

DIVYA JYOTI INDUSTRIES LIMITED



25th
Annual Report-2016-17

CORPORATE INFORMATION



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|--|--|
| Board of Directors: 1. Mr. Girdhari R. Nyati - Whole Time Director 2. Mr. Gopal Nyati - Executive Director 3. Mrs. Babita Nyati - Woman Director 4. Mr. Sudarshan Shastri - Independent Director 5. Mr. Shriniwas Soni - Independent Director 6. Mr. Johnney Paul - Independent Director 7. Mr. Vitthal Das Rathi - Independent Director (Upto 19 th Sept. 2016) 8. Mr. Suresh Kumar Varma- Independent Director (w.e.f. 14th Nov. 2016) | Committees of Directors Audit Committee: 1. Mr. Shriniwas Soni - Chairman 2. Mr. Gopal Nyati - Member 3. Mr. Sudarshan Shastri - Member Stakeholders Relationship Committee: 1. Mr. Sudarshan Shastri - Chairman 2. Mr. Shriniwas Soni - Member 3. Mr. Gopal Nyati - Member Nomination and Remuneration Committee: 1. Mr. Sudarshan Shastri - Chairman 2. Mr. Gopal Nyati - Member 3. Mr. Shriniwas Soni - Member |
| Chief Executive Officer (CEO): Mr. Sanjay Baweja Chief Operating Officer (COO): Mr. Aniruddha Nyati Chief Financial Officer (CFO): Mr. Ankit Maheshwari | Company Secretary & Compliance Officer: Mrs. Poorva Agrawal (Upto 1 st Jan. 2017) Ms. Prabhavi Mungee (w.e.f. 02 nd Jan. 2017) Cost Auditors: G.K. Gupta & Co. Cost Accountants EA 125, Sector A, Scheme No. 94 Ring Road, Indore - 452001 (M.P.) Registrar & Shares Transfer Agent: Link In time India Pvt. Limited C 101, 247 Park, L B S Marg, Vikhroli West, Mumbai 400 083. Phone No: 022-25963838 Fax: 022-25946969 Email: rnt.helpdesk@linkintime.co.in |
| Statutory Auditors: Dafria & Co. Chartered Accountants A1, Megh Building, 13/2 M.G. Road, Indore - 452001 (M.P.) | Corporate Office: 201-204, B.M. Tower Opposite Lotus Showroom, Sapna Sangeeta Road, Indore - 452001 (M.P.) Phone : 0731-4010900-1 Fax : 0731-4010902 |
| Bankers: 1 Dena Bank 2 Oriental Bank of Commerce 3 Saraswat Co-operative Bank Ltd. | Website: www.divyajyoti.net |
| Registered Office: Plot No. M-19 39, Sector III Industrial Area, Pithampur - 454775, Dist. Dhar (M.P.) Phone : 07292-421900-1 Fax : 07292-421947 | |
| Corporate Identification Number: L15143MP1992PLC007090 | |

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NOTICE

Notice is hereby given that the Twenty Fifth Annual General Meeting of the Members of **DIVYA JYOTI INDUSTRIES LIMITED** will be held on Wednesday, the 27th day of September, 2017 at 11:30 AM. at Registered Office of the company at M-19-39, Sector III, Industrial Area, Pithampur-454775 District Dhar (M.P.) to transact the following business:

ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Financial Statement of the Company for the year ended 31st March, 2017 including audited Balance Sheet as at 31st March, 2017 and the Statement of Profit & Loss for the year ended on that date and reports of Directors and Auditors thereon.
2. To appoint a director in place of Mrs. Babita Nyati (DIN: 06904655), who retires by rotation at this Annual General Meeting and being eligible offers herself for re-appointment.
3. To appoint Auditor & fix their remuneration and in this regard 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 139, 142 and other applicable provisions, if any, of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014 (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force), M/s. ANUBHAV PRADHAN & CO. Chartered Accountants (ICAI FRN:013822C), be and is hereby appointed as Statutory Auditor of the Company for a term of 5 (five) consecutive years from the financial year 2017-2018, subject to ratification by the members at every Annual General Meeting of the Company, at such remuneration as shall be fixed by the Board of Directors of the Company in consultation with the Audit Committee and the Auditor.”

SPECIAL BUSINESS:

4. **RATIFICATION OF REMUNERATION OF COST AUDITOR FOR THE FINANCIAL YEAR 2017-18**
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 all other applicable provisions of the Companies Act, 2013 and the Companies (Audit and Auditors) Rules, 2014, including any statutory modification or re-enactment thereof, for the time being in force and as recommended by the Board and Audit Committee, the total consolidated remuneration payable during the year 2017-18 to M/s G.K. Gupta & Co., Cost Accountants, appointed by the Board of Directors to conduct the audit of cost records of the company for the financial year 2017-18, Amounting to Rs. 18,000/- (Rupees Eighteen Thousand Only) be and is hereby ratified and confirmed;

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

5. **APPOINTMENT OF INDEPENDENT DIRECTOR**
To consider and if thought fit to pass with or without modification(s) the following Resolution as an Ordinary Resolution:

“RESOLVED THAT pursuant to section 149, 150, 152 and other applicable provisions of the Companies Act, 2013 and the rules made thereunder, read with Schedule IV to the Companies Act, 2013 and as per [SEBI (LODR) Regulation 2015] (including any statutory modification (s) or re-enactment thereof for the time being in force), Mr. Suresh Kumar Varma (DIN: 07651488), a Non-Executive Independent Director of the Company, who has submitted a declaration that he meets the criteria for independence as provided in Section 149(6) of the Act 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, be and is hereby appointed as an Independent Director of the Company for a period of 5 (five) consecutive years w.e.f. 14th November 2016 not liable to retire by rotation”

NOTICE



1. The explanatory statement pursuant to Section 102(1) of the Companies Act, 2013 setting out the material facts in respect of the business under Item Nos. 4 to 5 set out above and the details under Regulation 36(3) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 is annexed hereto.
2. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF/ HERSELF. THE PROXY NEED NOT BE A MEMBER. 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. A member holding more than ten percent 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. The instrument appointing proxy should however be deposited at the registered office of the company not later than 48 hours before the commencement of the meeting. Proxy shall not have any right to speak at the meeting.
3. Corporate Members are requested to send a duly certified copy of the Board resolution, authorizing their representative to attend and vote at the Annual General Meeting.
4. As per Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, information regarding appointment/re-appointment of Directors and Explanatory Statement pursuant to Section 102 of the Companies Act, 2013 in respect of special business to be transacted are annexed hereto.
5. The Register of members and share transfer books of the Company will remain closed from September 25th, 2017 to September 27th, 2017 (both days inclusive) for the purpose of Annual General Meeting.
6. Shareholders seeking any information with regard to accounts are requested to write to the Company atleast 10 days before the meeting so as to enable the management to keep the information ready.
7. All documents referred to in the accompanying notice and explanatory statement will be kept open for inspection at the Registered Office of Company on all working days except Saturday between 11.00 a.m. to 1.00 p.m.
8. Members are requested to bring the copy of Annual Report at the meeting.
9. Members holding the shares in physical mode are requested to notify immediately the change of their address to the R & T Agent of the Company. In case shares held in dematerialized form, the information regarding change of address should be given to their respective Depository Participant.
10. Voting through electronic means:
The Company is pleased to offer e-voting facility to all its members to enable them to cast their vote electronically in terms of Section 108 of the Companies Act, 2013 read with the Companies (Management and Administration) Rules, 2014 and Clause 35B of the Listing Agreement (including any statutory modification or re-enactment thereof for the time being in force). Accordingly, a member may exercise his vote by electronic means and the Company may pass any resolution by electronic voting system in accordance with the above provisions.
11. Shareholders who have already voted prior to the meeting date by e-voting shall not be entitled to vote at the meeting venue.

The instructions for e-voting are as under:

SECTION A - E-VOTING PROCESS:

- Step 1: Open your web browser during the voting period and log on to the e-Voting Website:
- Step 2: Click on "Shareholders" to cast your vote(s)
- Step 3: Select the Electronic Voting Sequence Number (EVSN) i.e. "170816034" along with "COMPANY NAME" i.e. "Divya Jyoti Industries Limited" from the drop down menu and click on "SUBMIT".
- Step 4: Please enter User ID –
 - a. For account holders in CDSL :- Your 16 digits beneficiary ID
 - b. For account holders in NSDL :- Your 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.
- Step 5: Enter the Image Verification as displayed and Click on Login
- Step 6: If you are holding shares in demat form and had logged on to and voted on an earlier voting of any Company, then your existing password is to be used.
- Step 7: If you are a first time user follow the steps given below:
 - 7.1 Members holding shares in electronic form are, therefore, requested to submit the PAN to their Depository Participants with whom they are maintaining their demat accounts. Members holding shares in physical form can submit their PAN details to the Company.
 - 7.2 Enter your 10 digit alpha-numeric PAN issued by Income Tax Department. For members who have not updated their PAN with the Depository Participant are requested to use the first two letters of their name and the last 8 digits of the demat account/folio number in the PAN field. In case the folio number is less than 8 digits enter the applicable number of 0's before the number after the first two characters of the name in CAPITAL letters. Eg. If your name is Ramesh Kumar with folio number 100 then enter RA00000100 in the PAN field.
 - 7.3 Enter the Date of Birth (DOB) recorded in the demat account or registered with the Company for the demat account in DD/MM/YYYY format#

- Step 8: After entering these details appropriately, click on “SUBMIT” tab.
- Step 9: First time user holding shares in Demat form will now reach Password Generation menu wherein they are required to create their login password in the password field. Kindly note that this password can also be used by the Demat holders for voting for resolution 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. If Demat account holder has forgotten the changed password then Enter the User ID and the image verification code and click on Forgot Password and enter the details as prompted by the system. Members holding shares in physical form will then directly reach the Company selection screen.
- Step 10: Click on the EVSN of the Company i.e **170816034** to vote.
- Step 11: On the voting page, you will see Resolution description and against the same the option 'YES/NO' for voting. Select the relevant option as desired YES or NO and click on Submit. Step 12: Click on the Resolution File Link if you wish to view the Notice.
- Step 13: 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.
- Step 14: Once you 'CONFIRM' your vote on the resolution, you will not be allowed to modify your vote. You can also take out print of the voting done by you by clicking on “Click here to print” option on the Voting page.
- Step 15: Shareholders can also cast their vote using CDSL's mobile app m-Voting available for android based mobiles. The m-Voting app can be downloaded from Google Play Store. iPhone and Windows phone users can download the app from the App Store and the Windows Phone Store respectively. Please follow the instructions as prompted by the mobile app while voting on your mobile.

SECTION B - COMMENCEMENT OF E-VOTING PERIOD AND OTHER E-VOTING INSTRUCTIONS

- i. The e-Voting period commences on September 24, 2017 (9.00 a.m.) and ends on September 26, 2017 (5.00 p.m.). During this period shareholders of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date (record date) of September 20, 2017 may cast their vote electronically. The e-voting module shall be disabled thereafter.
- ii. The e-Voting module shall be disabled for voting on September 26, 2017 at 05.00 p.m. Once the vote on a resolution is cast by the shareholder, the shareholder shall not be allowed to change it subsequently.
- iii. The voting rights of shareholders shall be in proportion to their shares of the Paid Up Equity Share Capital of the Company.
- iv. CA Ankit Ladha, Practicing Chartered Accountant of M/s A K Ladha & Associates, Membership No.:ACA 420925, (FRN No: 017601C) Address: Dak-Banglow Road, Ratangarh Pin-458226 (India), email ID- caankitladha@gmail.com has been appointed as the Scrutinizer to scrutinize the e-voting process.
- v. The scrutinizer shall, immediately after the conclusion of voting at the general meeting, first count the votes cast at the meeting, thereafter unblock the votes cast through remote e-voting in the presence of at least two witnesses not in the employment of the company and make, not later than three days of conclusion of the meeting, a consolidated scrutiniser's report of the total votes cast in favour or against, if any, to the Chairman or a person authorized by him in writing who shall countersign the same, provided that the chairman or a person authorized by him in writing who shall countersign the same.
- vi. The Results declared along with the Scrutinizer's Report shall be placed on the Company's website and on the website of CDSL within two days of the passing of the resolutions at the AGM of the Company and communicated to the BSE Limited where the shares of the Company are listed.
- vii. The resolutions shall be deemed to be passed on the date of the Annual General Meeting, subject to receipt of sufficient votes.
- viii. For Members holding shares in physical form, the password and default number can be used only for e-Voting on the resolutions given in the notice.
- ix. Institutional Shareholders (i.e. other than individuals , HUF, NRI etc .) are required to log on to and register themselves as Corporate, link their account which they wish to vote on and then cast their vote. They should submit a scanned copy of the Registration Form bearing the stamp and sign of the entity They should also upload a scanned copy of the Board Resolution / 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 vote.
- x. You can also update your mobile number and E-mail ID in the user profile details of the folio which may be used for sending communication(s) regarding CDSL e-Voting system in future. The same may be used in case the Member forgets the password and the same needs to be reset.

- xi. In case you have any queries or issues regarding e-Voting, you may refer the Frequently Asked Questions ("FAQs") and e-Voting manual available at www.evotingindia.com under help section or write an e-mail to helpdesk.evoting@cdslindia.com

Contact Details

Company Divya Jyoti Industries Limited
Regd. Office: Plot No. M-19 39, Sector III,
Industrial Area, Pithampur - 454775, Dist. Dhar (M.P.) CIN: L15143MP1992PLC007090
E-mail ID: shares@divyajyoti.net

Registrar and Share Transfer Agent
Link In time India Private Limited
C 101, 247 Park, LBS Marg, Vikhroli West, Mumbai 400 083.
Phone No: 022-25963838 Fax: 022-25946969
Email: rnt.helpdesk@linkintime.co.in

E-Voting Agency : Central Depository Services (India) Limited
E-mail ID: helpdesk.evoting@cdslindia.com

By Order of the Board of Directors

Place: Indore
Date: August 11, 2017

Prabhavi Mungee
Company Secretary

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:

FOR ITEM NO.4

The Board, on the recommendation of the Audit Committee, has approved the reappointment and remuneration of the Cost Auditors to conduct the audit of the cost records of the Company for the financial year 2017-18. In accordance with the provisions of Section 148 of the Act read with the Companies (Audit and Auditors) Rules, 2014, the remuneration of the Cost Auditors has to be confirmed by the shareholders 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 confirmation of the remuneration payable to the Cost Auditors for the financial year 2017-18.

None of the Directors / Key Managerial Personnel of the Company / their relatives is, in any way, concerned or interested, financially or otherwise, in the above resolution. The Board commends the Resolution for approval by the members.

FOR ITEM NO. 5

The company had pursuant to the Section 149 of the Companies Act 2013 proposed to appoint Mr. Suresh Kumar Varma (DIN: 07651488), as Independent Director of the company for a period of 5 (five) years w.e.f. 14th November 2016.

Mr. Suresh Kumar Varma is not disqualified from being appointed as Directors in terms of Section 164 of the Act and have given their consent to act as Independent Director. The Company has also received declaration alongwith the deposit of requisite amount under section 160 from Mr. Suresh Kumar Varma that he meets with the criteria of independence as prescribed both under sub-section (6) of Section 149 of the Act and as per [SEBI (LODR) Regulation 2015]. In the opinion of the Board, Mr. Suresh Kumar Varma fulfill the conditions for appointment as Independent Director as specified in the Act and the Listing Agreement. Copy of the draft letter for respective appointment of Mr. Suresh Kumar Varma as Independent Director setting out the terms and conditions are available for inspection by members at the Registered Office of the Company.

Mr. Suresh Kumar Varma is interested in the resolutions set out respectively at Item No. 5 of the notice with regard to their respective appointment.

The Board recommends the said Resolution for approval by the Shareholders.

Place: Indore
Date: August 11, 2017

By Order of the Board of Directors
Prabhavi Mungee
Company Secretary

DIRECTORS' REPORT

Dear Members,

Your Directors are pleased to present the 25th Annual Report and the Company's audited accounts for the financial year ended 31st March, 2017.

FINANCIAL HIGHLIGHTS

The Company's financial performance for the year ended on 31st March, 2017 is summarized below:

(₹ in Lacs)

| Particulars | 2016-17 | 2015-16 |
|--|-----------|---------|
| Revenue from Operations | 11,637.24 | 9149.91 |
| Add: Other Income | 21.39 | 27.50 |
| Total Revenue | 11,658.62 | 9177.41 |
| Earnings Before Interest & Depreciation & Tax (EBIDTA) | 676.37 | 627.96 |
| Less: Financial Costs | 453.07 | 425.52 |
| Profit Before Depreciation | 223.30 | 202.44 |
| Less: Depreciation And Amortisation Expenses | 124.59 | 131.44 |
| Profit Before Tax (PBT) | 98.71 | 71.00 |
| Less: | | |
| (a) Current Tax | 34.53 | 19.70 |
| (b) Deferred Tax | (2.29) | 1.58 |
| Profit After Tax (PAT) | 66.47 | 49.72 |
| Add: Profit Brought Forward | 975.06 | 925.34 |
| Less: Transferred during the year | 0 | 0 |
| Profit Available for Appropriation | 1,041.53 | 975.06 |

BUSINESS PERFORMANCE

During the year under review, your Company has recorded total revenue of Rs. 116.59 Crores. The consolidated revenue from operations of the Company for the year ended 31st March, 2017 has increased and thus, profit is also increased as of the company.

EXTRACT OF ANNUAL RETURN

In compliance with section 92(3), section 134 (3) (a) and rule 11 of the Companies (Management and Administration) Rules, 2014 the extract of the annual return which is annexed as Form No. MGT-9 with this report.

MEETINGS OF THE BOARD

6 (Six) meetings of the Board of Directors and 5 (Five) meetings of the Audit Committee were held during the year. The details of the same are mentioned in the Corporate Governance Report.

DIRECTORS

In accordance with provisions of the Companies Act, 2013 and Article of Association of the Company, Mrs. Babita Nyati, Women Director of the Company, retires by rotation and being eligible offer herself for re-appointment & the Declaration has been received from her certifying that she meets with criteria of Director as prescribed.

During the period under review Mr. Vitthal Das Rathi has resigned as an Independent Director and Mr. Suresh Kumar Varma is appointed as an Independent Director of the Company.

DIRECTOR'S RESPONSIBILITY STATEMENT

Pursuant to section 134 (5) of the Companies Act, 2013, the Directors confirm that:-

- (i) In the preparation of the annual accounts, the applicable accounting standards have been followed and that there are no material departures.

- (ii) They have, in the selection of the accounting policies, consulted the statutory auditors and have applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit of the Company for that period.
- (iii) They have taken proper and sufficient care, to the best of their knowledge and ability, for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities.
- (iv) They have prepared the annual accounts on a going concern basis.
- (v) The Directors have laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and are operating effectively.
- (vi) The Directors have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems are adequate and operating effectively.

DECLARATION BY INDEPENDENT DIRECTORS

The Company has received necessary declaration from each independent director under Section 149(7) of the Companies Act, 2013, that he meets the criteria of independence laid down in Section 149(6) of the Companies Act, 2013 and Regulation 25 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

POLICIES

We seek to promote and follow the highest level of ethical standards in all our business transactions guided by our value system. The SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 mandated the formulation of certain policies for all listed companies. All our corporate governance policies are available on our website (<http://www.divyajyoti.net/Policies.html>). The policies are reviewed periodically by the Board and updated based on need and new compliance requirement.

In addition to the Code of Conduct and Ethics, key policies that have been adopted by the company are as follows:

| Name of the Policy | Brief Description | Web Link |
|--|--|---|
| Vigil Mechanism/ Whistle Blower Policy | The Company has adopted the Vigil Mechanism/ Whistle Blower Policy for directors and employees to report concerns about unethical behavior, actual or suspected fraud or violation of the Company's code of conduct and ethics. | http://www.divyajyoti.net/Policies/Vigil%20Mechanism.pdf |
| Familiarisation Programme | The company has a Familiarization Programme which deals with familiarizing the independent directors with the company, their roles, rights, responsibilities in the company, nature of the industry in which the company operates, business model of the company, etc., through various programmes organized by Executive Directors/ Senior Managerial Personnel of the company. | http://www.divyajyoti.net/Policies/Familiarization%20programme%20of%20Independent%20Directors.pdf |
| Remuneration Policy | The policy formulates the criteria for determining qualifications, competencies, positive attributes and independence for the appointment of a director (executive/ non- executive) and also the criteria for determining the remuneration of the directors, key managerial personnel and other employees. | http://www.divyajyoti.net/Policies/Remuneration%20Policy.pdf |
| Material Subsidiary Policy | The policy is used to determine material subsidiaries and material non- listed Indian subsidiaries of the Company and to provide the governance framework for them. | http://www.divyajyoti.net/Policies/Material%20Subsidiary%20Policy.pdf |
| Related Party Transaction Policy | The policy regulates all the transactions between the company and its related parties. | http://www.divyajyoti.net/Policies/Related-Party-Transaction-Policy.pdf |
| Policy on determination of materiality for disclosure. | This policy applies to disclosure of material events affecting the company. Materiality will be determined on case to case basis depending on the facts and circumstances relating to the information/ events and disclosures or in the opinion of the Board, if the event/ information ought to be disclosed. | http://www.divyajyoti.net/Policies/Policy%20on%20Determination%20of%20Materiality%20For%20Disclosure%20of%20Events%20or%20Information.pdf |

| Name of the Policy | Brief Description | Web Link |
|-------------------------------------|--|---|
| Archival Policy | The policy deals with retention and archival of corporate records of the company. | http://www.divyajyoti.net/Policies/Archival%20Policy.pdf |
| Sexual Harassment Policy | The Company has in place an Anti-Sexual Harassment Policy in line with the requirements of the Sexual Harassment of Women at Workplace (Prevention, Prohibition And Redressal) Act, 2013. An Internal Complaints Committee (ICC) has been set up to redress complaints received regarding sexual harassment. All employees (permanent, contractual, temporary, trainees) are covered under this policy. No complaints pertaining to sexual harassment were received during FY 2016-2017. | http://www.divyajyoti.net/Policies/Sexual%20Harassment%20Policy.pdf |
| Risk Management Policy | This policy deals with identifying risks inherent in any business operations of the Company and provides guidelines to define, measure, report, control and mitigate the identified risks. It helps to create and protect shareholder value by minimizing threats or losses, and identify and maximizing opportunities. | http://www.divyajyoti.net/Policies/Risk%20Management%20Policy.pdf |
| Policy on Preservation of Documents | This policy deals with specifying the documents which are to be preserved for lifetime (subject to such modifications, amendments addition, deletion and changes as required from time to time) and for specific time period. | http://www.divyajyoti.net/Policies/Policy%20for%20Preservation%20of%20Documents.pdf |

AUDIT COMMITTEE

The Audit Committee comprises of three (3) Directors namely Mr. Shriniwas Soni (Chairman), Mr. Gopal Nyati and Mr. Sudarshan Shastri as other members. All the recommendations made by the Audit Committee were accepted by the Board.

AUDITORS AND AUDITORS' REPORT

As per the provisions of the Act, the period of office of M/s Dafria & Co., Chartered Accountants, Statutory Auditor of the Company, expires at the conclusion of the ensuing Annual General Meeting.

It is proposed to appoint M/s. Anubhav Pradhan & Co., Chartered Accountants (ICAI FRN: 013822C), as Statutory Auditor of the Company, for a term of 5 (five) consecutive years. They have confirmed their eligibility and qualification required under the Act for holding the office, as Statutory Auditor of the Company.

The Notes on financial statement referred to in the Auditors' Report are self-explanatory and do not call for any further comments. The Auditors' Report does not contain any qualification, reservation, adverse remark or disclaimer

SECRETARIAL AUDITOR

The Board appointed M/s. M. Maheshwari & Associates, Practicing Company Secretary, to conduct Secretarial Audit for the FY 2016-17. The Secretarial Audit Report for the financial year ended March 31, 2017 is annexed herewith. The Secretarial Audit Report does not contain any qualification, reservation, adverse remark or disclaimer.

COST AUDITORS

M/s. G K Gupta & Co., Cost Accountant were appointed as Cost Auditors for auditing the cost records of your Company for the financial year 2017-18 by the Board of Directors on a consolidated remuneration of Rs.18,000/- (Rupees Eighteen Thousand Only), the remuneration was recommended by the Audit Committee of the Company. Further, the remuneration proposed to be paid to them for the financial year 2017-18 requires ratification of the shareholders of the Company and in views of the same the proposal for the ratification of appointment and remuneration have been included in the Notice of Annual General Meeting for your approval.

PARTICULARS OF LOANS GIVEN, INVESTMENTS MADE, GUARANTEE GIVEN AND SECURITIES PROVIDED

Particulars of loans given, investments made, guarantees given and securities provided along with the purpose for which the loan or guarantee or security is proposed to be utilized by the recipient are provided.

DIVIDEND

The Company intends to retain internal accruals to maintain the liquidity and for funding growth to generate a good return for shareholders. The Board of Directors has decided not to declare dividend for the year ended 31st March, 2017.

CONSERVATION OF ENERGY TECHNOLOGY ABSORPTION & FOREIGN EXCHANGE EARNINGS AND OUTGO

The particulars relating to energy conservation, Technology absorption, foreign exchange earnings and outgo, as required to be disclosed under Section 134(3) (m) of the Companies Act, 2013 read with the Companies (Accounts) Rules, 2014 and forming part of the Director's Report.

I. CONSERVATION OF ENERGY

The Company has been laying emphasis on the conservation of energy and taking several measures like effective control on utilization of energy and regular monitoring of its consumption etc. The adoption of these measures to conserve energy has resulted in saving of the same.

(Amt. in `)

| Power and Fuel Consumption | 2016-17 | 2015-16 |
|----------------------------|----------------|----------------|
| Electricity: | | |
| Unit (KWH) | 1750455 | 1573288 |
| Total Cost (In Rs.) | 1,64,68,514.00 | 1,38,27,694.00 |
| Rate/Unit (In Rs.) | 9.41 | 8.79 |
| Coal : | | |
| Quantity (Metric ton) | 2880.360 | 3445.693 |
| Total Cost (In Rs.) | 1,79,42,27,300 | 1,62,25,481.00 |
| Rate/MT(In Rs.) | 6,229.20 | 4,708.92 |
| Diesel: | | |
| Quantity (Litre) | 18931 | 13856 |
| Total Cost (In Rs.) | 9,94,889 | 8,18,718.30 |
| Rate/Litre(In Rs.) | 52.55 | 59.09 |

II. TECHNOLOGY ABSORPTION

(A) Research & Development

- The Company is not carrying any R&D in special area but is continuously engaged in improvement of Plant and Machinery to conserve energy for better working results.
- Benefits derived as a result of the above R&D: N.A.
- Future Plan of Action : At the moment, the company has no special areas to carry R&D.
- Expenditure on R&D: N.A.

(B) Technology Absorption, Adaption and Innovation

- The technology is innovated on the basis of experience gained in the working of the plant.
- However, it is not possible to evaluate the exact cost reduction and production improvement.
- We do not have any improved technology and hence, the details required to be given for imported technology is not applicable.

III. FOREIGN EXCHANGE EARNING & OUTGO

The Company has already established an export market for its products and has been taking keen interest for developing new export market for its products.

- Earnings
The Company has directly exported Lecithin for FOB value \$ 65727.00 amounting Rs.43,44,914.00 during the year.
- Out Go
Value of CIF Imports Nil
Expenditure in Foreign Currency Nil

IV. ENVIRONMENT PROTECTION

The Company has implemented for disposal of effluents an E.T.P. system at its Solvent Extraction & Refinery Plant.

PUBLIC DEPOSITS

The Company has not invited/accepted public deposit within the meaning of section 73 of the Companies Act, 2013 and rules made thereunder, during the year under review.