



neha

## Twenty Second Annual Report



**Neha International Limited**

# **NEHA INTERNATIONAL LIMITED**

## **BOARD OF DIRECTORS**

*Chairman & Managing Director*

**Shri G. Vinod Reddy**

*Directors*

**Shri P. Sarath Kumar  
Smt. Radhika Kandagatla**

*Chief Financial Officer*

**Srinivas Sarika**

*Company Secretary*

**Manoj Sali**

*Auditors*

**M/s. Mathesh & Ramana,**

Chartered Accountants

# 3-6-145, Himayathnagar, Hyderabad 500 029

*Bankers*

Bank of Maharashtra, Khairatabad Branch, Hyderabad

IndusInd Bank, Secunderabad Branch, Hyderabad

Union Bank of India, RP Road Branch, Secunderabad

*Regd. Office*

No. 6-3-1090/A/12 & 13, 501, Manbhum Jade Towers,  
Rajbhavan Road, Somajiguda, Hyderabad - 500 082, Telangana. India.

Tel : 040 6636 4543, Fax : 040 6636 3504

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## NOTICE

NOTICE is hereby given that the Twenty Second Annual General Meeting of the members of Neha International Limited will be held on Friday 30th September 2016 at 11.00 a.m. at Bhaskara Auditorium B.M. Birla Science Centre, Adarshnagar, Hyderabad 500063 to transact the following business:

### ORDINARY BUSINESS

1. To consider and adopt the Audited Balance Sheet as at March 31st, 2016 and the Statement of Profit and Loss as on that date together with the reports of Directors and Auditor's thereon.
2. To ratify the continuation of Statutory Auditors of the Company, and, if thought fit, to pass with or without modification(s), the following resolution as an ORDINARY RESOLUTION.

The Statutory Auditor M/S Mathesh & Ramana Chartered accountants are eligible for continuing appointment and to pass the following resolution as an Ordinary Resolution:

**“RESOLVED THAT** pursuant to the provisions of Section 139, 142 of the Companies Act, 2013 and other applicable provisions of the Act, if any, and their corresponding Rules including any statutory modifications, amendments or re-enactments thereof pursuant to the recommendation of Audit committee and the resolution passed by the company at the Annual General Meeting held on 30th Jun, 2015, the appointment of M/S Mathesh & Ramana, Chartered Accountant, having Registration No. 002020S who have confirmed their eligibility in terms of provision of Section 141 of the Companies Act, 2013 and Rule 4 of Companies (Audit and Auditors) Rules, 2014 as Statutory Auditors to hold office upto the conclusion of 26th Annual General Meeting, be and is hereby ratified at such remuneration as may be decided by the Board of Directors of the Company.”

**“FURTHER RESOLVED THAT** the Board of Directors of the Company be and are hereby authorized to fix the remuneration of the Auditors.”

### SPECIAL BUSINESS

3. To consider and if thought fit, to pass with or without modification, the following Resolution as Special Resolution.

**“RESOLVED THAT** pursuant to the provision of Section 180(1)(a) and other applicable provision (including any modification or re-enactment thereof), if any, of the Companies Act 2013, consent of the members is hereby accorded to the Board of Directors of the company to discard /sell the non operative subsidiary, Neha Agri Services Pte Ltd, Singapore after following the due process and subject to approval of members and applicable statutory and regulatory approvals.

**FURTHER RESOLVED THAT,** Mr. G. Vinod Reddy, Managing Director of the Company be and is hereby authorized to initiate necessary steps to discard/closedown/to sell the shell firm and to do all such act, deeds and things which are necessary for the aforesaid proposal.

Place : Hyderabad  
Date : 01-09-2016

For and on behalf of the Board  
For **NEHA INTERNATIONAL LIMITED**

Sd/-  
**G. Vinod Reddy**  
Chairman & Managing Director

**NOTES:**

1. An Explanatory Statement pursuant to Section 102(1) of the Companies Act, 2013 relating to Special Business to be transacted at the Annual General Meeting is annexed here to
2. A MEMBER ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY, PROXIES, IN ORDER TO BE EFFECTIVE, MUST BE RECEIVED AT THE COMPANY'S REGISTERED OFFICE NOT LESS THAN 48 HOURS BEFORE THE MEETING. PROXIES SUBMITTED ON BEHALF OF LIMITED COMPANIES, SOCIETIES, ETC., MUST BE SUPPORTED BY APPROPRIATE RESOLUTION / AUTHORITY, AS APPLICABLE.
3. Members are requested to bring their copies of Annual report to the Annual General Meeting.
4. The register of Member's and Share transfer books of the Company will be closed from 27th September, 2016 to 30th September 2016 (both the days inclusive)
5. Members holding shares in physical form are requested to inform any change in address immediately to the Company's Registrar and Transfer Agents, M/s XL Softech Systems Limited, # 3, Sagar Society, Road No.2, Banjara Hills, Hyderabad 500034. Members holding shares in electronic form must send the advice about change in address to their respective Depository Participant and not to the Company or the Company's Register and Share Transfer Agents.
6. Members who hold the shares in dematerialized form are requested to write their Client ID and DPID on the attendance slip for easy identification of attendance at the meeting.
7. Important Communication to Members: The Ministry of Corporate affairs has introduced a "Green Initiative in the Corporate Governance" vide its circulars dated 21.04.2011 and 29.04.2011 by allowing the Companies to service the notices / documents including Annual Report by way of e-mail to its members. This initiative is a step towards protection of environment and enabling faster communication with the members.

Accordingly the Company is sending Annual Report in electronic mode to all the shareholders, whose email ID's are available with the Company/TRA. The members are requested to support the green initiative of the Government by registering / updating their e-mail address with their concerned Depository Participants (DP) to get the Annual Report and other documents on such e-mail address. Members holding shares in physical form are also requested to send their e-mail address to the Company either through e-mail at [complianceofficer@nehainternational.com](mailto:complianceofficer@nehainternational.com) or by sending the communication to the registered office of the Company. If any member is interested to receive such documents in physical form, a communication in this regard may be made to the Company or its Registrar.

8. The instructions for shareholders voting electronically are as under:
  - (i) The voting period begins on 26.09.2016 and ends on 29.09.2016 at 5 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 of 23.09.2016 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:

	<b>For Members holding shares in Demat Form and Physical Form</b>
PAN	<p>Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders)</p> <ul style="list-style-type: none"> <li>◆ Members who have not updated their PAN with the Company/Depository Participant are requested to use the first two letters of their name and the 8 digits of the sequence number in the PAN field.</li> <li>◆ In case the sequence 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 sequence number 1 then enter RA00000001 in the PAN field.</li> </ul>
DOB	Enter the Date of Birth as recorded in your demat account or in the company records for the said demat account or folio in dd/mm/yyyy format.
Dividend Bank Details	<p>Enter the Dividend Bank Details as recorded in your demat account or in the company records for the said demat account or folio.</p> <ul style="list-style-type: none"> <li>◆ Please enter the DOB or Dividend Bank Details in order to login. If the details are not recorded with the depository or company please enter the member id / folio number in the Dividend Bank details field as mentioned in instruction (iv).</li> </ul>

- (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 for the relevant <Company Name> on which you choose to vote.
- (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 out print of the voting done by you by clicking on "Click here to print" option on the Voting page.
- (xvii) If Demat account holder has forgotten the same 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) Note for Non – Individual Shareholders and Custodians
- ◆ Non-Individual shareholders (i.e. other than Individuals, HUF and NRI etc.) and Custodian are required to log on to [www.evotingindia.com](http://www.evotingindia.com) and register themselves as Corporate.



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- ◆ 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 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 favor of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.
- (xix) 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).

## EXPLANATORY STATEMENT

Item No.3

### Sale of Subsidiaries:

Neha Agri Services Pte Ltd, Singapore is a wholly owned subsidiary of Neha International Limited and was incorporated with the objective of undertaking general trading in various goods & commodities. However, the said subsidiary has not undertaken any business since inception as we already have another Subsidiary in Singapore, which is already undertaking trading business. To avoid administrative and legal expenses, the Board of Directors of the Company at its meeting held on 01.09.2016 approved to discard/closedown or to sell the inoperative shell company.

Your Directors recommended the resolution for your approval. None of the Directors and Key Managerial Personnel of the Company is interested in the resolution.

Place : Hyderabad  
Date : 01-09-2016

For and on behalf of the Board  
For **NEHA INTERNATIONAL LIMITED**  
Sd/-  
**G . Vinod Reddy**  
Chairman & Managing Director

## DIRECTORS' REPORT

To the Members,

The Directors have pleasure in presenting before you the Twenty Second Annual Report of the Company together with the Audited Statements of Accounts for the year period ended 31st March, 2016.

Financial Results: Stand Alone		(₹ in lakhs)	
Sl.No	Particulars	(2015-16) 01.04.2015 to 31.03.2016	(2013-15) 01.07.2013 to 31.03.2015
1	Gross Income	25232.84	30008.08
2	Profit Before Interest and Depreciation	716.93	1019.79
3	Finance Charges	338.41	642.72
4	Gross Profit	378.52	377.07
5	Provision for Depreciation	5.82	12.32
6	Net Profit Before Tax	372.70	364.75
7	Provision for Tax	144.27	115.92
8	Net Profit After Tax	228.43	248.83
9	Balance of Profit brought forward	228.43	248.83
10	Balance available for appropriation	228.43	248.83
11	Proposed Dividend on Equity Shares	0	0
12	Tax on proposed Dividend	0	0
13	Transfer from General Reserve	0	0
14	Surplus carried to Balance Sheet	228.43	248.83

Financial Results : Consolidated		(₹ in lakhs)	
Sl.No.	Particulars	(2015-16) 01.04.2015 to 31.03.2016	(2013-15) 01.07.2013 to 31.03.2015
1	Gross Income	64076.01	32717.78
2	Profit Before Interest and Depreciation	1519.84	1026.1
3	Finance Charges	637.24	682.71
4	Gross Profit	882.60	343.39
5	Provision for Depreciation	147.86	238.28
6	Net Profit Before Tax	734.74	105.11
7	Provision for Tax	214.15	115.92
8	Net Profit After Tax	520.59	(10.81)
9	Minority Interest	104.16	(70.97)



10	Balance of Profit brought forward	624.75	60.16
11	Balance available for appropriation	624.75	60.16
12	Proposed Dividend on Equity Shares	0	0
13	Tax on proposed Dividend	0	0
14	Transfer from General Reserve	0	0
15	Surplus carried to Balance Sheet	624.75	60.16

## OPERATIONS

The standalone revenues stood at ₹ 25232.84 lakhs for the year ended 31.03.2016. The Company achieved a standalone operational profit of ₹ 228.43 Lakhs. The Directors do not recommend any dividend for the period ended 31st March 2016, keeping in mind the fund requirements.

The company recorded revenue of ₹ 64076.01 lakhs in consolidated financials for the period ended 31st March 2016.

## MANAGEMENT DISCUSSION AND ANALYSIS REPORT

In terms of provisions of Regulation 34 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Management's Discussion and Analysis is set out in this Annual Report.

## CORPORATE GOVERNANCE AND SHAREHOLDERS INFORMATION

Your Company has taken adequate steps to adhere to all the stipulations laid down in SEBI (Listing Obligations and Disclosures Requirements), 2015.

A report on Corporate Governance is included as a part of this Annual Report. Certificate from the Statutory Auditors of the company M/s .Mathesh & Ramana, Chartered Accountants confirming the compliance with the conditions of Corporate Governance as stipulated under SEBI (Listing Obligations and Disclosures Requirements), 2015 is included as a part of this report.

## LISTING WITH STOCK EXCHANGES

The Company confirms that it has paid the Annual Listing Fees for the year 2016-17 to BSE where the Company's Shares are listed.

## DEMATERIALISATION OF SHARES

99.20% of the company's paid up Equity Share Capital is in dematerialized form as on 31st March, 2016 and balance 0.80% is in physical form. The Company's Registrars are M/s XL Softech Systems Ltd., having their registered office at 3 Sagar Society, Road No.2, Banjara Hills, Hyderabad - 500 034.

## Number of Board Meetings held

This is included in Corporate Governance Report.

## DIRECTORS RESPONSIBILITY STATEMENT

Pursuant to Section 134(5) of the Companies Act, 2013, Directors of your Company hereby state and confirm that:

- in the preparation of the annual accounts for the period ended 31st March, 2016, the applicable accounting standards have been followed along with proper explanation relating to material departures;
- they have selected such accounting policies and 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 period and of the profit of the company for the same period;

- c) the directors have taken proper and sufficient care 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;
- d) they have prepared the annual accounts on a going concern basis;
- e) they have laid down internal financial controls in the company that are adequate and were operating effectively.
- f) they have devised proper systems to ensure compliance with the provisions of all applicable laws and these are adequate and are operating effectively.

## AUDIT OBSERVATIONS

The Management has taken reasonable steps for recovery of sundry debtors.

The management is taking various steps to improve the net worth and is confident of achieving it in the coming years.

## AUDITORS

### i) Statutory Auditors

The Auditors, M/s Mathesh & Ramana, Chartered Accountants, opted for reappointment. Your Directors recommended their appointment.

### ii) Secretarial Audit

According to the provision of section 204 of the Companies Act, 2013 read with Rule 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Secretarial Audit Report submitted by Company Secretary in Practice is enclosed as a part of this report Annexure-A.

## FIXED DEPOSITS

The Company has not invited / accepted deposits from the public within the meaning of Section 73 to 76 of the Companies Act, 2013.

## PERSONNEL

Employee relations continue to be cordial.

## CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNINGS AND OUTGO

Information required under section 134(3)(m) of the Companies Act, 2013 read with Rule 8 of the Companies (Accounts) Rules, 2014,.

The Company is not into manufacturing activity. Hence Not Applicable to the Company

## CORPORATE SOCIAL RESPONSIBILITY (CSR)

The company has not crossed the threshold limit to implement CSR. Hence not Applicable to the Company during the year under report.

## VIGIL MECHANISM

In pursuant to the provisions of section 177(9) & (10) of the Companies Act, 2013, a Vigil Mechanism for directors and employees to report genuine concerns has been established.

## CONSOLIDATED FINANCIAL STATEMENTS

In terms of Regulation 33 of SEBI (LODR), 2015 with the Stock Exchange and as prescribed by Accounting Standard 21 notified by the Government of India under section 211(3c) of the Companies Act, 2013, the Audited consolidated financial statements for the period ended 31st March, 2016 are annexed and forms part of the annual Report.