



**DIVYA JYOTI**

# **DIVYA JYOTI INDUSTRIES LIMITED**

26th Annual Report 2017-2018

## CORPORATE INFORMATION

<p><b>Board of Directors</b></p> <ol style="list-style-type: none"> <li>1. Mr. Girdhari R. Nyati - Whole Time Director</li> <li>2. Mr. Gopal Nyati - Executive Director</li> <li>3. Mrs. Babita Nyati - Woman Director</li> <li>4. Mr. Sudarshan Shastri - Independent Director</li> <li>5. Mr. Johnney Paul - Independent Director</li> <li>6. Mr. Suresh Kumar Varma - Independent Director</li> <li>7. Mr. Shriniwas Soni - Independent Director</li> </ol> <p>(Upto 12<sup>th</sup> March, 2018)</p>	<p><b>Committees of Directors</b></p> <p><b>Audit Committee:</b></p> <ol style="list-style-type: none"> <li>1. Mr. Sudarshan Shastri - Chairman</li> <li>2. Mr. Gopal Nyati - Member</li> <li>3. Mr. Suresh Kumar Varma - Member</li> </ol> <p><b>Stakeholders Relationship Committee:</b></p> <ol style="list-style-type: none"> <li>1. Mr. Suresh Kumar Varma - Chairman</li> <li>2. Mr. Gopal Nyati - Member</li> <li>3. Mr. Sudarshan Shastri - Member</li> </ol> <p><b>Nomination and Remuneration Committee:</b></p> <ol style="list-style-type: none"> <li>1. Mr. Sudarshan Shastri - Chairman</li> <li>2. Mrs. Babita Nyati - Member</li> <li>3. Mr. Suresh Kumar Varma - Member</li> </ol>
<p><b>Chief Executive Officer (CEO)</b> Mr. Sanjay Baweja</p> <p><b>Chief Operating Officer (COO)</b> Mr. Aniruddha Nyati</p> <p><b>Chief Financial Officer (CFO)</b> CA Ankit Maheshwari</p> <p><b>Company Secretary &amp; Compliance Officer</b> CS Prabhavi Mungee (Upto 31<sup>st</sup> December, 2017) CS Suruchi Maheshwari (w.e.f. 5<sup>th</sup> January, 2018)</p>	<p><b>Statutory Auditors</b> Anubhav Pradhan &amp; Co. Chartered Accountants 1<sup>st</sup> Floor, Ghandiwala Complex, 10 Bhaktwar Marg, Freeganj, Ujjain (M.P.) 456010</p> <p><b>Cost Auditors</b> G.K. Gupta &amp; Co. Cost Accountants EA 125, Sector A, Scheme No. 94 Ring Road, Indore - 452001 (M.P.)</p> <p><b>Registrar &amp; Shares Transfer Agent</b> 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: <a href="mailto:rnt.helpdesk@linkintime.co.in">rnt.helpdesk@linkintime.co.in</a></p>
<p><b>Bankers</b></p> <ol style="list-style-type: none"> <li>1 Dena Bank</li> <li>2 Oriental Bank of Commerce</li> <li>3 Saraswat Co-operative Bank Ltd.</li> </ol>	<p><b>Corporate Office</b> 201-204, B.M. Tower Opposite Lotus Showroom, Sapna Sangeeta Road, Indore - 452001 (M.P.) Phone : 0731-4010900-1 Fax : 0731-4010902</p> <p><b>Corporate Identification Number</b> L15143MP1992PLC007090</p> <p><b>Website:</b> <a href="http://www.divyajyoti.net">www.divyajyoti.net</a></p>
<p><b>Registered Office</b> Plot No. M-19 39, Sector III Industrial Area, Pithampur - 454775, Dist. Dhar (M.P.) Phone : 07292-421900-1 Fax : 07292-421947</p>	

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## NOTICE

Notice is hereby given that the **Twenty Sixth Annual General Meeting** of the Members of **DIVYA JYOTI INDUSTRIES LIMITED** will be held on Saturday, the 29<sup>th</sup> day of September, 2018 at 11:30 AM. at the Registered Office of the Company situated at 19-39, Sector III, Industrial Area, Pithampur-454775, District Dhar (M.P.) to transact the following business:

### ORDINARY BUSINESS:

1. To consider and adopt the Audited Financial Statement of the Company for the year ended 31<sup>st</sup> March, 2018 and report of Board of Directors and Auditors thereon.
2. To re-appoint Mr. Girdhari Lal Nyati (DIN:00118079), Whole Time Director of the Company who retires by rotation at this Annual General Meeting and being eligible offers himself for re-appointment.

### 3. Ratification of Appointment of Statutory Auditor

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), the appointment of M/s. ANUBHAV PRADHAN & CO. Chartered Accountants (ICAI FRN:013822C), be and is hereby ratified as Statutory Auditor of the Company for the financial year 2018-2019, at such remuneration as may be fixed by the Board of Directors of the Company in consultation with the Audit Committee and agreed by the Auditor."

### SPECIAL BUSINESS:

#### 4. RE-APPOINTMENT OF WHOLE-TIME DIRECTOR

To consider and if thought fit to pass with or without modifications(s), the following resolution as an ordinary resolution:

**"RESOLVED THAT** pursuant to the provisions of Section 196, 197, and 203 read with Schedule V and all other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (including statutory modification(s) or re-enactment thereof for the time being in force), approval of the members be and is hereby accorded to the re-appointment of Mr. Gopal Nyati (DIN:00784071) as Whole- Time Director of the Company, for a period of 5 (five) years with effect from 1st April, 2018 on the terms and conditions as may be mutually decided in accordance with the applicable legal provisions, any statutory modification or re-enactment thereof; with liberty to the Board of Directors (hereinafter referred to as "the Board" Which term shall be deemed to include Audit Committee and Nomination and Remuneration Committee of the Board) to alter and vary the terms and conditions of the said reappointment as it may deem fit and as may be acceptable to Mr. Gopal Nyati;

**RESOLVED FURTHER THAT** the Board be and is hereby authorized to do all acts and take all such steps as may be necessary, proper or expedient to give effect to this resolution."

#### 5. RE-APPOINTMENT OF NON EXECUTIVE-INDEPENDENT DIRECTOR

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

**"RESOLVED THAT** pursuant to the Regulation 17(1A) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as inserted by the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2018 (to be effective from 1<sup>st</sup> April, 2019), Section 149, 152 of the Companies Act, 2013 read with Schedule IV to the said Act and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory amendment thereto or modification thereof for the time being in force) Mr. Sudarshan Shastri (DIN: 00155105), Independent Director of the Company be and is hereby re-appointed as Non Executive- Independent Director of the Company to hold office for a term of Five consecutive Years with effect from 1<sup>st</sup> April, 2019 to 31<sup>st</sup> March, 2024;

**RESOLVED FURTHER THAT** this resolution shall have overriding effect and shall substitute any other earlier resolution passed in entirety with effect from 1<sup>st</sup> April, 2019 to 31<sup>st</sup> March, 2024 ;

**RESOLVED FURTHER THAT** the Board be and is hereby authorized to do all such acts and take all such steps as may be necessary, proper or expedient to give effect to this resolution."

## 6. RATIFICATION OF REMUNERATION OF COST AUDITOR FOR THE FINANCIAL YEAR 2018-19

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 (Cost Records and Audit) 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 2018-19 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 2018-19, 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 authorized to do all acts and take all such steps as may be necessary, proper or expedient to give effect to this resolution.”

### Notes:-

1. The Explanatory Statement annexed to this notice pursuant to Section 102(1) of the Companies Act, 2013 set out the material facts in respect of the business under Item Nos. 4, 5 and 6 as set out above. Further, the details required under Regulation 36(3) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 are included in the respective item of business in the Explanatory Statement.
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. During the period beginning 24 hours before the time fixed for the commencement of the AGM and until the conclusion of the meeting, a member would be entitled to inspect the proxies lodged during the business hours of the Company provided that not less than three days notice in writing is given to the Company.
4. Corporate Members are requested to send a duly certified copy of the Board resolution, pursuant to Section 113 of the Companies Act, 2013 authorizing their representative to attend and vote at the Annual General Meeting.
5. In case of joint holders attending the meeting, the Member whose name appears as the first holder in the order of names as per the Register of Members of the Company will be entitled to vote.
6. The Register of members and share transfer books of the Company will remain closed from September 27<sup>th</sup>, 2018 to September 29<sup>th</sup>, 2018 (both days inclusive) for the purpose of Annual General Meeting.
7. 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.
8. 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.
9. Members are requested to bring the copy of Annual Report at the meeting.
10. Members are requested to support Green Initiative by registering/ updating their e-mail addresses with the Depository participant (in case of shares held in dematerialized form) or with Linkintime India Private limited (in case shares held in physical form)
11. Members holding shares in physical form are requested to notify change in address, if any to the RTA of the Company. In case shares held in dematerialized form, the information regarding change of address should be given to their respective Depository Participant.

## 12. 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 Regulation 44 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (including any statutory modification or re-enactment thereof for the time being in force). Accordingly, a member may exercise his/her vote by electronic means.

### E-VOTING PROCESS :

#### The instructions for shareholders voting electronically are as under:

- (I) The voting period begins on 26<sup>th</sup> September, 2018 at 9:00 A.M. and ends on 28<sup>th</sup> September, 2018 at 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 22<sup>nd</sup> September, 2018 may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.

- (ii) The shareholders should log on to the e-voting website [www.evotingindia.com](http://www.evotingindia.com)
- (iii) Click on Shareholders.
- (iv) Now Enter your User ID
  - a. For CDSL: 16 digits beneficiary ID,
  - b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
  - c. Members holding shares in Physical Form should enter Folio Number registered with the Company.
- (v) Next enter the Image Verification as displayed and Click on Login.
- (vi) If you are holding shares in demat form and had logged on to [www.evotingindia.com](http://www.evotingindia.com) and voted on an earlier voting of any company, then your existing password is to be used.
- (vii) If you are a first time user follow the steps given below:

	For Members holding shares in Demat Form and Physical Form
PAN	Enter your 10 digit alpha-numeric PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders) "Members who have not updated their PAN with the Company/Depository Participant are requested to use the sequence number which is printed on Attendance Slip indicated in the PAN field.
Dividend Bank Details OR Date of Birth (DOB)	Enter the Dividend Bank Details or Date of Birth (in dd/mm/yyyy format) as recorded in your demat account or in the company records in order to login. "If both the details are not recorded with the depository or company please enter the member id / folio number in the Dividend Bank details field as mentioned in instruction (iv).

- (viii) After entering these details appropriately, click on "SUBMIT" tab.
- (ix) Members holding shares in physical form will then directly reach the Company selection screen. However, members holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- (x) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- (xi) Click on the EVSN link of **Divya Jyoti Industries Limited**.
- (xii) On the voting page, you will see "RESOLUTION DESCRIPTION" and against the same the option "YES/NO" for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
- (xiii) Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.
- (xiv) 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.
- (xv) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.
- (xvi) You can also take a print of the votes cast by clicking on "Click here to print" option on the Voting page.
- (xvii) If a demat account holder has forgotten the login password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
- (xviii) **Shareholders can also cast their vote using CDSL's mobile app m-Voting available for android based mobiles. The —Voting app can be downloaded from Google Play Store, Apple and Windows phone. Please follow the instructions as prompted by the mobile app while voting on your mobile.**
- (xix) Note for Non – Individual Shareholders and Custodians
  - Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodian are required to log on to [www.evotingindia.com](http://www.evotingindia.com) and register themselves as Corporate.
  - A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).
  - After receiving the login details a Compliance User should be created using the admin login and password. The Compliance User would be able to link the account(s) for which they wish to vote on.
  - The list of accounts linked in the login should be mailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) and on approval of the accounts they would be able to cast their vote.
  - A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.
- (xx) The voting rights of shareholders shall be in proportion to their shares of the Paid Up Equity Share Capital of the Company.



- (xxi) CA Ankit Ladha, Practicing Chartered Accountant of M/s A K Laddha & Associates, Membership No.: 420925, (FRN No :017 601C) Address: Dak - Banglow Road, Ratangarh PIN - 458226, email ID - caankitladha@gmail.com has been appointed as the Scrutinizer to scrutinize the e-voting and voting process at the AGM.
- (xxii) The Results declared along with the Scrutinizer's Report shall be placed on the Company's website [www.divyajyoti.net](http://www.divyajyoti.net) and on the website of CDSL e voting [www.evotingindia.com](http://www.evotingindia.com) within two days of the passing of the resolutions at the AGM of the Company and will also be communicated to the BSE Limited where the shares of the Company are listed.
- (xxiii) The resolutions shall be deemed to be passed on the date of the Annual General Meeting, subject to receipt of requisite majority.
- (xxiv) 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](http://www.evotingindia.com), under help section or write an email to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).

**Contact Details****Company Divya Jyoti Industries Limited**

Corp. Office: 201-204 B.M.Tower, Sapna Sangeeta Main Road, Indore (M.P.)-452001

CIN: L15143MP1992PLC007090

E-mail ID: [shares@divyajyoti.net](mailto:shares@divyajyoti.net)

Phone : 0731-4010900-1

**Registrar and Share Transfer Agent**

Link Intime 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](mailto:rnt.helpdesk@linkintime.co.in)

**E-Voting Agency: Central Depository Services (India) Limited**

E-mail ID: [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com)

Place: Indore

Date: 14<sup>th</sup> August, 2018

By Order of the Board of Directors

sd/-

**Suruchi Maheshwari**

Company Secretary

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

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

**ITEM NO.4**

Pursuant to Section 152, 196, 197, 203, other applicable provisions of the Companies Act, 2013, Schedule V thereto and the applicable Regulations of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 subject to any amendment thereto or modification thereof for the time being in force, Mr. Gopal Nyati (DIN:00784071), was appointed as Whole Time Director of the Company for a period of five years which is expired on 31<sup>st</sup> March, 2018. On recommendation of Audit Committee and Nomination and Remuneration Committee, the Board of Directors of the Company have considered the matter of his reappointment and at their meeting held on 10<sup>th</sup> February, 2018 approved the re-appointment of Mr. Gopal Nyati (DIN-00784071) as Whole time Director of the Company for a further period of 5 years commencing from 1<sup>st</sup> April, 2018 to 31<sup>st</sup> March, 2023 on the perusal of following facts and terms and conditions of appointment as set out in this statement.

Mr. Gopal Nyati is a dynamic Director of the Company. He is a Fellow Chartered Accountant. He has got very keen knowledge, expertise and rich experience in the field of Soya Industry, production and promotion of products and is being associated with the Company a long back and joined the Board of the Company on 20<sup>th</sup> October, 2007. He has significantly contributed to Company's all round growth. He plays an active role in overall strategic decisions of the company. His proactive and personalized approach towards business and the competitive spirit has been instrumental in establishing business relationships of the Company. He brings across sharp financial acumen and insights into business transactions both from risk and reward perspective. The business of the company has grown many folds in his tenure. Keeping in view his untiring effort and contribution, the Board has resolved to reappoint him as whole time director.

None of the Directors / Key Managerial Personnel of the Company / their relatives are, in any way, concerned or interested, financially or otherwise, in the above resolution except the director himself and Mrs. Babita Nyati (DIN: 06904655), Non executive Director of the Company as they are mutually related as spouse.

The Board recommends Resolution as set out in item no. 4 for approval of members as ordinary resolution.

**ITEM NO.5**

Mr. Sudarshan Shastri (DIN: 00155105), was appointed as Non Executive- Independent Director of the Company for a term upto five consecutive years i.e. 30<sup>th</sup> September, 2019 at 22<sup>nd</sup> Annual General Meeting of the Company held on 29<sup>th</sup> September, 2014 at the registered office of the Company. Consecutively, his existing tenure is expiring on 30<sup>th</sup> September, 2019.

However, Pursuant to the amendment to SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 by way of insertion of Regulation 17(1A) vide SEBI Listing Obligations and Disclosure Requirements) Regulations, 2018 (to be effective from 1st April, 2019), Section 149, 152 of the Companies Act, 2013 read with Schedule IV to the said Act and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory amendment thereto or modification thereof for the time being in force) the re-appointment/ continuation of directorship of Mr. Sudarshan Shastri (DIN: 00155105) as Non Executive- Independent Director of the Company requires approval of the members.

Keeping in view the above facts, on recommendation of Nomination and Remuneration Committee and Performance Evaluation, the Board of Directors at their meeting held on 14<sup>th</sup> August, 2018 has considered the matter and decided to Continue and re-appoint Mr. Sudarshan Shastri (DIN: 00155105) as Non Executive- Independent Director of the Company for a term upto five consecutive years commencing from 1<sup>st</sup> April, 2019 to 31<sup>st</sup> March, 2024.

Mr. Sudarshan Shastri holds a Bachelor Degree in Law (LL.B) and the Degree of Master of Commerce (M.Com). Mr. Shastri possesses a very wide background of practice in corporate laws and allied matters for about 40 years and have tremendous legal and commercial knowledge and is associated with the Company for more than a decade.

During his tenure as an Independent Director he have actively participated in the Committee and Board Meetings and have rigorously reviewed company's activities as Independent Director of the Company. The re-appointment and continuation of his directorship would benefit company manifolds in the governance of the Company.

Further, in the opinion of Nomination and Remuneration Committee and the Board, Mr. Sudarshan Shastri fulfills the conditions of appointment of Independent Director as specified in the Companies Act, 2013, Rules made thereunder and other applicable provisions of listing regulations and is independent of the management and has given his consent and declaration for the same.

The Directorship and membership of the board and committees of the other listed entity(s) and shareholding of the Company of Mr. Sudarshan Shastri is disclosed in Corporate Governance Report forming part of this annual report.

A Copy of draft letter of appointment of Shri Sudarshan Shastri, setting out the terms and conditions of appointment is available for inspection by the members at the registered office of the Company.

None of the Directors / Key Managerial Personnel of the Company / their relatives are, in any way, concerned or interested, financially or otherwise, in the above resolution except the Director himself to the extent of his shareholding in the Company.

The Board recommends Resolution as set out in item no. 5 for approval of members as Special Resolution.

**ITEM No. 6**

On the recommendation of the Audit Committee and on receipt of Consent and eligibility certificate from G.K. Gupta & Co., Cost Accountants, Board has approved the reappointment of the said firm as Cost Auditors of the Company to conduct the audit of the cost records of the Company for the financial year 2018-19 and remuneration thereto. In accordance with the provisions of Section 148 of the Act read with the Companies (Cost Records and Audit) Rules, 2014, the remuneration of the Cost Auditors is required to be confirmed by the shareholders of the Company.

None of the Directors / Key Managerial Personnel of the Company / their relatives are in any way, concerned or interested, financially or otherwise, in the above resolution.

The Board recommends Resolution as set out in item no.6 for approval of members as Ordinary Resolution.

By Order of the Board of Directors

sd/-

**Suruchi Maheshwari**  
Company Secretary

Place: Indore  
Date: 14<sup>th</sup> August, 2018

## BOARD REPORT

Dear Members,

Your Directors are pleased to present the **26<sup>th</sup> Annual Report** and the Company's audited Financial Statements for the Financial Year ended 31<sup>st</sup> March, 2018.

### FINANCIAL HIGHLIGHTS

The Company's financial performance for the year ended on 31<sup>st</sup> March, 2018 is summarized below:

(₹ in Lacs)

Particulars	2017-18	2016-17
<b>Revenue from Operations</b>	12147.43	11652.12
Add: Other Income	10.43	21.38
<b>Total Revenue</b>	<b>12157.86</b>	<b>11673.50</b>
Earnings Before Finance cost & Depreciation & Tax	646.35	676.37
Less: Finance Costs	428.16	453.07
<b>Profit Before Depreciation</b>	<b>218.19</b>	<b>223.30</b>
Less: Depreciation and amortization Expenses	122.60	124.59
<b>Profit Before Tax (PBT)</b>	<b>95.59</b>	<b>98.71</b>
Less: (a) Current Tax	38.29	34.53
(b) Deferred Tax	-6.50	(2.29)
<b>Profit After Tax (PAT)</b>	<b>63.80</b>	<b>66.47</b>
Add: Profit Brought Forward	1041.53	975.06
Less: Transferred during the year	0	0
<b>Profit Available for Appropriation</b>	<b>1105.33</b>	<b>1,041.53</b>

### BUSINESS PERFORMANCE AND THE STATE OF COMPANY AFFAIRS

During the year under review, your Company has recorded total revenue of Rs. 121.57 Crores. The revenue from operations of the Company for the year ended 31<sup>st</sup> March, 2018 has increased.

### ANNUAL RETURN

In compliance with section 92(3), section 134 (3) (a) and rule 11 of the Companies (Management and Administration) Rules, 2014 and The Companies Amendment Act, 2017 the annual return for the financial year 2017-18 is available on the website of the Company on the weblink <http://www.divyajyoti.net/AGM/Annual-Return-2017-18.pdf>

### COMPOSITION AND MEETINGS OF THE BOARD

Currently, the Board has three committees: the Audit Committee, the Nomination & Remuneration Committee and the Stakeholders' Relationship Committee. A detailed note on the composition of the Board and its committees is provided in the Corporate Governance Report forming part of this Annual Report. 6 (Six) meetings of the Board of Directors were held during the year. The details of Board and Committee meetings are mentioned in the Corporate Governance Report.

### DIRECTORS AND KEY MANAGERIAL PERSONNEL

Based on recommendation of Nomination and Remuneration Committee and Audit Committee, Mr. Gopal Nyati (DIN: 00784071), Executive Director of the Company whose period of appointment as Whole Time Director has expired on 31<sup>st</sup> March, 2018 was reappointed as Whole-time Director in the Board Meeting held on 10<sup>th</sup> February, 2018 subject to the approval of members at this Annual General Meeting. Necessary resolution seeking approval of the members for re-appointment of Mr. Gopal Nyati as Whole time Director has been incorporated in the Notice of the ensuing Annual General Meeting.

In accordance with the provisions of Companies Act, 2013 and Articles of Association of the Company Mr. Girdhari Lal Nyati (DIN- 00118079), Whole Time Director retires by rotation and being eligible offers himself for re-appointment & the declaration has been received from him certifying that he meets with criteria of appointment and holding office of Director thereto.



During the year under review, appointment of Mr. Suresh Kumar Varma (DIN: 07651488) as Independent Director of the Company w.e.f. 14<sup>th</sup> November, 2016 for a period of five years has been approved by the members at 25<sup>th</sup> Annual General Meeting of the Company held on 27<sup>th</sup> September, 2017.

During the period under review, Mr. Shri Niwas Soni (DIN: 02302980), has resigned as Independent Director of the Company w.e.f. 12<sup>th</sup> March, 2018.

During the year, Ms. Prabhavi Mungee has resigned from the post of Company Secretary and Compliance officer (KMP) w.e.f. 31<sup>st</sup> December, 2017 and Ms. Suruchi Maheshwari was appointed as Company Secretary and Compliance officer (KMP) of the Company w.e.f. 5<sup>th</sup> January, 2018.

## **INDEPENDENT DIRECTORS**

Mr. Sudarshan Shastri (DIN: 00155105), Independent Director of the Company is proposed to be re-appointed as Independent Director of the Company at this Annual General Meeting for a term up to five consecutive years in accordance with the provisions of Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended. Relevant information and the proposal for the same is included in the Notice calling 26<sup>th</sup> Annual General Meeting.

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 as laid down in Section 149(6) of the Companies Act, 2013 and Regulation 25 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

## **MEETING OF INDEPENDENT DIRECTORS**

During the year under review, the Independent Directors met on Thursday, the 1st day of March, 2018, inter alia, carried on the following business:

- (i) Evaluation of the performance of Non-Independent Directors and the Board of Directors as a whole;
- (ii) Evaluation of the performance of the Chairman of the Company, taking into account the views of the Executive and Non-Executive Directors;
- (iii) Evaluation of the quality, content and timelines of flow of information between the Management and the Board that is necessary for the Board to effectively and reasonably perform its duties.

## **FORMAL ANNUAL EVALUATION**

The Board carried out an annual performance evaluation of its own performance, the Independent Directors individually as well as the evaluation of the working of the Committees of the Board. The performance evaluation of all the Directors was carried out individually by the Nomination and Remuneration Committee.

## **DIRECTORS' RESPONSIBILITY STATEMENT**

Pursuant to Section 134 (5) of the Companies Act, 2013, the Board of 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.

## **POLICIES**

### **Policy on Director's Appointment and Remuneration**

Matching the needs of the Company and enhancing the competencies of the Board are the basis for the Nomination and Remuneration Committee to select a candidate for appointment to the Board. The current policy is to have a balanced mix of executive and non-executive Independent Directors to maintain the independence of the Board, and separate its functions of governance and management.

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. The Complete policy is available on the web link <http://www.divyajyoti.net/Policies/Remuneration%20Policy.pdf>.

**Risk Management Policy**

The policy is developed and implemented which deals with identifying risks inherent in business operations of the Company and provides guidelines to identify, measure, report, control and mitigate the identified risks. It helps to create and protect shareholders value by minimizing threats or losses, identify and maximize opportunities.

Risk management policy is available on the website of the Company under the weblink <http://www.divyajyoti.net/Policies/Risk%20Management%20Policy.pdf>. The policies are reviewed periodically by the Board and updated based on need and new compliance requirement.

**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. The policy is available on the weblink <http://www.divyajyoti.net/Policies/Vigil%20Mechanism.pdf>

**Prevention of Sexual Harassment at workplace**

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. The weblink for the same is <http://www.divyajyoti.net/Policies/Sexual%20Harassment%20Policy.pdf>.

The Company has complied with provisions relating to constitution of Internal Complaint Committee under the Sexual Harassment of Women at workplace (Prevention, Prohibition and Redressal) Act, 2013. An Internal Complaints Committee (ICC) has been initially set up and reconstituted for further period according to the applicable legal provisions during the Financial Year 2017-18, to redress complaints received regarding sexual harassment. All kind of employees viz. permanent, contractual, temporary, trainees etc. are covered under this policy.

No complaints pertaining to sexual harassment were received during FY 2017-2018.

**AUDITORS AND THEIR REPORTS**

As per the provisions of the Act and Applicable Regulations, the appointment of M/s. Anubhav Pradhan and Co., Chartered Accountants (ICAI FRN : 013822C), Statutory Auditor of the Company is to be ratified for the financial Year 2018-19. The necessary information in this respect is incorporated in the notice to this Annual General meeting.

The Auditors' Report does not contain any qualification, reservation, adverse remark or disclaimer. The Auditors' Report is self-explanatory and hence, do not call for any further comments.

**SECRETARIAL AUDITOR**

The Board has appointed M/s. Kaushal Ameta & Company, Practicing Company Secretaries, to conduct Secretarial Audit for the FY 2017-18. The Secretarial Audit Report for the financial year ended March 31, 2018 is annexed herewith. The Secretarial Audit Report does not contain any qualification, reservation, adverse remark or disclaimer hence, do not call for any further comments.

**COST RECORDS AND AUDIT**

The maintenance of cost records as specified by the Central Government under Section 148 (1) of the Act is applicable to the Company and accordingly such accounts and records are made and maintained.

On recommendation by the Audit Committee, Board has appointed M/s. G K Gupta & Co., Cost Accountants as Cost Auditor for auditing the cost records of your Company for the financial year 2018-19 on an aggregate remuneration of Rs.18,000/- (Rupees Eighteen Thousand Only), which is subject to the ratification of the shareholders of the Company and in views of the same the proposal for the ratification of 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 investments of the Company are provided in the Financial Statements of the Company for the year under review. The Company has not given any loan, guarantees and securities in respect of loan as provided under Section 186 of the Companies Act, 2013 and Rule made there under.

**TRANSFER TO RESERVES**

The details of transfer to reserve are provided in the statement of changes in equity, forming part of audited financial statements as provided in this annual report.

**DIVIDEND**

In order to conserve the resources of the Company and for better utilization of funds, the Board of Directors do not recommend dividend for the year ended 31<sup>st</sup> March, 2018.