

**43<sup>rd</sup>**  
**ANNUAL REPORT**  
**2016-2017**



## Corporate Information

### Board of Directors

**Mr. Anil Modi**

Chairman and Managing Director

**Mr. Akshay Modi**

Executive Director

**Mr. S. S. Halwasiya**

Director

**Mr. Alok Garg**

Director

**Mr. Sulabh Singal**

Director

**Ms. Aditi Gupta**

Director

**Mr. Pradeep Kapoor**

CFO

**Mr. Ankit Agarwal**

Company Secretary

### Auditors

**K. K. Jain & Co.**

Chartered Accountants

### Bankers

HDFC Bank

Yes Bank

### Registered Office

Modi Naturals Limited  
405, Deepali Building,  
92, Nehru Place,  
New Delhi-110019  
Tel : 011-41889999  
Website : [www.modinaturals.com](http://www.modinaturals.com)

### Works

Bisalpur Road, Pilibhit - 262001  
Uttar Pradesh

### Registrar and Transfer Agents

**Skyline Financial Services Pvt. Ltd.**

D-153A, Okhla Industrial Area  
Phase-I, New Delhi-110020

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### Message to Shareholders

It is a matter of pride for us that our clientele continues to grow strongly across the entire national geography.

This year, your company continued to focus on expanding its consumer base and grow in volumes. Geographically, our target to have more coverage and greater penetration while commensurately increasing our products' presence and distribution found manifestation in our marketing initiatives to create brand awareness. We are working towards creating a stronger brand recall, which will allow us to consolidate and attain higher orbits of growth for the years to come. Incisive strategic initiatives relating to a gamut of activities were taken as far as the branding is concerned and higher sales revenues provided powerful impetus to our Company's growth.

We have demonstrated the value of well defined and focused strategy consistently. We pride ourselves in providing the most trusted brands and high quality products to customers and we shall continue to accelerate the efforts to reach every Indian kitchen and satisfy every Indian household's desire for a healthy, happy and fulfilling life.

My gratitude is due to my colleagues on the Board for their valuable guidance. The Board joins me in expressing our deep appreciation to the employees, our customers, suppliers, bankers, auditors, legal advisors, business associates, the Government and various authorities for their continued support, co-operation and understanding. I thank you, dear shareholders, for your support and look forward to your continued trust.

My team and I look forward to the challenges of delivering sustainable profitable growth in the years ahead with confidence.

Sincerely,  
sd/-  
**AkshayModi**  
Executive Director

## NOTICE TO SHAREHOLDERS

Notice is hereby given that the 43<sup>rd</sup> Annual General Meeting (AGM) of the Shareholders of Modi Naturals Limited will be held on Friday, 29 September, 2017 at 3.00 P.M at Hotel Chirag Residency, B-18, Chirag Enclave, Nehru Place, Opp. Devika Tower, New Delhi-110019 to transact the following business:

### ORDINARY BUSINESS

1. To receive, consider and adopt the Audited Financial Statements as at 31<sup>st</sup> March, 2017 and the Directors' and Auditors' Report thereon.
2. To appoint a Director in place of Ms. Aditi Gupta (DIN: 01786037), Director, who retires by rotation and being eligible, offers herself for re-appointment.
3. **Appointment of Auditors and authorise the Board to fix remuneration**

To consider and, if thought fit, to pass the following resolution as an **Ordinary Resolution**:

**"RESOLVED THAT** pursuant to the provisions of Section 139, 142 and other applicable provisions, if any, of the Companies Act, 2013 and the Companies (Audit and Auditors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof, for the time being in force) and pursuant to recommendation of the Audit Committee and the Board of Directors, Messrs. Kashyap & Co. (Firm Registration No. 011355C), Chartered Accountants be and are hereby appointed as Statutory Auditors of the Company in place of Messrs. K. K. Jain & Co. (Firm Registration No. 002465N), Chartered Accountants, who shall hold office for a period of five years, from the conclusion of this annual general meeting till the conclusion of the 48th annual general meeting of the Company, subject to ratification by shareholders at each annual general meeting to be held hereafter, on such remuneration, as may mutually be agreed between the Auditors and the Board of Directors of the Company."

**'RESOLVED FURTHER THAT** the Board of Directors of the Company (including its Committee thereof), be and is hereby authorised to do all such acts, deeds, matters and things as may be considered necessary, desirable or expedient to give effect to this resolution."

### SPECIAL BUSINESS

4. **Ratification of Payment of Remuneration of Cost Auditors**

To consider and if thought fit, to pass 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(s) or re-enactment thereof, for the time being in force) and subject to the approval of Central Government as may be required, the Company hereby approves and ratifies the remuneration of Rs. 60,000/- (Rupees Sixty Thousand only) plus Service Tax and out of pocket expenses, if any, payable to Messrs. Manisha & Associates (Firm Registration No.: 000321), Cost Accountants, appointed as Cost Auditors of the Company for the Financial Year 2017-18.

**'RESOLVED FURTHER THAT** the Board of Directors of the Company (including its Committee thereof), be and is hereby authorized to do all such acts, deeds, matters and things as may be considered necessary, desirable or expedient to give effect to this resolution."

#### Registered Office:

405, Deepali Building,  
92, Nehru Place,  
New Delhi-110019  
CIN: L15142DL1974PLC007349

#### For and on behalf of the Board

Sd/-  
**Akshay Modi**  
Executive Director  
DIN - 03341142

New Delhi, September 04, 2017

#### NOTES:

1. The Statement pursuant to Section 102(1) of the Companies Act, 2013 with respect of the Special Business set out at Item No. 3 & 4 of the accompanying Notice is annexed hereto.
2. **A MEMBER ENTITLED TO ATTEND AND VOTE IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF (ONLY ON A POLL) AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY. THE INSTRUMENT**

**APPOINTING THE PROXY, DULY COMPLETED, MUST BE DEPOSITED AT THE COMPANY'S REGISTERED OFFICE NOT LESS THAN 48 HOURS BEFORE THE COMMENCEMENT OF THE MEETING. A PROXY FORM FOR THE AGM IS ENCLOSED.**

3. A person can act as a proxy on behalf of members not exceeding fifty and holding in aggregate not more than ten percent of the total share capital of the Company carrying voting rights. 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.
4. Members / Proxies should bring the duly filled Attendance Slip enclosed herewith to attend the meeting.
5. The Register of Directors and Key Managerial Personnel and their shareholding, maintained under Section 170 of the Companies Act, 2013 and the Register of Contracts and arrangements in which directors are interested maintained under Section 189 of the Companies Act, 2013 will be available for inspection by the Members at the AGM.
6. The Register of Members and Share Transfer Books of the Company will remain closed from Monday, 25 September, 2017 to Friday, 29 September, 2017 (both days inclusive) for the purpose of AGM.
7. Members are requested to intimate immediately the change of address or demise of any Member, if any, to the Company's Registrar and Transfer Agents or Depository Participant, as the case may be to prevent frauds.
8. Members holding shares in dematerialised form are requested to intimate all changes pertaining to their change of address, change of name, e-mail address, contact numbers, etc. to their Depository Participant (DP). Members holding shares in physical form are requested to intimate such changes to the Company or the Registrar and Transfer Agent of the Company.
9. In case of joint holders attending the meeting, only such joint holder whose name is mentioned in the first place in the order of names will be entitled to vote.
10. Corporate members intending to send their Authorized Representative are requested to send a duly certified copy of the Board Resolution authorizing their representatives to attend and vote at the Annual General Meeting.
11. The Company is concerned about the environment and utilizes natural resources in a sustainable way. We request you to update your email address with your Depository Participant to enable us to send you the communications via email.
12. The Annual Report 2016-17, the Notice of 43<sup>rd</sup> AGM and Instructions of e-voting, along with Attendance Slip and Proxy Form are being sent by electronic mode to all members whose email addresses are registered with the Company / Depository Participant(s) for communication purposes unless any member has requested for hard copy of the same. For members who have not registered their email addresses, physical copies of the documents are being sent by the permitted mode.
13. Members may also note that the Notice of the 43<sup>rd</sup> AGM and the Annual Report 2017 will be available on the Company's website, [www.modinaturals.com](http://www.modinaturals.com). The physical copies of the aforesaid documents will also be available at the Company's Registered Office for inspection during normal business hours on working days. Members who require communication in physical form in addition to e-communication, or have any other queries, may write to us at: [investors@modinaturals.com](mailto:investors@modinaturals.com).
14. Additional Information pursuant to Regulation 36 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 in respect of the Directors seeking appointment / re-appointment at the AGM are furnished and forms part of the Notice. The Directors have furnished the requisite consents / declarations for their appointment / re-appointment.
15. 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 shall submit their PAN details to the Company.
16. All documents referred to in the notice will be available for inspection at the Company's registered office during normal business hours on working days up to the date of the AGM.
17. Annual Listing Fee for the year 2017-18 has been paid to the BSE Ltd on which shares of the Company are listed.
18. **NO GIFT(S) SHALL BE DISTRIBUTED AT THE ENSUING 43<sup>rd</sup> ANNUAL GENERAL MEETING OF YOUR COMPANY.**

**Voting through Electronic Means - Remote E-Voting**

- I. In compliance with provisions of Section 108 of the Companies Act, 2013 and Rule 20 of the Companies (Management and Administration) Rules, 2014 as substituted by the Companies (Management and Administration) Amendment Rules, 2015, (including any statutory modification(s) or re-enactment thereof, for the time being in force) and Regulation 44 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015, the Company is pleased to provide the Members with a facility to exercise their right to vote for the 43<sup>rd</sup> AGM by electronic means and the business may be transacted through e-Voting Services. The facility of casting the votes by the Members using an

electronic voting system from a place other than venue of the AGM ("remote e-voting") will be provided by National Securities Depository Limited (NSDL).

- II. The facility for voting through Poll Paper shall be made available at the AGM and the Members attending the meeting who have not cast their vote by remote e-voting shall be able to exercise their right at the meeting through Poll Paper.
- III. Members who have cast their vote by remote e-voting prior to the AGM may also attend AGM but shall not be entitled to cast their vote again.
- IV. The remote e-voting period commences on Tuesday, 26 September 2017 (9:00 am) and ends on Thursday, 28 September, 2017 (5:00 pm). During this period Members of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date i.e. 23 September, 2017, may cast their vote by remote e-voting. The remote e-voting module shall be disabled by NSDL for voting thereafter. Once the vote on a resolution is cast by the Members, the Member shall not be allowed to change it subsequently.
- V. Any person who acquires shares of the Company and becomes Member of the Company after dispatch of the Notice of AGM and holding shares as of the cut-off date i.e. 23 September, 2017 can obtain the login ID and password by sending a request at [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in) or [investors@modinaturals.com](mailto:investors@modinaturals.com). However, if you are already registered with NSDL for remote e-voting then you can use your existing user ID and password/PIN for casting your vote. If you forgot your password, you can reset your password by using "Forgot User Details/ Password" option available on [www.evoting.nsdl.com](http://www.evoting.nsdl.com).
- VI. Members whose name appears in the Register of Members or in the register of beneficial owners maintained by the depositories as on the cut-off date i.e. 23 September, 2017 only shall be entitled to avail the facility of remote e-voting and vote at the AGM through Poll Paper.

**VII. The instructions for remote e-voting are as under:**

- A. Members whose shareholding is in the dematerialization form and whose e-mail address are registered with the Company/ Depository Participants will receive an E-mail from NSDL informing user ID and Password:
  1. Open E-mail and open PDF file attached therein with your Client ID or Folio No. as password. The said PDF file contains your user ID and password/PIN for remote e-voting. Please note that the password is an initial password.
  2. Launch internet browser by typing the following URL: <https://www.evoting.nsdl.com/>
  3. Click on Shareholder – Login
  4. Put user ID and password as initial password/PIN noted in step (1) above. Click Login.
  5. Password change menu appears. Change the password/PIN with new password of your choice with minimum 8 digits/characters or combination thereof. Note new password. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
  6. Home page of e-voting opens. Click on remote e-voting: Active Voting Cycles.
  7. Select "EVEN" of Modi Naturals Limited.
  8. Now you are ready for e-voting as Cast Vote page opens.
  9. Cast your vote by selecting appropriate option and click on "Submit" and also "Confirm" when prompted.
  10. Upon confirmation, the message "Vote cast successfully" will be displayed.
  11. Once you have voted on the resolution, you will not be allowed to modify your vote.
  12. Institutional Members (i.e. other than individuals, HUF, NRI etc.,) are required to send scanned copy (PDF/JPG Format) of the relevant Board Resolution/ Authority letter etc. together with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer through e-mail to [depakbansak.fcs@gmail.com](mailto:depakbansak.fcs@gmail.com) with a copy marked to [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in).
- B. For members whose email IDs are not registered with the Company/ Depository Participants(s) or requesting physical copy may also vote electronically through the following procedure:
  1. Initial password will be provided separately.
  2. Please follow the instructions from 1 to 12 as mentioned in S. No. VII.A above, to cast your vote.

VIII. In case of any queries, you may refer the Frequently Asked Questions (FAQs) for Members and remote e-voting user manual for Members available at the Downloads section of <https://www.evoting.nsdl.com> or contact NSDL at the following toll free no.: 1800-222-990.

IX. Login to the remote e-voting website will be disabled upon five unsuccessful attempts to key in the correct password. In such an event, you will need to go through the "Forgot Password" option available on the site to reset the password.

- X. If you are already registered with NSDL for remote e-voting then you can use your existing user ID and password/ PIN for casting your vote. If you forgot your password, you can reset your password by using "Forgot User Details/ Password" option available on [www.evoting.nsdl.com](http://www.evoting.nsdl.com).
- XI. 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 future communication(s).
- XII. The voting rights of Members shall be in proportion to their shares of the paid up equity Share Capital of the Company as on the cut-off date i.e. 23 September, 2017.
- XIII. Mr. Deepak Bansal, Company Secretary in Practice (CP No. 7433) has been appointed as the Scrutinizer to scrutinize the remote e-voting and poll process in a fair and transparent manner.
- XIV. The Chairman shall, at the AGM, at the end of discussion on the resolutions on which voting is to be held, allow voting with the assistance of scrutinizer, by use of poll paper for all those Members who are present at the AGM but have not cast their votes by availing the remote e-voting facility.
- XV. The Scrutinizer shall immediately after the conclusion of voting at the AGM will count the votes casted at the Meeting and thereafter unblock the votes casted through remote e-voting in the presence of at least two (2) witnesses not in the employment of the Company and make not later than 48 hours of conclusion of AGM, a consolidated Scrutinizer's Report of the total votes casted in favour or against, if any, forthwith to the Chairman or a person authorized by him in writing who shall countersign the same and declare the results of the voting forthwith.
- XVI. The Results declared along with the report of the Scrutinizer shall be placed on the Company's website: [www.modinaturals.com](http://www.modinaturals.com) and on the website of NSDL immediately after the declaration of results by the Chairman or a person authorized by him in writing. The Results shall also be simultaneously forwarded to the concerned Stock Exchanges.

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### Explanatory Statement (Pursuant to Section 102 of the Companies Act, 2013)

As required by Section 102 of the Companies Act, 2013, the following Explanatory Statement sets out all material facts relating to the business mentioned under Item Nos. 3 & 4 of the accompanying Notice:

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**Item No. 3 :** The current auditors, viz K. K. Jain & Co., Chartered Accountants (Firm Registration No. 002465N) were last re-appointed by the members at their annual general meeting held on 19 August 2014 to hold the office of auditor from the conclusion of the 40<sup>th</sup> annual general meeting till the conclusion of this 43<sup>rd</sup> annual general meeting.

As per the provisions of section 139 of the Companies Act, 2013, no listed company shall appoint an audit firm as auditors for more than two terms of five consecutive years. The Act also provided for an additional transition period of three years from the commencement of the Act i.e. 1 April 2014. Hence, on their completing the transition period of three years provided under the Act, the term of the current auditors expires at the conclusion of the ensuing annual general meeting.

The Board of Directors at its meeting held on 11 August 2017, based on the recommendation of the Audit Committee has recommended the appointment of Kashyap & Co., Chartered Accountants (Firm Registration No. 011355C), as the statutory auditors of the Company for approval by the members.

Kashyap & Co, Chartered Accountants have consented to the said appointment and confirmed that their appointment, if made, would be within the limits specified under section 141(3) (g) of the Act and that they are not disqualified to be appointed as statutory auditors, in terms of section 143 of the Act.

Kashyap & Co, Chartered Accountants will be appointed as the statutory auditors of the Company from the conclusion of this annual general meeting till the conclusion of the 48<sup>th</sup> annual general meeting, subject to ratification of their appointment by the members at every intervening annual general meeting on a remuneration, out-of-pocket expenses etc., incurred in connection with the Audit as may be decided by the Board in consultation with the auditors from year to year.

#### **Brief profile of the Auditors is as under:**

Kashyap & Co., Chartered Accountants (Firm Registration No. 011355C), ("the Audit Firm") was established in the year 2003. The Audit Firm is registered with the Institute of Chartered Accountants of India (ICAI) and holds a valid Peer Review certificate.

The firm specializes in audits of public and private sector companies, banks, financial institutions, capital market intermediaries etc.

The firm has state-of-the-art equipment, sufficient office space, complete library and other amenities for carrying out professional assignments. It has offices at Meerut and New Delhi. All the offices are fully computerized and are using Application Software packages for carrying out professional work.

Mr. Premjit S. Kashyap, the Senior Partner of the firm, an F.C.A., is in practice since August 1986. During his professional career of more than 30 years, he specializes in the field of Audit, Direct Taxes and Management Consultancy.

The second partner, Ms. Nupur Gupta, an F.C.A. is in practice since May 1994 and specializes in the field of Corporate Consultancy, Internal Audits, Bank Audits and Project Financing.

None of the directors or key managerial personnel or their relatives is concerned or interested in the said resolution except to the extent of their shareholding, if any, in the company.

The Board commends the resolution set out at Item no.3 for approval by shareholders.

**Item No. 4:** The Board of Directors of the Company at their meeting held on 11 August, 2017 has, on recommendation by the Audit Committee, appointed M/s. Manisha & Associates (Firm Registration number: 000321), Cost Accountants as the Cost Auditors for the Financial Year 2017-18 at a remuneration of INR 60,000/- (Rupees Sixty Thousand only) plus tax and out of pocket expenses. As per Section 148 of Companies Act, 2013 and applicable rules thereunder, the remuneration payable to the Cost Auditor is required to be ratified by the Members of the Company.

The Board considers the remuneration payable to the Cost Auditors is fair and recommends the resolution contained at Item no.4 for approval of the Members.

None of the directors or key managerial personnel or their relatives is concerned or interested in the said resolution except to the extent of their shareholding, if any, in the company.

**Registered Office:**

405, Deepali Building,  
92, Nehru Place,  
New Delhi-110019  
CIN: L15142DL1974PLC007349

**For and on behalf of the Board**

Sd/-  
**Akshay Modi**  
Executive Director  
DIN - 03341142

**New Delhi, September 04, 2017**

**DETAILS OF THE DIRECTORS SEEKING APPOINTMENT / RE-APPOINTMENT AT THE ANNUAL GENERAL MEETING PURSUANT TO REGULATION 36 OF THE SEBI (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015**

**Item No 2 of the Notice:**

**Ms. Aditi Gupta –Non Executive and Non Independent Director**

Ms. Aditi Gupta, 30, is a Graduate in B.Sc. (Hons) from University of Nottingham and is having corporate experience of around 10 years. She is not holding any shareholding in the company.

She is also on the Board of Osain Incubex Private Limited and Health E-Cord Private Limited.

None of the directors/key managerial personnel/their relatives, except Mr. Anil Modi and Mr. Akshay Modi, is directly or indirectly concerned or interested, financially or otherwise, except to the extent of their respective shareholding, if any, in the Company, in the resolution set out in item no. 2 of the Notice.

The Board commends the ordinary resolution set out at Item no.2 for approval by shareholders.



## DIRECTORS' REPORT

### To the Members,

Your Directors are pleased to present the Forty-third Annual Report and Audited Accounts of the Company for the financial year ended March 31, 2017.

### 1. FINANCIAL HIGHLIGHTS

The summarised financial results for the year ended March 31, 2017 and for the previous year ended March 31, 2016 are as follows: -

	(Rs. Lacs)	
Particulars	2016-17	2015-16
<b>Revenue from Operations / Net Sales</b>	29317.05	27173.44
Profit before interest, depreciation and tax	455.67	886.24
Profit before exceptional item and tax	17.95	419.23
<b>Profit before tax</b>	<b>17.95</b>	<b>419.23</b>
<b>Tax expense</b>		
-Current Tax	4.45	94.00
-Deferred Tax	11.26	128.34
<b>Profit after tax</b>	<b>2.24</b>	<b>196.88</b>
<b>EPS (face value of Rs.10/- each)</b>		
-Basic & Diluted	0.02	1.77

The Company achieved gross turnover of Rs 29,317.05 Lacs and posted net profit after tax of Rs.2.24 Lacs for the financial year ended on 31<sup>st</sup> March, 2017 as against gross turnover of Rs. 27,173.44 Lacs and posted net profit after tax of Rs.196.88 Lacs in the previous financial year.

### 2. STATE OF COMPANY AFFAIRS AND FUTURE OUTLOOK

In the current financial year, the company continues to focus on growth of its branded business and is confident that the consumer business will continue its steady growth, which is in line with our medium to long term strategy. The flagship brand where the company is seeing a growing leadership position is:

**Oleev** - olive oils and healthy oils

Other than that the Company developed the following value added products:

**Rizolo**- India's Finest - Rice Bran Oil

**Miller** - Canola Oil with low absorption technology

**Olivana Wellness** - massage oils.

Whilst Rizolo and Miller have a direct fit in the edible oil stable, Olivana Wellness is the company's foray into the personal care segment of FMCG. With the launch of the new brands of packaged edible oils, the focus is slowly tilting more towards enhancing value through well branded consumer focused products. The Company is also creating niche brands in edible oils and blended oils which have various health benefits and thereby commanding a premium in the marketplace.

By increasing its foothold across all major distribution platforms like wholesale, modern retail, ecommerce etc., the Company is poised to strengthen its brand presence across the country. The Company has launched its largest advertisement campaign until now to strengthen its brand presence and improving brand recall.

In the years to come, Modi Naturals visualizes itself as a major contributor to the Indian FMCG sector and primarily the branded edible oil industry.

### 3. CHANGE IN NATURE OF BUSINESS, IF ANY

Your Company is engaged in the business of edible oils processing and fast moving consumer goods. There was no change in the nature of business of your company during the year.

However, in order to enlarge its area of operation and facilitate growth opportunities of new business proposals which have good future prospects and potentials to increase the shareholders' return, the Company has altered the main object

clause of its Memorandum of Association so as to enable it to inter-alia carry on the business of all types, descriptions, tastes, uses, and packs of consumer food items, their by-products, ingredients and derivatives.

These additional Objects may conveniently and advantageously be combined with the existing businesses of the Company.

Approval of shareholders was obtained through postal ballot on March 29, 2017 for above amendment in the main object clause of the Memorandum of Association.

#### **4. DIVIDEND**

No dividend is proposed for the financial year ended March 31, 2017.

#### **5. TRANSFER TO RESERVES**

No amount is proposed to be transferred to reserves.

#### **6. SHARE CAPITAL**

The paid up Equity Share Capital of the Company as at March 31, 2017 stood Rs. 11,11,79,340. During the year under review, the Company has not issued shares with differential voting rights nor has granted any stock options or sweat equity. As on March 31, 2017, none of the Directors of the Company hold any instruments convertible into equity shares of the Company.

#### **7. ALLOTMENT OF CONVERTIBLE WARRANTS**

During the year on 19 January, 2017 the company, pursuant to the approval given by the members of the Company at their Extraordinary General Meeting held on 9 January, 2017, issued and allotted 15,38,463 warrants on preferential basis to persons other than promoters. The said warrants carry an option / entitlement to subscribe to equivalent number of Equity Shares of Rs. 10/- each at a future date, not exceeding 18 (eighteen) months from the date of issue of such warrants at a price of Rs. 130/- which includes a premium of Rs. 120/- per share determined in accordance with Regulation 76 of the SEBI (Issue of Capital & Disclosure Requirements) Regulations, 2009.

An amount equivalent to 50% of the price i.e. Rs.130/- per Warrant aggregating to 1000.00 Lakhs has been received on allotment of the Warrants and the balance amount of Rs. 1000.00 Lakh shall be payable by the Warrant Holders while exercising their options to subscribe for equity shares.

On full conversion, the number of Equity Shares will increase from 1,11,17,934 to 1,26,56,397. The Company has sufficient authorized capital to cover the allotment of these shares.

#### **8. DEPOSITS FROM PUBLIC**

During the year, your Company has not accepted any deposits within the meaning of Sections 73 to 76 of the Companies Act, 2013 read with the Companies (Acceptance of Deposits) Rules, 2014 and there is no outstanding amount of deposits at the end of the financial year.

#### **9. ADOPTION OF NEW MEMORANDUM OF ASSOCIATION AND ARTICLES OF ASSOCIATION**

The Ministry of Corporate Affairs (MCA) notified most of the sections of the Companies Act, 2013 (the 'Act') which replace the provisions of the Companies Act, 1956. The MCA also notified the rules pertaining to the further notified sections. In order to bring the Memorandum of Association (MOA) and Articles of Association (AOA) of the Company in line with the provisions of the Act, the Company recommended that the members adopt a comprehensive new set of the Memorandum and Articles of Association of the Company in substitution of, and to the exclusion of, the existing MOA and AOA. The resolutions to adopt the new MOA and AOA were passed by requisite majority by the members of the Company through a postal ballot on March 29, 2017.

#### **10. EXTRACT OF ANNUAL RETURN**

As provided under Sections 134(3) (a) and 92(3) of the Companies Act, 2013 and Rule 12(1) of the Companies (Management and Administration) Rules, 2014, an extract of the annual Return in Form MGT-9 is appended as "Annexure-1" which forms part of this report.

#### **11. NUMBER OF BOARD MEETINGS AND ITS COMMITTEES**

Nine (9) meetings of the Board of Directors of the Company were conducted during the financial year. The details of board and its committees meetings are provided under the Corporate Governance Report which forms part of the Annual Report.

#### **12. PARTICULARS OF LOANS, GUARANTEES AND INVESTMENTS**

Details of Loans, Guarantees and Investments made by the company during the year which are covered under Section 186 of the Companies Act, 2013 is provided in the Note no. 14 and 19 to the Financial Statements.