



33rd
Annual Report
2016-2017

CALS REFINERIES LIMITED

BOARD OF DIRECTORS

Mr. Deep Kumar Rastogi
Mr. Sameer Rajpal
Mr. Pranav Kumar
Ms. Monika Moorjani

Executive Chairman
Non-Executive & Independent Director
Non-Executive & Independent Director
Non-Executive & Independent Woman Director
(Resigned w.e.f. 14th August, 2017)

**COMPANY SECRETARY &
COMPLIANCE OFFICER**

Mr. Suvindra Kumar

CHIEF FINANCIAL OFFICER (CFO)

Mr. Raman Kumar Mallick

BANKERS

Axis Bank Limited

AUDITORS

M/s VATSS & Associates

Statutory Auditor

REGISTERED OFFICE

Unit No. 209, 2nd Floor, Suneja Tower-II,
District Centre, Janakpuri, New Delhi-110058.

REGISTRAR & SHARE TRANSFER AGENTS

MCS Share Transfer Agent Limited
F-65, 1st Floor, Okhla Industrial Area Phase-1,
New Delhi-110020.

LISTING OF SECURITIES

BSE Limited,
Phiroze Jeejeebhoy Towers,
25th Floor, Dalal Street, Mumbai- 400001

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IMPORTANT COMMUNICATION TO MEMBERS

The Ministry of Corporate Affairs has taken a "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 sent by e-mail to its members. To support this green initiative of the Government in full measure, members who have not registered their e-mail addresses, so far, are requested to register their e-mail addresses, in respect of electronic holdings with the Depository through their concerned Depository Participants. Members who hold shares in physical form are requested to write to MCS Share Transfer Agent Limited (Unit- Cals Refineries Limited), F- 65, 1st Floor, Okhla Industrial Area, Phase-1, New Delhi- 110020 with the details like Name, Folio No and e-mail id to register the same at our Registrar and Transfer Agents.

NOTICE



NOTICE is hereby given that the 33rd Annual General Meeting (AGM) of the Members of Cals Refineries Limited will be held on Wednesday, September 27, 2017 at 9:30 a.m. at Executive Club, Dolly Farms & Resorts, 439, Village Shahurpur, P.O. Fatehpur Beri, New Delhi- 110074, to transact the following businesses:

ORDINARY BUSINESS:

1. Adoption of Financial Statement:

To receive, consider and adopt the audited financial statements of the Company for the financial year ended 31st March, 2017 together with the Reports of Director's and Auditor's thereon.

2. Appointment of Directors:

To appoint a Director in place of Mr. Deep Kumar Rastogi (DIN-01229644) who retires by rotation and being eligible, offers himself for re-appointment.

3. Appointment of Auditors:

To consider and, if thought fit, to pass with or without modification, the following resolution as an Ordinary Resolution:

"RESOLVED THAT pursuant to the provisions of Section 139, 142 and other applicable provisions of the Companies Act, 2013 and the rules made thereunder, as amended from time to time, and pursuant to the recommendation of the Board of Directors and also pursuant to the resolution passed by the shareholders in the previous Annual General Meeting of the Company held on 29th September, 2016, the appointment of M/s VATSS & Associates, Chartered Accountants, New Delhi (Firm Registration No.- 017573N) as Statutory Auditors of the Company to hold office till the conclusion of the next AGM be and is hereby ratified at a remuneration of ₹ 2,50,000/- (exclusive of taxes), payable to them for the financial year ending March 31, 2018, as recommended by the Board in consultation with the Auditors."

SPECIAL BUSINESS:

4. Ratification/ Approval of Tri-Partite Loan Assignment Agreement executed between Nyra Holdings Private Limited, Spice Energy Private Limited and the Company.

To consider and, if thought fit, to pass with or without modification(s), the following resolution as a Special Resolution:

"RESOLVED THAT in furtherance to the shareholders' approval for material related party transaction obtained under clause 49(VII)(B) of the Listing Agreement in the annual general meeting held on 25th September, 2015 and pursuant to the Regulation 23 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Loan amount of ₹ 9,26,70,000/- as obtained from Nyra Holdings Pvt. Ltd. (a related party under Section 2(76) of the Companies Act, 2013), in various tranches, and as the said loan arrangements are assigned to Spice Energy Pvt. Ltd. (another related party and parent Company to the Nyra Holdings Pvt. Ltd.), by way of tri-partite loan assignment agreement entered amongst the Nyra Holdings Pvt. Ltd., Spice Energy Pvt. Ltd., and Cals Refineries Limited, effecting from 28th March, 2017, be and are hereby ratified and approved.

"RESOLVED FURTHER THAT pursuant to Regulation 23 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 the consent of the members be and is hereby accorded to the Board of Directors of the Company, to enter into material related party transaction by way of obtaining loan or otherwise (under an agreement or otherwise) from such related parties as prescribed under the Listing Regulations, including Spice Energy Private Limited, for the financial year 2017-18 and in future, and subject to the maximum limits of Borrowing as previously approved in the annual general meeting held on 25th September, 2015.

5. To adopt new set of Articles of Association of the Company containing regulations in conformity with the Companies Act, 2013 and in this regard to consider and if though fit to pass, with or without modification(s), the following resolution as a Special Resolution:

"RESOLVED THAT pursuant to the provisions of Section 14 and other applicable provisions, if any, of the Companies Act, 2013 read with Companies (Incorporation) Rules, 2014, (including any statutory modification(s) or re-enactment thereof, for the time being in force), subject to all necessary approvals, consents, permissions and/or sanctions as may be necessary and subject to any such conditions and modifications as may be prescribed or imposed by any one or more of them while granting any such approvals, consents, permissions or sanctions agreed to, by the Board of Directors of the Company, the draft regulations/clauses contained in the Articles of Association submitted to this meeting be and are hereby approved and adopted in substitution, and to the entire exclusion (except particulars of subscribers to the articles of association), of the regulations/clauses contained in the existing Article of Association of the Company."

"RESOLVED FURTHER THAT the Board of Directors of the Company be and are hereby severally authorized to do all such acts, matters, deeds and things and to settle any queries, difficulties, doubts that may arise with regard to aforesaid substitution and execute such documents and writings and to make such filings, as may be necessary or desirable for the purpose of giving effect to this resolution, in the best interest of the Company."

By Order of the Board of Directors

Place : New Delhi
Date : 14th August 2017

(Suvindra Kumar)
Company Secretary
ACS-22747

NOTES

- The relevant Explanatory Statement pursuant to Section 102 (1) of the Companies Act, 2013, which sets out details relating to the special business as mentioned in notice and to be transacted at the Annual General Meeting is annexed hereto.
- A MEMBER ENTITLED TO ATTEND AND VOTE AT THIS ANNUAL GENERAL MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE ON A POLL ON HIS BEHALF. A PROXY NEED NOT BE A MEMBER OF THE COMPANY. PROXIES IN ORDER TO BE EFFECTIVE MUST BE RECEIVED AT THE REGISTERED OFFICE OF THE COMPANY AT UNIT NO. 209, 2ND FLOOR, SUNEJA TOWER-II, JANAKPURI DISTRICT CENTRE, NEW DELHI-110058, NOT LESS THAN 48 HOURS BEFORE THIS ANNUAL GENERAL MEETING. A FORM OF PROXY IS GIVEN AT THE END OF THIS ANNUAL REPORT.
- A person can act as proxy on behalf of members not exceeding fifty (50) and holding in the aggregate not more than ten percent of the total share capital of the Company carrying voting rights.
- Provided that a member holding more than ten percent of the total paid up share capital of the Company carrying voting rights may appoint a single person as proxy and such person shall not act as proxy for any other person or shareholder.
- In case of Joint holders attending the meeting, only such holder who is higher in the order of names will be entitled to vote.
- Pursuant to Section 91 of the Companies Act, 2013 and Regulation 42 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Register of Members and the Share Transfer Books of the Company will remain closed from Thursday 21st September, 2017 to Wednesday 27th September, 2017 (both days inclusive) for annual closing.
- A member can inspect proxies lodged at any time during the period beginning 24 hours before the time fixed for the commencement of the meeting and ending with the conclusion of the meeting, provided that he/she has given to the Company a notice in writing of his intention to inspect not less than 3 days before the commencement of the said meeting.
- The Register of Directors and Key Managerial Personnel and their Shareholding, maintained under Section 170 of Companies Act, 2013 and the Register of Contracts and Arrangements in which Directors are Interested maintained under Section 189 of Companies Act, 2013 will be available for inspection by the members at the AGM.
- Corporate Members intending to send their authorised representative to attend the meeting are requested to send to the Company/ RTA, in advance, a duly certified copy of the Board Resolution/ letter of authority together with the respective specimen signatures of those representatives authorised under said resolution/letter to attend and vote on their behalf at the meeting.
- Members/Proxy Holders are requested to produce at the entrance of hall, attendance slips duly completed and signed, in accordance with the specimen signature registered with the Company for admission to the Meeting Hall.
- The members are requested to
 - Bring their copy of Annual report at the Annual General Meeting.
 - In case shares are held in physical form:** notify immediately the change of address, if any, to the Company at Unit No. 209, 2nd Floor, Suneja Tower-II, Janakpuri District Centre, New Delhi-110058 or to the Registrar and Share Transfer Agent of the Company, MCS Share Transfer Agent Limited, F 65, 1st Floor, Okhla Industrial Area Phase I, New Delhi-110020 quoting their folio number.
 - In case shares are held in dematerialized form:** notify to their depository participants, change/correction in their address/bank account particulars etc. as the Company uses the information provided by Depositories in respect of shares held in dematerialized form.
 - Send, in case of those members who have multiple accounts in identical names or joint names in same order, all the share certificates to the Registrar and Share Transfer Agent of the Company, MCS Share Transfer Agent Limited at the aforesaid address for consolidation of all such shareholdings into one account to facilitate better service.

12. All the documents referred to in the accompanying Notice are open for inspection at the Registered Office of the Company between 11.00 a.m. to 1.00 p.m. on all days except Saturday, Sunday and Public holidays up to the date of the Annual General Meeting.
13. Pursuant to Sections 101 and 136 of the Companies Act, 2013, read with rules made thereunder the Annual Report 2016-17 is being sent through electronic mode only to the members whose email addresses are registered with the Company/ Depository Participant(s), unless any member has requested for a physical copy of the Report. For members who have not registered their email addresses, physical copies of the annual report 2016-17 are being sent by the permitted mode. The Annual Report will also be available at the Company's registered office for inspection during normal business hours on all working days. Members may also note that copy of the annual report of the Company is also available on Company's website "www.cals.in".
14. *With a view to using Natural Resources responsibly, we request Shareholders to update their email address with their Depository participants to enable the Company to send all communications including Annual Report, Notices, Circulars, etc. electronically. Members who hold shares in physical form are requested to write to "MCS Share Transfer Agent Limited (Unit Cals Refineries Limited), F-65, 1st Floor, Okhla Industrial Area, Phase-1, New Delhi-110020" with details like Name, Folio No. and Email ID to register the same at our Registrar and Transfer Agent.*
15. Details pursuant to Regulation 36(3) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and in terms of Secretarial Standards 2 in respect of Directors seeking appointment / reappointment at the forthcoming Annual General Meeting is furnished as annexure to the notice. The Directors have furnished consent/ declaration for their appointment/re-appointment as required under Companies Act, 2013 and rules made thereunder.
16. In terms of Section 108 of the Companies Act, 2013 read with Rule 20 of Companies (Management and Administration) Rules, 2014 and Regulation 44 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, e-voting facility is being provided to the members. Details of the e-voting process and other relevant details are being sent to all the Members along with the Notice. The facility for voting through ballot paper will also be made available at the AGM and the members attending the AGM and who have not cast their vote electronically shall be able to exercise their voting right at the AGM through ballot paper. Members who have cast their vote by e-voting may attend the AGM but shall not be entitled to cast their vote again.
17. **Voting through Electronics Means-** A detailed instructions and related write ups, on **Electronic Voting Process**, which forms part of this notice, is given at the end of this Annual Report under the heading "SHAREHOLDER INSTRUCTIONS FOR E-VOTING". Shareholders are requested to kindly follow the said process for casting their vote electronically.
18. The Securities and Exchange Board of India (SEBI) has mandated the submission of the Permanent Account Number (PAN) by every participant in the Securities Market. Members holding shares in electronic form are, therefore requested to submit their PAN to their Depository Participant(s). Members holding shares in physical form are required to submit their PAN details to the Company and/or its RTA.
19. The Securities and Exchange Board of India (SEBI) has mandated that for registration of transfer of securities, the transferee(s) as well as transferor(s) shall furnish a copy of their PAN card to the Company for registration of transfer of Securities.
20. Route Map and details of prominent land mark of the venue of the meeting is portrayed at the back side of the Annual Report.

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

Item No. 4

The Shareholders be apprised that your Company has been obtaining loan from Nyra Holdings Pvt. Ltd. (Nyra Holdings). Nyra Holdings is a related party to the Company as per the terms of section 2 (76) of the Companies Act, 2013 and also belongs to the promoter group Company. Till 28th March, 2017 the total amount which was borrowed from Nyra Holdings Pvt. Ltd. was ₹ 9,26,70,000/-. Further as per the terms of Regulation 23 (1) of the SEBI (Listing Obligations and Disclosure Requirements), Regulations, 2015, any transaction of such borrowing from Nyra Holdings Pvt. Ltd. is a material related party transaction, as the said regulations states that:

"A transaction with the related party shall be considered material if the transactions to be entered into individually or taken together with previous transactions during a financial year, exceeds 10% of the annual consolidated turnover of the listed entity as per the last audited financial statements of the listed entity."

Since the turnover of your Company has remained Nil since previous few financial years, hence any such transaction of borrowing the loan from related party becomes material related party transactions. Your Company had obtained the requisite approval of the shareholders on

25th September 2015 as required under the then Clause 49 (VII) (E) of the Listing Agreement for such material related party transaction.

Nyra Holdings Pvt. Ltd. has arranged to assign the aforesaid Loan arrangements with the Company in favour of its holding/parent Company, i.e., Spice Energy Private Limited, under the process of restructuring of investment within the group. In the said process of restructuring, Nyra Holdings Private Limited has arranged to set-off its loan taken from Spice Energy Pvt. Ltd. with the loan amount extended to our Company, worth ₹ 9,26,27,000/-.

In context to the above a tri-partite agreement was executed between your Company (as borrower), Nyra Holdings Pvt. Ltd. (as assignor) and Spice Energy Pvt. Ltd. (as assignee) to effect the aforesaid transaction, i.e., assignment of loan from Nyra Holdings to Spice Energy Private Limited and also that the Spice Energy Private Limited to extend the assistance with your Company in future by way of extending loan to the Company as and when required, in different tranches.

As stated above that the Company had obtained shareholders' approval for such material related party transaction with Nyra Holdings Private Limited, which is now assigned to its parent holding Company M/s Spice Energy Private Limited, (also a promoter group Company), a due intimation in this respect has been already given to the Bombay Stock Exchange, where shares of the Company are listed, to make you aware about the change of arrangements took place during the year.

Aforementioned arrangement of obtaining loan from related party falls into the category of material related party transaction as per Regulation 23 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

The Explanation to Regulation 23(1) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 differentiates between a related party transaction and a material related party transaction, it prescribes the limit of the transaction which will be treated as the material related party transaction i.e., "transaction/s with related party being entered individually or taken together with previous transaction during a financial year, exceeds 10% of the annual consolidated turnover of the Company as per the last audited financial statement, will be material related party transaction."

Based on the criteria as mentioned above in the Listing Regulations, the loan transactions entered into by the Company with Nyra Holdings Pvt. Ltd. for ₹ 9,26,70,000/- in total, which is now assigned to M/s. Spice Energy Private Limited through Tripartite Loan Assignment Agreement are proposed for due ratification/ approval by members. A proposal is also made to the shareholder to accord their approval with the resolution to enable the Company to enter into such material related party transaction with Related Parties, including Spice Energy Pvt. Ltd. under an agreement or otherwise, for financial year 2017-18 and in future.

As prescribed under Sub Regulation 7 of Regulation 23 of the Listing Regulations, 2015, all entities falling under the definition of related parties shall abstain from voting irrespective of whether the entity is a party to the particular transaction or not, here related party means the entities as mentioned in section 2 (76) of the Companies Act, 2013 and as per the applicable accounting standard. Hence, the Spice Energy Pvt. Ltd., all the Directors and Key Managerial Personnel of the Company and their relatives are concerned or interested, financial or otherwise, in this resolution.

The Board recommends the Special Resolution as set out at item No. 4 for the approval of the Shareholders.

Item No. 5

The Article of Association (AoA) of the Company as presently in force are based on the Companies Act, 1956 and several regulations/clauses in the existing AoA contain references to specific sections of the Companies Act, 1956 and some regulations/clauses in the existing AoA are no longer in conformity with the Companies Act, 2013 (the "Act").

With the coming into force of the Companies Act, 2013, several regulations/clauses of the existing AoA of the Company require alteration and deletions. Given this position, it is considered expedients to wholly replace the existing AoA by a new set of AoA.

The new set of AoA to be substituted in place of the existing AoA are based on "Table F" of Schedule 1 of the Act which sets out the model Articles of Association for a company limited by shares.

A copy of the proposed set of new Articles of Association of the Company would be available for inspection at the Registered Office of the Company during the business hours on any working day except Saturdays up to the date of the Annual General Meeting and during the Annual General Meeting. The proposed draft Articles of Association is available on the Company's website at www.cals.in for perusal by the shareholders.

None of the Directors/ Key Managerial Personnel of the Company / their relatives are, in any way, concerned or interested, financially or otherwise, in the Special Resolution set out at Item No. 5 of the Notice.

The Board recommends the Special Resolution set out at Item No 5 of the Notice for approval by the Shareholders.

By Order of the Board of Directors

Place : New Delhi
Date : 14th August 2017

(Suvindra Kumar)
Company Secretary
ACS- 22747

NOTICE



NOTES ON DIRECTORS SEEKING APPOINTMENT/REAPPOINTMENT AS REQUIRED UNDER REGULATION 36 OF SEBI (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015 AND IN TERMS OF SECRETARIAL STANDARDS 2.

Name of Director	Mr. Deep Kumar Rastogi
DIN	01229644
Brief Resume	Mr. Deep Kumar Rastogi is a Promoter Director and is on the Board of the Company since 19 th January, 2008. Prior to this, Mr. Rastogi led a chemical manufacturing & marketing company for over twenty five years. He is an entrepreneur with over forty nine years of rich experience in various businesses. These include trading business, manufacturing and marketing of laboratory and fine chemicals, manufacturing of printed circuit boards & solar products and exports of minerals & natural Fibres for the construction industry.
Date of Birth	04/08/1949
Qualifications	B.A
Terms and conditions of Re-appointment	In terms of Section 152(6) of the Companies Act, 2013, Mr. Deep Kumar Rastogi shall retire by rotation at the forthcoming Annual General Meeting (AGM) and being eligible offers himself for re-appointment.
Details of Remuneration and remuneration last drawn	At the AGM held on 29 th September, 2016, he was appointed as Whole Time Director designated as Executive Chairman of the Company for a period of 3 consecutive years w.e.f. 05 th February, 2016 without any remuneration.
Date of first appointment in the Board	19 th January, 2008
Shareholding in the Company	Nil
Relationship with other Directors, Manager and other Key Managerial Personnel (if any)	None
Number of Meetings of the Board attended during the year	Details mentioned in the Corporate Governance Report
Details of other Directorships, Membership/ Chairmanship of Committees of the Boards	<p>He is further serving the following Companies, as a Director:</p> <ul style="list-style-type: none"> Nyra Holdings Private Limited Delhikem India Private Limited Spice Energy Private Limited BND Gas Private Limited SRM Energy Tamilnadu Private Limited <p>He does not hold Directorship in any other Listed Company apart from this Company and holds Membership of the below Committees of Board of this Company.</p> <ul style="list-style-type: none"> Audit Committee Nomination and Remuneration Committee CSR Committee (dissolved w.e.f. 26th May, 2017) Stakeholder's Relationship Committee

To, the Members of **Cals Refineries Limited**

Your Directors hereby presents the Thirty Third Annual Report, together with the Company's Audited Financial Statements for the financial year 2016-17.

1. Financial Summary/highlights on Performance of the Company (Standalone)

(₹ in million)

Description	Year Ended March 31, 2017	Year Ended March 31, 2016
Revenue from Operations	-	-
Other Income	0.40	3.02
Total Revenue	0.40	3.02
Operational Expenses	-	-
Employee Benefit Expenses	2.72	3.63
Interest and Finance Charges	0.00	0.00
Depreciation and Amortizations	0.09	0.21
Other Expenses	8.28	11.82
Total Expenses	11.09	15.66
Profit/(Loss) before exceptional items	(10.69)	(12.64)
Exceptional Items	7.71	-
Profit/(Loss) for the year	(18.40)	(12.64)

2. Dividend

As there is no operating income and consequently, no profit is available for distribution as dividend.

3. Reserves

The Company is not having any surplus available to be carried forward to Reserves.

4. Brief description of the Company's working during the year/ State of Company's affair

(i) Company's operation during the year

The Company has no business operations. The financial situation has been grim and in prevailing circumstances of no funding available, coupled with various litigations against the company, chances of starting business operations seem nearly impossible.

The reasons for such status of the Company and present scenario of the Company could be articulated in the below points:

a. Sebi's Investigation against the Company for Market Manipulation using GDRs issue.

Your Directors have been reporting continuously about the investigation against the Company by the Securities and Exchange board of India (SEBI) and the restriction imposed on the Company vide Sebi's order in September and December 2011, which was finally confirmed on 23rd October, 2013 via its final order upon the completion of the Investigation against the Company. The SEBI vide this order has restricted the Company from entering into the securities market and altering its capital structure, in any manner effectively for a period of eight years from the date of the final order. Your Company has challenged the order in the Securities Appellate Tribunal (SAT), which proceedings are ongoing, your Company is expecting the order of the SAT in near future.

The sanctions imposed by the order of the SEBI against the Company has had a significant adverse impact on the activities of the Company relating to the establishment and start of the project.

b. Failure to achieve the financial closure

The aforesaid restriction on the Company has led to the situation where your Company has failed to achieve the required financial closure. The said failure of the Company had a severe impact on its abilities to perform its part of the contract with vendors, suppliers for various components of the projects including the Refinery. The Company had grossly failed to make the balance payments to the suppliers

in view of lack of the funds into the Company. This has the further impact of writing off of various advances, pre-operative expenses, consultancy fee and capital work in progress as the relevant contracts and arrangements had expired long back and the Capital advances which were made at the time of project implementation stage are either not recoverable or specific performance against the said advances cannot be enforced. The Board of Directors based on the aforesaid difficult situation took a legal opinion in this matter to reflect a true and fair view of the financial statement and decided to write off the various advances, land and pre-operative expenses etc. from the balance sheet of the Company.

Such writing off of aforesaid advances, land and pre-operative expenses had resulted in substantial change in the profit and loss of the Company, which has completely eroded the net worth of the Company. This situation indicates the existence of a material uncertainty that may cast a significant doubt on the Company's ability to continue as a going concern. The Auditor have taken cognizance of this fact in their Report of the previous year and in this year too and have qualified their opinion. The board has given their comments on the said qualification of Auditor's in the later part of this Report.

c. Huge Litigation and Compliance cost, Financial Support & Arrangements

Your Board would like to submit that, despite adverse situation in the Company, your Company has always diligently complied with all the requirements of the various laws and regulations in true spirit and manner. Various litigations, appeals and court proceedings, for and against the Company had a severe impact on the financial conditions of the Company. Having noted the present financial conditions and status of the business operations of the Company as against the expenses incurred to comply with the various compliances under different laws and regulations and also meeting the huge litigation expenses, the company is currently in a shattered state.

Considering the prohibition imposed by the SEBI, no equity infusion was allowed in the Company, hence the only option left with the Company was to borrow from related parties. During the period under review, your Company had a single source of funding through one of the related party and promoter group Company Nyra Holdings Private Limited.

Your Company has been receiving the Inter-Corporate Loan as aforesaid, to manage its day to day operation, compliances and litigation expenses. The said loan from the body corporate have an impact of interest as per the prevailing provisions of the Companies Act, 2013, which your Company needs to bear with.

Further Nyra Holdings Pvt. Ltd. on 28th March, 2017, has assigned the aforesaid Loan arrangements to its parent/holding Company, i.e., M/s Spice Energy Private Limited under the process of restructuring of investment within the group. In the said process of restructuring the Nyra Holdings Private Limited has arranged to set-off its loan taken from Spice Energy Pvt. Ltd. with the loan amount extended to our Company, worth Rs. 9,26,27,000/-.

A tri-partite agreement was executed between our Company (as borrower), Nyra Holdings Pvt. Ltd. (as assignor) and Spice Energy Pvt. Ltd. (as assignee) to effect the aforesaid transaction, i.e., assignment of loan from Nyra Holdings to Spice Energy Pvt. Ltd. and for Spice Energy Private Limited to continue with the loan arrangements with your Company in future.

The aforesaid agreement, arrangement and matter is also proposed to be ratified by the shareholders of the Company in this Annual General Meeting i.e. for the FY 2016-17. The factual points in relation to above, have been duly explained in the explanatory statement of the Notice of the Annual General Meeting.

d. Change in Promoter of the Company

In the aforesaid arrangements/restructuring within the group Company, the Nyra Holdings Pvt. Ltd. has also transferred

its equity holdings bearing 233196000 equity shares constituting 2.81% of the entire paid-up capital of the Company, to its Parent cum Holding Company, i.e., Spice Energy Pvt. Ltd. The said transfer was made at the prevailing market price through off market mode. This transaction/transfer of shares to the Spice Energy Pvt. Ltd. by Nyra Holdings Pvt. Ltd. has resulted in change in the promoters of the Company, i.e., Spice Energy replaces Nyra Holdings as promoter in the shareholding list of the Company. The Spice Energy and Nyra Holdings has given the requisite disclosures under Regulation 29 and 30 of the SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 2011 and Insider Trading Regulations, which is duly reported to the Stock Exchange and the necessary e-form has been filed with the Registrar of Companies in relation to the above.

e. Contingent Liabilities

During the period under review, the contingent liabilities which are required to be reported are as under:

- The Claim against the Company to the extent of Rs. 9.19 Million pertains to M/s Thakurdas Khinvraj Rathi & Ors, who has issued a notice to the Company demanding the aforesaid amount under a litigation relating to taking a premises (along with a garage), situated at 95A Marine Drive, Mumbai-400002, on lease and license basis, in the year 2007-08. The dispute is ongoing and no finality has yet taken place.
- The amount of Rs. 5,862.11 million under Disputed Duties/Tax Demands pertains to the Income Tax orders issued for the A.Y. 2008-09 and 2014-15 for Rs. 5860.28 million and Rs. 1.83 million respectively. The assessment order for the A.Y. 2008-09 is related to the assessment u/s 148 w.r.t. the issuance of GDRs, however assessment proceedings for A.Y. 2014-15 pertains to the regular assessment, i.e. assessment u/s 143(3) of the Income Tax Act, 1961. The Company has filed appeals before the CIT (A) in the aforementioned matters which is yet to finalise.
- Karan Nirman Udyog Private Limited have filed winding up petition in the Hon'ble High Court of Delhi at New Delhi, for the recovery of Rs. 5.00 million. The Company is contesting, however the matter is still pending.

f. Investigation of Serious Fraud Investigation Office (SFIO):

The Company has reported in the previous year that the Serious Fraud Investigation Office (SFIO) had initiated an investigation into the affairs of the Company under section 212 of the Companies Act, 2013, the investigation is relating to the issuance of GDRs by the Company in the year 2007 and the proposed GDR issue in the year 2011.

The members be apprised that the Company has not received any official communication on the development in the aforesaid investigation process. The Company has provided adequate information and all essential support in the investigation process and have also provided all the documents as enquired from time to time. As on the date of this report the company has not received any intimation from SFIO regarding closure of matter.

g. Updates on Notices u/s 148 of the Income Tax for the A.Y. 2008-09 and 2009-10 for the Income Escaping Assessment U/s 147 of the Income Tax Act, 1961.

Your Company had received Notices u/s 148 of the Income Tax for the A.Y. 2008-09 and 2009-10 for the Income Escaping Assessment U/s 147 of the Income Tax Act, 1961. The Notice was in respect of assessment/re-assessment, re-computing the Loss/Depreciation of the Company for the said Assessment Years. As per the requirement of the Section 147 and Section 148 of the Income Tax Act, 1961, the authority has provided the reasons for re-opening the case for both of the Assessment years.

As reported earlier w.r.t the A.Y. 2009-10 the A.O. had passed an order dated 28/03/2016 without making any addition and stating that the advances in subject matter given by the Company is not made for the business purpose of the Company and therefore the Capital Work In Progress

must be reduced by Rs. 464.97 crores. This Order has been challenged by the Company at the appropriate forum, under Section 246A(1)(b) of the Income Tax Act, 1961, which proceedings are undergoing.

The assessment proceedings for A.Y. 2008-09, was referred by the A.O. to the Transfer Pricing officer for his due assessment. The Transfer pricing officer after dealing with the matter and after detailed deliberations, have passed his order on 28th October, 2016, stating that "the transaction done by assessee are with Associate Enterprise, i.e., Honor Finance for reasons already stated in the Show cause and in the AO's letter, the aforesaid transaction is an international transaction u/s 92B(1)". It was also mentioned that "no inference is drawn in respect of arm's length price of the international transaction, i.e. issuance of GDR and A.O. may take necessary action as deemed fit on the issue of imposition of penalty u/s 271AA and 271BA on protective basis till disposal of appeal of the assessee by Securities Appellate Tribunal."

Taking note of the aforesaid assessment made by the TPO and also after giving due opportunity to the Company, the A.O. has issued a final order on 28.12.2016, which was obtained from the department on 02.02.2017, raising a demand of Rs. 5,86,02,81,490/-.

Your Company have denied and disputed the order and the demand as raised by the A.O. and have filed an appeal before Hon'ble CIT (A) under the relevant provisions of the Income Tax Act, 1961. Further, your Company has also appealed to the department to take a lenient view on the deposit of the aforesaid demand, till the matter is heard before CIT (A), however, the Department has attached one of the Company's Bank Account against the order of demand.

h. Suspension in the trading of equity shares of the Company at Bombay Stock Exchange (BSE) website and Putting the Company into the list of Shell Company:

The trading of the equity shares of the Company at BSE website has been suspended w.e.f 08th August, 2017. The SEBI vide its letter bearing No. SEBI/HO/ISD/OW/P/2017/18183 dated 07th August, 2017 has provided a list of shell Companies as identified by Ministry of Corporate Affairs (MCA) to the Exchange, with a direction to take necessary measures. The BSE, based on the above, has taken a measure against the Company which inter-alia includes moving the securities to GSM Framework under stage VI w.e.f August 08, 2017. "As per the GSM framework, trading in the securities of the Company shall be permitted only once a month under trade to trade category and any upward price movement in the securities shall not permitted beyond the last traded price and additional surveillance deposit of 200% of trade value shall be collected from the buyers which shall be retained with the exchanges for a period of five months".

Earlier the equity of the Company was placed under stage 1 of GSM framework vide the notice dated 13th June, 2017 and now it has been directly moved to stage VI of the GSM framework, which have led to the aforesaid restrictions in the trading.

The Company had no idea or any information, on what ground and basis, it has been moved to the list of shell Company by Ministry of Corporate Affairs and such restrictions on the trading is being imposed on the Company.

Your Company, has written to SEBI and BSE, asking for the basis/ground of such treatment or terming the Company as shell Company, resulting into such stringent restrictions on trading of its equity at the Exchange.

(ii) Status of project and Future Outlook:

As your Directors have been reporting since long, that your Company had plans to set up a Crude Oil Petroleum Refinery (the project). The Company has raised Rs. 7,880 million through Global Depository Receipts (GDR) in December 2007, for part funding the project. The proceeds of the GDR issue were fully utilized to pay capital advances

related to purchase of equipment of two used oil refineries and other corporate expenses incurred during construction period. Due to non-availability of funds, restrictive orders of SEBI, pending litigations, and unrecoverable advances paid to suppliers on account of non-fulfilment of financial obligations by company in time, the implementation of the project has been stalled. Since considerable time has elapsed the prospect of the project revival and its implementation has become bleak.

Further your Company is going through the appeal proceedings in the Hon'ble Securities Appellate Tribunal (SAT) against the final order of the Securities and Exchange Board of India (SEBI), the order for which is expected in near future. We have apprised you above, how the restrictive orders and litigations have affected the project implementation of the Company. The restriction on the Company has prohibited the Company to enter into the securities market and explore any capital generation. It has been limited and confined to the loan arrangements from one of the promoter group Company. In the present scenario, your Company has no operational project as no operational revenues accrue to the Company, hence it is evident, that the Company will only be able to survive if the SAT considers our appeal favorably and issues an appropriate final order. Presently no discussion in detail on the project implementation is possible or relevant.

5. Change in the nature of business, if any

During the period under review, there was no change in the nature of business of the Company.

6. Material changes and commitments, if any, affecting the financial position of the company which have occurred between the end of the financial year of the company to which the financial statements relate and the date of the report

There are no changes and commitments, which are affecting the financial position of the Company from the end of the financial year, i.e., 31st March, 2017 till the date of this Report, i.e., 14th August, 2017.

7. 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

➤ Order dated 23rd October, 2013 passed by Securities and Exchange Board of India:

As reported earlier, The Securities and Exchange Board of India has issued an Order against the Company in the matter of "Market Manipulation using GDR Issues." The Order dated October 23, 2013 mainly states that:

- *Cals shall not issue equity shares or any other instrument convertible into equity shares or any other security, for a period of ten years.*
- *Vide the Interim Order dated September 21, 2011 (later confirmed through the Confirmatory Order on December 30, 2011), Cals was directed not to issue equity shares or any other instrument convertible into equity shares or alter their capital structure in any manner till further directions. In this context, Cals has already undergone the prohibition imposed vide the Interim Order for a period of approximately two years. In view of this factual situation, it is clarified that the prohibition already undergone by Cals pursuant to the aforementioned SEBI Order shall be reduced while computing the period in respect of the prohibition imposed vide this order.*

However, the Company has filed an appeal to the Hon'ble Securities and Appellate Tribunal (SAT), against the abovementioned order of the SEBI, which is ongoing.

From the above Order it is clear that the Company is restrained from issuing any further equity shares or any other instruments, convertible into equity shares or any other security, effectively for a period of eight years (approx) from the date of the order, however the Company has survived the order for approx. 4 years from its date and approx. 6 years in total from the date of the first order.

At this moment the Company has no operational project

and hence no operational revenues accrue to the Company. The Company has been funding its day to day operations and statutory requirements through the funding received by way of unsecured loans from one of the promoter group company. It has now become difficult to continue receive funding support from any other sources including by way of unsecured loans. In view of the complex statutory requirements and financial position of the Company, no lender other than the promoter group Company, is ready to lend money to the Company. The aforesaid restrictive order has built such adverse circumstances, wherein the Company was not able to move ahead with its project and various contracts and agreements which were entered into and for which advances were paid have expired long back. The management, in the previous financials has written off such advances, pre-operative expenses, consultancy fee and capital work in progress to give true and fair picture of the financials, though such writing off completely eroded the net worth of the Company.

The Auditors of the Company has taken note of the same and qualified their Report raising their apprehension on the going concern status of the Company. The management has given their detailed comments on such qualification of the Auditor's at the later part of this Report. Though it is pertinent to note that the ability of the Company to continue as a going concern is significantly dependent on getting a favourable order from SAT and the management is confident for such favourable order.

8. Details in respect of adequacy of internal financial controls with reference to the Financial Statements.

The Company has adequately adopted the procedures, criteria and mechanism to ensure the proper internal control, suitable policies and guidelines as required under various provisions of the Companies Act, 2013 and the Listing Agreement are in place. The following policies adopted by the Company, which focuses on comprehensive management, control and compliance with different rules and regulations as prescribed under various laws applicable to the Companies.

1. Vigil Mechanism Policies/Whistle Blower Policies,
2. Risk Management Policy

The said policies ensure reduction of possible threats of fraud, the orderly and efficient conduct of the business of the Company. These policies and guidelines are adequately monitored by the designated Committees of the Board.

The Company in addition to the above has in place a proper system of internal audit that is adequate in respect to the size and operations of the Company. M/s Amar Jeet Singh & Associates, Chartered accountants had been appointed as the Internal Auditor of the Company for the financial year 2016-17. They had adequately conducted the Quarterly internal audit exercise within the terms of regulatory requirements. During the Audit Process, no material discrepancies were reported by him. The Company prepares the financial information/reporting as per the requisite requirements of the Companies Act, 2013 and the Listing Regulations, and place it to the Audit Committee and Board for the approval, once approved the said financial results are submitted to the stock exchange and also placed on the website of the Company. The Internal Auditors are empowered with the facility to directly report to the Audit Committee of the Board of Directors of the Company.

9. Subsidiary/ Joint Ventures/ Associate Companies

During the period under review, the Company neither has any Subsidiary nor any Joint Venture or Associate Company. Since, the Company is not having any Subsidiary accordingly no policy has been formulated for determining Material Subsidiaries.

10. Performance and financial position of each of the subsidiaries, associates and joint venture companies included in the consolidated financial statement.

The Company is not having any Subsidiary, Joint Venture or Associate Company.

11. Deposits

During financial year 2016-17 the Company has not accepted any deposits under the provisions of Chapter V of Companies Act, 2013.

12. Statutory Auditors & Auditor's Report

M/s VATSS & Associates, Chartered Accountants, (ICAI Firm Registration No.- 017573N) were appointed as Statutory Auditors of the Company for a period of 5 years in the Annual General Meeting (AGM) of the Company held on 25th September, 2015 subject to ratification of their appointment by the members in every subsequent AGM. They have completed the audit of the Company for the financial year 2016-17. The Board hereby recommends appointment of M/s VATSS & Associates, Chartered Accountants as the statutory auditors of the Company for the financial year 2017-18 for ratification of the members. Members are requested to consider and ratify the same.

13. Auditor's Report

The Auditors have qualified their Audit Report issued to the Company, by stating the following qualification:

"Attention of the matters is invited to note no.28(d) of the notes to accounts regarding the financial statements of the company having been prepared on a Going Concern basis, not withstanding that due to continuous losses incurred by the company during the past years and current year, the accumulated losses of the Company have far exceeded its Net Worth resulting in negative net worth on Balance Sheet date. The company has written-off a substantial part of its Fixed Asset during earlier years. This situation indicates the existence of a material uncertainty that may cast a significant doubt on the company's ability to continue as going concern."

The Board considered the aforesaid qualification and recorded its comment as below:

The board noted qualified opinion of the Auditors raising the concern on the ability of the Company to continue as going concern.

It has been informed continuously, and it is a matter of record also that the losses suffered during the previous years were on account of expenses incurred as pre-operational expenses relating to the project implementation. In the year 2011 the Company had undergone an investigation by the Securities and Exchange Board of India (SEBI) relating to the market manipulations using GDRs. SEBI in the aforesaid matter had forthwith issued its interim orders prohibiting the Company from entering into the capital market, or issuing any kind of securities and altering its capital structure. This prohibition had a considerable impact on the capacity of the Company to raise funds and thus the project implementation process got slowed. The SEBI in the investigation process has issued their final order on 23rd October, 2013 confirming the aforesaid restrictions on the Company effectively for a period of 8 years approx., from the date of final order. The Company has challenged the final order at Securities Appellate Tribunal, where the proceeding is ongoing and still not got finality, your Company is expecting the order of the SAT in near future.

This restrictive order has brought this Company to a position where no project could be implemented and no source of income could be generated till date, which has in turn resulted into the accumulated losses for the Company over the years. This has further impacted the Company that it could not carry its business further and all the project implementation was stalled. Gradually, all the contract entered into by the Company and advances paid in this behalf expired and become obsolete, due to non-payment of balance funds, which also resulted into not arranging the necessary machineries for the project and management in this respect and with an intention to give true and fair picture of the financials, was bound to take a call for the writing off of all such advances/fixed assets made to the parties.

Before taking decision of such writing off of substantial part of the advances/fixed assets during the earlier years, the Board also took note of the auditor's observation, which was made by them in the meeting held on 10th February, 2015. The Board

recorded the fact that the writing off of such assets were required and mandated to give a true and fair picture of the financial statement.

The Board further took legal opinion on this matter from one of the leading law houses in Delhi, and after considering the various aspects of the legal opinion and also after considering the possibilities of recovery of the Capital advances or the enforceability of such Contracts (including novation), consented to write off these advances.

The Board, based on the aforesaid decision further decided to write off other Fixed Assets and Advances, which is having similar nature as aforesaid and accordingly various advances, fixed assets and pre-operative expenses were written off.

The management is hoping to receive a favourable order from the SAT proceedings, which Company has initiated against the restrictive orders of the SEBI, which will positively impact the future of the Company. In view of the willingness to start the project once the favourable business conditions are in, the Management has taken stand to continue the accounting of the business as a Going Concern.

14. Share Capital

During Financial Year 2016-17, the Company's Capital Structure remains unchanged.

15. Extract of the annual return

The extract of the annual return in Form No. MGT - 9 is annexed as **Annexure -01**.

16. Conservation of energy, technology absorption and foreign exchange earnings and outgo

The details of conservation of energy, technology absorption, foreign exchange earnings and outgo are as follows:

(A) Conservation of energy and Technology absorption

The Company has not initiated its operations till date, no particulars in respect of conservation of energy and technology absorption have been furnished as per Section 134(3)(m) of the Companies Act, 2013.

(B) Foreign exchange earnings and outgo

There were no foreign exchange earnings and outgo during the year under review.

17. Corporate Social Responsibility (CSR)

The disclosures as per Rule 9 of Companies (Corporate Social Responsibility Policy) Rules, 2014 is enclosed as **Annexure-02**. The members be apprised that the said policy is now not effective as the CSR Committee of the Company has been dissolved w.e.f 26th May 2017.

Please note that the said committee was established by the Board in compliance with the provisions of Section 135 of the Companies Act, 2013 and rules made thereunder on 29th May, 2014. The said Committee was comprising Mr. Pranav Kumar, Mr. Sameer Rajpal and Mr. Deep Kumar Rastogi as its members.

Further, on 26th May, 2017, your board after considering the provisions of Rule 3(2) of the Companies (Corporate Social Responsibility Policy) Rules, 2014, and also after taking into consideration of the factual threshold limits to constitute the Committee as mentioned in section 135 (1) of the Companies Act, 2013, noted that the requirement to constitute the Committee is no more required for the Company and accordingly the board decided to dissolve the same with immediate effect.

18. Directors**(A) Changes in Directors and Key Managerial Personnel (KMP):****• Cessation of Directors/KMP:**

No cessation of Director or KMP of the Company had taken place during the financial year under reporting.

• Appointment of New Directors/KMP:

Ms. Monika Moorjani who had resigned from the office of Director of the Company on 23rd March, 2016 was again appointed as director of the Company under Independent-Non Executive Category w.e.f. 27th May, 2016. She has further resigned from the Board w.e.f. 14th August, 2017.

• **Reappointment of Directors:**

In terms of the provisions of Section 152(6) of Companies Act, 2013, Mr. Deep Kumar Rastogi, Director of the Company is liable to retire by rotation at the ensuing Annual General Meeting and being eligible, has offered himself for re-appointment. Brief resume of director seeking reappointment along with other details as stipulated under regulation 36 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, are provided in the AGM Notice for convening the Annual General Meeting.

(B) Declaration by an Independent Director(s) & re-appointment, if any:

All Independent Directors have submitted declarations that they meet the criteria of independence as laid down under Section 149(6) of the Companies Act, 2013 and Regulation 16 (1) (b) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

(C) Details of training imparted to Independent Directors:

Your Company has the policy that every new Independent Director inducted on the Board attends an orientation program in which he/she is familiarized with the strategy, operations and status of the Company. They are further briefed with history of the Company and also handed over a Copy of the bunch of Company's Annual Reports, its Memorandum and Articles of Association, various policies and the Code of Conduct of the Company.

On November 14, 2016, a familiarization program was held for Independent Directors. In that session, a detailed discussion was held on the applicability and various aspects of GST (Goods and Services Act) and its impact on the Company, if any. All the Independent Directors i.e. Mr. Pranav Kumar, Mr. Sameer Rajpal and Ms. Monika Moorjani were physically present in the aforementioned programme. The said familiarization programme for Directors is available on the Company's website with below link:

http://www.cals.in/Data/Familiarisation_Program.pdf

Further, at the time of appointment of an Independent Director, the Company issues a formal letter of appointment outlining his/her role, functions and duties/responsibilities as a Director. The Format of the letter of appointment is provided on our website, a web link thereto is given below: <http://www.cals.in/Data/Documents/Cals%20Refineries%20-%20OD%20-%20Model%20LOI%20-%20Independent%20Directors.pdf>

(D) Formal Annual Evaluation:

Pursuant to the provisions of the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 the performance evaluation of every Director has been carried out by the Company. The Board has adopted and implemented the criteria for performance evaluation of every Director, which focuses on various aspects of the functioning of members of Board and Committees, such as attendance at meeting, contribution, awareness towards Company's development etc. The result of aforesaid evaluations was noted by the Nomination and Remuneration Committee in their meeting held on 26th May, 2017.

19. Number of meetings of the Board of Directors

The Board met 5 times during the year, the details of which are given in Corporate Governance report forming part of this annual report. The intervening gap between any two meetings was within the prescribed time limit under Companies Act, 2013.

20. Audit Committee

During the year, the Audit Committee was constituted with Mr. Sameer Rajpal, Chairman of the Committee, Mr. Pranav Kumar and Mr. Deep Kumar Rastogi.

A detailed description about the audit Committee is given in the Corporate Governance Report, forming part of the Director's Report.

Further all recommendations made by Audit Committee during the year were accepted by the Board.

21. Details of establishment of vigil mechanism for directors and employees

The Company has in place a Vigil Mechanism/ Whistle Blower Policy framed as per the requirements of Section 177 of the Companies Act, 2013 and Regulation 22 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. The Vigil Mechanism policy has also been displayed on Company's website at

<http://www.cals.in/Data/Documents/Cals%20Refineries%20-%20OD%20-%20Vigil%20Mechanism.pdf>

22. Nomination and Remuneration Committee

In terms of Compliance of Section 178 of the Companies Act, 2013 and Regulation 19 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company has a duly constituted Nomination and Remuneration Committee. The detailed description about the Committee is given in the Corporate Governance Report, forming part of the Director's Report.

Remuneration Policy has been framed, adopted and implemented by the Nomination and Remuneration Committee. During the year under review, the Nomination and Remuneration Committee reviewed the Remuneration Policy for Directors, KMPs and other employees and recommended no changes to be made in the Policy to the Board of Directors of the Company. The said policy forms part of the Board's Report as **Annexure- 03**.

23. Particulars of loans, guarantees or investments under section 186

The Company has neither granted any Loans, extended any Guarantees nor made Investments during the Financial year 2016-17, pursuant the provisions of Section 186 of Companies Act, 2013.

24. Particulars of contracts or arrangements with related parties

The Company has not made any contracts with related parties pursuant to Section 188 of Companies Act, 2013.

However, your Company has been obtaining loan from Nyra Holdings Pvt. Ltd. a related party as per Section 2 (76) of the Companies Act, 2013, to meet its day to day financial needs and also to meet the statutory dues, necessary compliances and the legal expenses. Such arrangements of obtaining loan from related party falls into the category of material related party transaction as per Regulation 23 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

As submitted in the previous year report that your Company had obtained your approval for the said material related party transaction with Nyra Holdings Private Limited an entity belonging to the promoters' group. Further to apprise you that the Nyra Holdings Private Limited during the year, i.e., on 28th March, 2017 had assigned the entire loan facility extended to the Company, i.e. Rs. 9,26,70,000/- to its parent/holding Company Spice Energy Pvt. Ltd. (another promoter group Company) under an internal restructuring of investments.

Your Company in this context, are moving a special resolution for your approval in the Notice of the ensuing Annual General Meeting and have also explained the detailed transaction in the concern explanatory statement of the said Notice.

Moreover, the Company has formulated a policy on materiality of related party transactions and also on dealing with Related Party Transactions which can be downloaded from the link mentioned below:

<http://www.cals.in/Data/Documents/Cals%20Refineries%20-%20OD%20-%20RPT%20Policy.pdf>

25. Managerial Remuneration

Disclosure pursuant to Section 197(12) of Companies Act, 2013 and Rule 5 of Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 is provided below:

- (i) The Ratio of the remuneration of each Director to the Median remuneration of the employees of the Company for the year 2016-17: