorship held in other Companies as on 31st March, 2017.	Mol Chem Limited	NA
Chairman/Member of the Committee of the Board of Director in other Companies as on 31st March, 2017.	NIL	NIL
Number of Shares held in the Company as on 31st March, 2017	35,341	NA

BHARAT AGRI FERT & REALTY LTD.

DIRECTORS REPORT TO MEMBERS

Your Directors have great pleasure in presenting the 32nd Annual Report along with the Audited Statement of Accounts for the year ended 31st March, 2017.

FINANCIAL RESULTS

(Rs. In Lakhs)

Particulars	2016-17	2015-16
Sales and other Income	4579.00	5236.14
Profit / (Loss) before tax and appropriation	(58.17)	(15.23)
Profit / (Loss) after tax	(63.55)	(21.31)
Balance brought forward	5967.87	5989.19
Balance available for appropriation	5904.32	5967.87
<u>Appropriations</u>		
Interim Dividend	0.00	0.00
Proposed Final Dividend	0.00	0.00
Tax on Dividends (Interim & Proposed)	0.00	0.00
General Reserve	0.00	0.00
Balance Carried To Balance Sheet	5904.32	5967.87

OPERATIONAL REVIEW & STATE OF COMPANY'S AFFAIRS :

a.) Fertilizer Division :-

The Company has produced Single Super Phosphate -24928 M.T and sold 37365 M.T SSP during the financial year 2016-17. Current year company has set up a targeted sales of 45000 -50000 M.T in Maharashtra State as company has planned to start production of SSP with add on nutrient i.e Zinc & Boron and expected a good return. All permissions are obtained from DOF and DOA, Pune. Procurement of raw material and production of Zincated SSP will be positively started by mid of August 2017.

Department of Fertiliser (DOF) has launched POS machines in 2 districts of Maharashtra on trial basis and will cover other districts by August end. DOF also implemented policy of – Direct Benefit Transfer (DBT) which may disturb marketing network during the year 2017-18 as dealers, farmers as well as POS system is still not ready.

b) Realty Division :-

The Company has received Commencement Certificate from Thane Municipal Corporation for Phase II buildings i.e G and H Wing stilt + 14 floors of Shiv Sai Paradise, Majiwada, Thane. The Company has applied for RERA registration for this ongoing project.

Company is eligible for stilt + 30 floors which is pending with TMC & MOEF and will complete both buildings in next few years with 300000 sq. ft saleable area with good revenue in coming year from this division.

Unsold stock of OC received flats will be sold in the year 2017-18.

C) Resort Division :-

All permission and approvals received for “ANCHAVIYO” Resort and getting good response from guest of all group but due to 28% GST on room rates, company will expect decrease in revenue and hope to stabilised in the year 2017-18. Current year many policy changes are effecting go slow business in all division due to GST & GOI policy on real estate business.

Company is planning to adjust and regularising all new law implemented by GOI during 2017-18 and may result in lower business volume but more stability in future in all division with future growth and revenue in long term. Management is confident to reward their shareholder in long term due to many changes and laws in all sector coupled with delay in receipt of subsidy payment from GOI.

DIVIDEND:

Your Directors have not recommended any dividend for the year ended 31st March, 2017 due to loss incurred by the Company.

RESERVES:

Your Directors do not propose to transfer any amount to the General Reserve Account in lieu of inadequacy of profits.

SHARE CAPITAL OF THE COMPANY:

The Paid up Equity Share Capital as at 31st March, 2017 was Rs. 5,28,55,110/- divided into 52,85,511 Equity shares, having face value of Rs. 10/- each fully paid up. During the year under review, the Company has not issued any shares neither granted any stock options nor any sweat equity.

SUBSIDIARIES, ASSOCIATE COMPANIES & JOINT VENTURES:

MOL CHEM LIMITED is an Associate Company. The company's gross revenue for FY 2017 stood at Rs. 145 Lacs. The company made a loss of Rs. 1.92 Lacs. However, the Company does not have any Subsidiary or Joint Venture. The detail of Associate Company containing salient features of financial statement in 'AOC-1' is shown in **Annexure "A"** which forms an integral part of the report.

CORPORATE SOCIAL RESPONSIBILITY INITIATIVES:

The Company is having in place a "Corporate Social Responsibility" (CSR) Committee. As part of its initiatives under CSR, the company has contributed funds for activities like distributing books, educational material, holding seminars for educational purpose, arranged food for needy children and also arranged for various development activities benefiting children. The contributions in this regard have been made to the registered trust which is undertaking these activities.

The Annual Report on CSR activities is annexed herewith as: **Annexure "B"**.

INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY:

The Company has an Internal Control System, commensurate with the size, scale and complexity of its 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. Based on the report of internal audit function, the Company undertakes corrective action in their respective areas and thereby strengthen the controls. Significant audit observations and recommendations along with corrective actions thereon are presented to the Audit Committee of the Board.

CORPORATE GOVERNANCE AND MANAGEMENT DISCUSSION & ANALYSIS REPORT:

The Company adheres to the requirements set out by the Securities and Exchange Board of India's Corporate Governance practices and have implemented all the stipulations prescribed. The Company has implemented several best corporate governance practices.

The Corporate Governance and Management Discussion & Analysis Report, which form an integral part of this Report, are set out as separate Annexures, together with the Certificate from the Auditors of the Company regarding compliance with the requirements of Corporate Governance as stipulated in Schedule V (c) of the SEBI Listing Regulations.

RELATED PARTY TRANSACTIONS:

All the related party transaction entered during the year was in the ordinary course of business and at an arm's length basis. & the provisions of Section 188 of Companies Act, 2013 are not attracted. There are no transactions to be reported in Form AOC-2 in terms of Section 134 of the Companies Act, 2013 read with Rule 8 of the Companies (Accounts) Rules, 2014.

DIRECTORS AND KEY MANAGERIAL PERSONNEL:

Number of meetings of the board of directors:

The details of the number of meetings of the Board held during the Financial Year 2016-17 forms a part of the Corporate Governance Report.

Directors:

In accordance with the provisions of Section 152 of the Companies Act, 2013 and the Articles of Association of the Company, Shri. Vijal Yogendra Patel (**DIN: 06882828**), Wholtime Director retires by rotation and being eligible offers himself for re-appointment.

Statement on declaration given by Independent Directors:

The Independent Directors have submitted the declaration of Independence, as required pursuant to Section 149(7) of the Companies Act, 2013 stating that they meet the criteria of independence provided under Section 149(6) of the Act and Regulation 16(1)(b) of the SEBI Listing Regulations.

Board Evaluation:

Pursuant to the provisions of Section 134 of the Companies Act, 2013 and Regulation 17 of the SEBI Listing Regulations, the Board has carried out an evaluation after taking into consideration various aspects of the Board's functioning, composition of the Board and its Committees, culture, execution and performance of specific duties, remuneration, obligations and governance.

The performance evaluation of the Independent Directors was carried out by the entire Board and the performance evaluation of the Chairman and the Non-Independent Directors was carried out by the Independent Directors. The Board of Directors expressed their satisfaction with the evaluation process.

Key Managerial Personnel:

The following persons are the Key Managerial Personnel of the Company:

Sr. No.	Name of the Person	Designation
1.	Mr. Yogendra Dahyabhai Patel	Chairman & Managing Director
2.	Mr. Arvind Jaykumar Chakote	Company Secretary
3.	Mrs. Vidya Pradeep Gidde	Chief Financial Officer

Familiarisation Programme of Independent Directors:

In compliance with the requirements of SEBI Listing Regulations, the company has put in place a familiarisation program for Independent Directors' to familiarize them with their role, rights & responsibilities as Directors, the operations of the Company, business overview, etc.

The details of Familiarisation program are explained in the Corporate Governance Report and the same is also available on the website of the Company.

DIRECTORS' RESPONSIBILITY STATEMENT:

To the best of their knowledge and belief and according to the information and explanations obtained by them, your Directors make the following statements in terms of Section 134 of the Companies Act, 2013:

- a) in the preparation of the annual accounts for the Financial Year ending 31st March, 2017 the applicable accounting standards had been followed along with proper explanation relating to material departures, if any;
- b) the Directors had selected such accounting policies and applied them consistently and made judgements 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 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;
- 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.

AUDITORS AND AUDIT REPORTS:**Statutory Auditor:**

M/s. Desai Saksena & Associates, Chartered Accountants, (Firm Registration No. **102358W**) were appointed as the Statutory Auditors of the Company at the 29th AGM held on 11th September, 2014 to hold office till the conclusion of the fourth consecutive AGM, are recommended for ratification of appointment for the financial year 2017 - 2018. As required under the provisions of Section 139 & 142 of the Companies Act, 2013, the Company has obtained written confirmation from M/s Desai Saksena & Associates that their appointment, if made, would be in conformity with the limits specified in the said Section.

Secretarial Audit:

Pursuant to the provisions of Section 204 of the Companies Act, 2013 and the Rules made thereunder, the Company has appointed M/s. GMJ & Associates, a firm of Company Secretaries in Practice to undertake the Secretarial Audit of the Company. The Secretarial Audit Report is annexed herewith as **Annexure 'C'** and forms an integral part to this Report.

Cost Audit:

As per the requirement of the Central Government and pursuant to Section 148 of the Companies Act, 2013 read with the Companies (Cost Records and Audit) Rules, 2014 as amended from time to time, your company has been carrying out audit of the cost records.

The Board of Directors, on the recommendation of the Audit Committee, has appointed M/s. S R Singh & Co., Cost Accountants (Firm Registration No. **101388**) as the Cost Auditors to conduct the audit of the cost records of the Company for the Financial Year 2017-18 at a remuneration of Rs. 75,000/- plus taxes as may be applicable and out of pocket expenses. As required under the Companies Act, 2013, a resolution seeking member's approval for remuneration payable to the Cost Auditor forms part of the Notice convening the Annual General Meeting.

Auditor's observations:

There were no audit qualifications in the Statutory Auditors Report as well as in the Secretarial Audit Report for the financial year 2016-2017 as annexed to this Annual Report.

DISCLOSURE:**Risk Management:**

The Board in its meeting dated 30th May, 2016 has dissolved the Risk Management Committee in view of its applicability only to top 100 listed entities as per Regulation 21 of the SEBI (Listing Obligations and Disclosure Requirements) Regulation, 2015.

Vigil Mechanism / Whistle Blower Policy:

The Company has a Vigil Mechanism/Whistle Blower policy to report genuine concerns, grievances, frauds and mismanagements, if any. The Vigil Mechanism/Whistle Blower policy has been posted on the website of the Company.