

**ANNUAL REPORT  
2016-2017**



**Modern**

**INSULATORS LIMITED**

---

---

---

**BOARD OF DIRECTORS**

Shri Sachin Ranka	– Chairman & Managing Director
Shri S.B.L. Jain	– Independent Director
Shri R. Raniwala	– Independent Director
Shri P.K. Rao	– Independent Director
Smt. Meenu Sacheti	– Independent Director
Shri D.B. Deshpande	– Executive Director
Shri T.C. Chejara	– Additional Director

**CHIEF FINANCIAL OFFICER**

Shri D.S. Singhvi

**COMPANY SECRETARY**

Shri Gaurav Goyal

**AUDITORS**

M/s B.L. Verma & Co.,  
Chartered Accountants,  
Jaipur - 302 001

**SECRETARIAL AUDITORS**

M/s. JAKS & Associates,  
Practicing Company Secretaries,  
Jaipur - 302 005

**REGISTERED OFFICE**

A-4, Vijay Path, Tilak Nagar,  
Jaipur - 302 004 (Rajasthan)  
Ph. : 0141-4113645  
E-mail : modernjaipuroffice@gmail.com

**CORPORATE HEAD QUARTER**

68/69, Godavari, Pochkhanwala Road,  
Worli, Mumbai - 400 030

**PLANTS****Insulators Division**

Abu Road - 307 026  
Distt. Sirohi (Rajasthan)

**Yarn Division**

Village : Nana Borsara - 394 125  
Distt. Surat (Gujarat)

**Terry Towels Division**

Village : Nidrad  
Taluka : Snand - 382110  
Ahmedabad (Gujarat)

## NOTICE

NOTICE is hereby given that the 32nd Annual General Meeting of the Members of Modern Insulators Limited will be held on Wednesday, 27th September, 2017 at 4.00 P.M. at Registered Office of the Company at A-4, Vijay Path, Tilak Nagar, Jaipur - 302 004 to transact the following business:

### A. ORDINARY BUSINESS

- (1) To consider and adopt the Audited Financial Statements of the Company for the year ended 31st March, 2017 and the reports of the Board of Directors and Auditors thereon.
- (2) To appoint a director in place of Shri D.B. Deshpande (DIN: 06463412), who retires by rotation and being eligible, offers himself for re-appointment.
- (3) Appointment of Statutory Auditors

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 139, 142 and other applicable provisions, if any, of the Companies Act, 2013 (the Act), 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 Board of Directors, M/s R.B. Verma & Associates, Chartered Accountants, Jaipur (Firm Registration No. 012650C) be and are hereby appointed as Statutory Auditors of the Company in place of M/s B.L. Verma & Co., Chartered Accountants, Jaipur (Firm Registration No. 001064C) whose tenure expires at the ensuing Annual General Meeting, at such remuneration as may be determined by the Audit Committee in consultation with Auditors.”

**“RESOLVED FURTHER THAT** M/s R.B. Verma & Associates, Chartered Accountants, if appointed as the Statutory Auditors of the Company, shall hold office for a period of five years, from the conclusion of this Thirty Second Annual General Meeting till the conclusion of Thirty Seventh Annual General Meeting of the Company (subject to ratification of the appointment by Members at every Annual General Meeting held after this Annual General Meeting).”

**“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.”

### B. SPECIAL BUSINESS

- (4) **To appoint Shri T.C. Chejara as Non-Executive Director of the Company and in this regards, pass the following resolution as a Ordinary Resolution:-**

**“RESOLVED THAT** pursuant to the provisions of Sections 152, 161 and any other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force), Shri T.C. Chejara (DIN 07619881) who was appointed as an Additional Director of the Company under Section 161 of the Companies Act, 2013 with effect from October 1, 2016 by the Board of Directors and in respect of whom the Company has received a notice in writing under Section 160 of the Companies Act, 2013 proposing his candidature for the office of Director of the Company, be and is hereby appointed as an Director of the Company whose office shall be liable to retire by rotation.”

- (5) **To re-appoint Shri Sachin Ranka as Chairman & Managing Director of the Company and in this regards, pass the following resolution as a Special Resolution:-**

**“RESOLVED THAT** pursuant to the provisions of Sections 152, 196 & 197 read with Schedule V and other applicable provisions, if any, of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force) and pursuant to the recommendation of the Nomination and Remuneration Committee and Board of Directors, approval of the Company be and is hereby accorded for re-appointment and payment of remuneration to Shri Sachin Ranka (DIN:00335534) as Chairman and Managing Director of the Company for a period of five years with effect from 01.04.2017 on the terms and conditions of his remuneration as specified in the explanatory statement annexed thereto.”

- (6) **To re-appoint Shri D.B. Deshpande as Executive Director of the Company and in this regards, pass the following resolution as a Special Resolution:-**

**“RESOLVED THAT** pursuant to the provisions of Sections 196, 197 and 203 read with Schedule V and other applicable provisions, if any, of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force) and pursuant to the recommendation of the Nomination and Remuneration Committee and Board of Directors, approval of the Company be and is hereby accorded for re-appointment and payment of remuneration to Shri D.B. Deshpande (DIN:06463412) as an Executive Director of the Company for one year with effect from 01.04.2017 to 31.03.2018 on the terms and conditions of his remuneration as specified in the explanatory statement annexed thereto.”

- (7) **To appoint Smt. Meenu Sacheti as Independent Director of the Company and in this regards, pass the following resolution as a Special Resolution:-**

**“RESOLVED THAT** pursuant to the provisions of section 149, 150 and 152 and other applicable provisions of the Companies Act, 2013 and the rules made thereunder (including any statutory modifications or re-enactment thereof for the time being in force) read with schedule IV of the Companies Act, 2013, Smt. Meenu Sacheti (DIN 02266703), Director of the Company who retires by rotation at the Annual General Meeting be and is hereby appointed as Independent Director of the Company with effect from 01.01.2017 for a period of five years whose office shall not be liable to retire by rotation.”

- (8) **To ratify the remuneration of Cost Auditors for the financial year ending March 31, 2018 and in this regards, pass the following resolution as an Ordinary Resolution:-**

**“RESOLVED THAT** pursuant to the provisions of Section 148 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(s) thereof, for the time being in force), Rajesh & Company, Cost Accountants (Firm Registration No. 000031), the Cost Auditors appointed by the Board of Directors, to conduct the audit of the cost records of the Company for the financial year ending March 31, 2018, be paid the remuneration of Rs. 70,000/- and reimbursement of expenses upto Rs, 35,000/- be and is hereby ratified and approved.”

**(9) To consider and if thought fit, to pass with or without modifications, the following resolution as a Special Resolution:-**

“**RESOLVED THAT** pursuant to the provisions of Section 180(1)(a) and all other applicable provisions, if any, of the Companies Act, 2013, consent of the Company be and is hereby accorded to the Board of Directors of the Company for already mortgaged/to be mortgaged and/or charged/to be charged present and/or future properties, which is situated at Abu Road, Rajasthan whether movable or immovable on first charge basis in favour of:

1. Central Bank of India for its working capital assistance of Rs. 8450 Lacs (Fund Based) & Rs. 4500 Lacs (Non-Fund Based) and forward exchange contract limit Rs. 1200 Lacs respectively.
2. Punjab National Bank for its working capital assistance of Rs. 3650 Lacs (Fund Based) & Rs. 1500 Lacs (Non-Fund Based) respectively.

In connection with the working capital facilities already sanctioned/to be sanctioned by the working capital bankers to the Company to secure the said working capital facilities together with interest thereon, commitment charges, liquidated damages, costs, charges, expenses and other moneys payable by the Company in terms of letter of sanction(s)/memorandum of the terms and conditions entered into by the Company in respect of working capital facilities, such security, to rank as the case may be to mortgage and/or charges already created or to be created in future by the Company or in such manner as may be agreed to by the banks and as may be thought expedient by the Board of Directors of the Company.”

By the Order of the Board

Place : Ahmedabad  
 Date : 29th May, 2017

**(Gaurav Goyal)**  
 Company Secretary

**Notes:**

1. The Explanatory Statement pursuant to Section 102 and/or any other applicable provisions of the Companies Act, 2013 in respect of Item No. 3 to 9 set out in the Notice is annexed hereto and form part of this Notice.
2. A member entitled to attend and vote at the Annual General Meeting is entitled to appoint a proxy to attend and vote in the meeting instead of himself/herself and the proxy need not be a member of the Company.
3. The proxy form 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 Annual General Meeting is enclosed.
4. Corporate Members intending to send their authorized representatives to attend the Meeting pursuant to Section 113 of the Companies Act, 2013 are requested to send a certified copy of the relevant Board Resolution together with specimen signatures of those representative(s) authorized under the said resolution to attend and vote on their behalf at the Meeting.
5. In case of joint holders attending the Meeting, only such joint holder who is higher in the order of names will be entitled to vote.
6. Members/proxies should bring the duly filled Attendance Slip enclosed herewith to attend the meeting.
7. The Share transfer books and Register of members shall remain closed from 23rd September, 2017 to 27th September, 2017 (both days inclusive).
8. Members who have not registered their email addresses so far are requested to register their e-mail ID's with M/s. Beetal Financial & Computer Services Pvt. Ltd, the Registrars & Share Transfer Agents of the Company and Members holding shares in demat mode are requested to register their e-mail ID's with their respective DPs in case the same is still not registered.
9. In terms of Section 101 and 136 of the Companies Act, 2013 read with the relevant Rules made thereunder, the copy of the Annual Report including Financial Statements, Board's report etc. and this notice are being sent by electronic mode, to those members who have registered their email ids with their respective depository participants or with the share transfer agents of the Company, unless any member has requested for a physical copy of the same. In case you wish to get a physical copy of the Annual Report, you may send your request to [compliance@moderninsulators.com](mailto:compliance@moderninsulators.com) mentioning your Folio/DP ID & Client ID. Members may also note that the Notice of the Annual General Meeting and the Annual Report for the year 2017 will also be available on the Company's website [www.moderninsulators.com](http://www.moderninsulators.com).
10. The Statutory Registers maintained under the provisions of the Companies Act, 2013, will be available for inspection by the Members at the AGM.
11. Members are requested to send all communications relating to shares, change of address etc. to the Registrar and Share Transfer Agents at the following address:  
 Beetal Financial & Computer Service Pvt. Ltd. Beetal House, 3rd Floor, 99 Madangir, Behind LSC, New Delhi-110062
12. A route map showing directions to reach the venue of the Annual General Meeting is given with the Annual Report.
13. **Members holding shares in physical mode are requested to dematerialize their shares by surrendering their share certificates to their Depository Participants (DPs). Members are requested to quote ISIN: INE219W01012 of the Company for dematerialization of the shares.**
14. **Voting**  
 All persons whose names are recorded in the Register of Members maintained by the Depositories as on the cut-off date i.e. 20th September, 2017 shall also be entitled to vote at the General Meeting by availing the facility of remote e-voting or by voting at the General Meeting.  
**Voting through Electronic means**
  1. Pursuant to provisions of Section 108 of the Companies Act, 2013 and Rule 20 of the Companies (Management and Administration) Rules, 2014, as amended by the Companies (Management and Administration) Amendment Rules, 2015 and Regulation 44 of SEBI (Listing Obligations and Disclosures Requirements), Regulations, 2015, the Company is pleased to provide its members the facility of "remote e-voting" (e-voting from a place other than venue of the AGM) to exercise their right to vote at the AGM. The

business may be transacted through e-voting services provided by National Securities Depository Limited (“NSDL”).

2. The facility for voting through Ballot/Poll Paper shall also be made available at the AGM and the members attending the meeting, who have not already cast their vote through remote e-voting, shall be able to exercise their right at the AGM.
3. The Board of Directors of the Company has appointed Shri Deepak Arora, Practicing Company Secretary as Scrutinizer for scrutinizing the voting and remote e-voting process in a fair and transparent manner.
4. The Results shall be declared within 48 hours after the Annual General Meeting of the Company. The results declared along with the Scrutiniser’s Report shall be placed on the company’s website [www.moderninsulators.com](http://www.moderninsulators.com) and on the website of NSDL [www.evoting.nsdl.com](http://www.evoting.nsdl.com) and the same shall also be communicated to BSE Limited.
5. Any person who becomes a member of the Company after dispatch of the Notice of the meeting and holding shares as on the cut-off date i.e. 20th September, 2017 may obtain the User ID and password in the manner as mentioned below.

**Instructions to members for voting electronically are as under:-**

1. Open the attached PDF file “MIL remote e-voting.pdf” giving your Client ID (in case you are holding shares in demat mode) or Folio No. (in case you are holding shares in physical mode) as password, which contains your “User ID” and “Password for e-voting”. Please note that the password is an initial password. You will not receive this PDF file if you are already registered with NSDL for e-voting.
2. Launch internet browser by typing the URL <https://www.evoting.nsdl.com>
3. Click on “Shareholder - Login”.
4. Put User ID and password as initial password noted in step (1) above and Click Login. If you are already registered with NSDL for e-voting then you can use your existing user ID and password. 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)
5. Password Change Menu appears. Change the password with new password of your choice with minimum 8 digits/characters or combination thereof.
6. Home page of remote “e-Voting” opens. Click on e-Voting: Active Voting Cycles.
7. Select “EVEN” of “Modern Insulators Limited”. Members can cast their vote online 19th, September, 2017 (9:00 am) and ends on 22nd September, 2017 (5:00 pm).  
Note: e-Voting shall not be allowed beyond said time.
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. The members who have not provided email Id to the Company may contact to the concerned person on following numbers to get the “User ID” and “Password for e-voting”, who will provide you the same after due verification of information of members available with the Company:-  
Mr. Gaurav Goyal/Nadeem Zaki  
Phone: 0141-4113645  
Email Id: - [modernjaipuroffice@gmail.com](mailto:modernjaipuroffice@gmail.com)
11. Institutional shareholders (i.e., other than Individuals, HUF, NRI etc.) are also 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’s e-mail [aroracs2@gmail.com](mailto:aroracs2@gmail.com) with a copy to [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in).
12. In case of any queries, you may refer to the Frequently Asked Questions (FAQs) and e-voting user manual for members available at the Downloads sections of <https://www.evoting.nsdl.com> or contact NSDL at the following toll free no.: 1800-222-990.

## EXPLANATORY STATEMENT

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

**Item No. 3**

As per the provisions 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 additional transition period of three years from the commencement of the Act i.e. 1st April, 2014. M/s B.L. Verma & Co. Chartered Accountants, Jaipur have completed period of ten years and will also be completing the additional transition period of three years at the conclusion of the forthcoming Annual General Meeting.

Accordingly, the term of the present Auditors, M/s B.L. Verma & Co. Chartered Accountants, Jaipur, expires at the conclusion of the forthcoming Annual General Meeting. The Audit Committee and the Board of Directors have placed on record their appreciation for the professional services rendered by M/s B.L. Verma & Co. Chartered Accountants, Jaipur during their association with the Company as its auditors. For the purpose of appointment of new Auditors, the Audit Committee along with the Management invited proposals from the reputed firms of Chartered Accountants and had detailed discussion with

representatives of those firms and recommended M/s R. B. Verma & Associates, Chartered Accountant, Jaipur (Firm Registration No. 012650C), as Statutory Auditor. The Board of Directors based on the recommendation of the Audit Committee proposes the appointment of the M/s R.B. Verma & Associates, Chartered Accountant, Jaipur as the Statutory Auditors of the Company to the Members for their approval. If approved by the Members, the appointment of M/s R.B. Verma & Associates, Chartered Accountant as a Statutory Auditor will be for a period of five years commencing from the conclusion of Thirty Second Annual General Meeting till the conclusion of the Thirty Seventh Annual General Meeting (subject to ratification of the appointment by Members at every Annual General Meeting held after this Annual General Meeting). M/s R.B. Verma & Associates, Chartered Accountant have 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 auditor in terms of the provisions of the proviso to Section 139 (1), Section 141(2) and Section 141(3) of the Act and the

provisions of the Companies (Audit and Auditors) Rules, 2014.

The Board of Directors recommends the Resolution at Item No. 3 of the Notice for your approval. None of the Directors, Key Managerial Personnel and their relatives are concerned or interested in the Resolution at Item No. 3 of the Notice.

#### Item No. 4

Pursuant to provisions of Section 161 of the Companies Act, 2013, the Articles of Association of the Company and as recommended by the Nomination and Remuneration Committee, the Board of Directors, at its meeting held on 22nd September, 2016, appointed Shri T.C. Chejara (DIN 07619881), as an Additional Director of the Company, w.e.f. 1st October, 2016.

As an Additional Director, Shri T.C. Chejara holds office upto the date of this Annual General Meeting (AGM) and is eligible to be appointed as a Director of the Company. Pursuant to the provisions of Section 160 of the Act, the Company has received a notice in writing along with the deposit of requisite amount from Shri T.C. Chejara, signifying his candidature for the office of the Director of the Company.

Shri T.C. Chejara is B.Com and also a fellow member of the Institute of Chartered Accountants of India. He has more than 40 years rich experience in the field of accounts, finance and management and has consented to act as a Director of the Company.

The disclosure relating to Shri T.C. Chejara, as required under the provisions of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulation, 2015, is set out as an Annexure to the Notice.

The Board recommends the Ordinary Resolutions set out at Item No. 4 of this Notice for the approval by the Members.

Except Shri T.C. Chejara, being an appointee, none of the other Directors, Key Managerial Personnel and their relatives are concerned or interested in the Resolution at Item No. 4 of the Notice.

#### Item No. 5

The Board of Directors at its meeting held on 28th March, 2017 re-appointed Shri Sachin Ranka (DIN 00335534) as Chairman & Managing Director of the Company with effect from April 1, 2017 for a period of five years with remuneration subject to approval of shareholders in ensuing Annual General Meeting. The terms and conditions of the re-appointment and payment of remuneration to Shri Sachin Ranka as Chairman & Managing Director have also been approved by the Nomination & Remuneration Committee of Directors of the Company.

The term and conditions of remuneration to Shri Sachin Ranka are as under :-

- i) Basic Salary:-  
₹ 500000/- per month for first year and thereafter increase not exceeding 20% per annum.
- ii) Perquisites and allowances:-
  - a) Company's contribution towards Provident Fund as per Company's Rules but not exceeding 12% of the basic salary.
  - b) Company's contribution towards National Pension System (NPS) as per Company's rules but not exceeding 10% of the basic salary.
  - c) Reimbursement of medical expenses for self and family upto ₹ 15000/- per annum.
  - d) Gratuity not exceeding half month's salary for each completed year of service as provided in Gratuity Act.

- e) Free use of car with driver for Company's business.
- f) Free Telephone facility at residence for Company's business.
- g) Fees of Clubs – subject to maximum of two clubs, the total amount of which shall not exceed ₹ 200000/- per annum.
- iii) He shall not be paid any sitting fees for attending the meetings of Board of Directors or Committee thereof.

The disclosure relating to Shri Sachin Ranka, as required under the provisions of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulation, 2015, is set out as an Annexure to the Notice.

The resolution seeks the approval of members in terms of Sections 196 and 197 read with Schedule V and other applicable provisions, if any of the Companies Act, 2013 and the Rules made thereunder for the re-appointment and payment of remuneration to Shri Sachin Ranka as Chairman & Managing Director of the Company for a period of 5 year from 1st April, 2017.

Except Shri Sachin Ranka, being an appointee, none of the other Directors, Key Managerial Personnel and their relatives are concerned or interested in the Resolution at Item No. 5 of the Notice.

#### Item No. 6

The Board of Directors in their meeting held on 28th March, 2017 had re-appointed Shri D.B. Deshpande as an Executive Director of the Company for 1 year from 1st April, 2017 with remuneration subject to approval of shareholders in the Annual General Meeting. The terms and conditions of the re-appointment and payment of remuneration to Shri D.B. Deshpande as an Executive Director have also been approved by the Nomination & Remuneration Committee of Directors of the Company.

The term and conditions of remuneration to Shri D.B. Deshpande are as under :-

- i) Basic Salary:-  
₹ 5,16,000/- per month and increase not exceeding Rs.100000/- per month from 01.04.2017.
- ii) Perquisites and allowances:-
  - a) Furnished residential accommodation with water, gas, electricity etc. monetary value of which will be evaluated as per rule 3(a) of the Income Tax Rules, 1962, subject to an amount equivalent to 10% of basic salary deductible every month.
  - b) Company's contribution towards Provident Fund as per Company's Rules but not exceeding 12% of the basic salary.
  - c) Reimbursement of medical expenses and leave travel concession for self and family, the total cost of which to the company shall not exceed 3% of the basic salary.
  - d) Gratuity not exceeding half month's salary for each completed year of service as provided in Gratuity Act.
  - e) Free use of car with driver, for Company's business.
  - f) Free Telephone facility at residence. All personal long distance calls shall be billed by the Company.
  - g) Encashment of leaves as per Company's Rules.
- iii) He shall not be paid any sitting fees for attending the meetings of Board of Directors or Committee thereof.

The disclosure relating to Shri D.B. Deshpande, as required under the provisions of Securities and Exchange Board of India (Listing Obligations



and Disclosure Requirements) Regulation, 2015, is set out as an Annexure to the Notice.

The resolution seeks the approval of members in terms of Sections 196 and 197 read with Schedule V and other applicable provisions, if any of the Companies Act, 2013 and the Rules made thereunder for the re-appointment and payment of remuneration to Shri D.B. Deshpande as an Executive Director of the Company for a period of one year from 1st April, 2017.

Except Shri D.B. Deshpande, being an appointee, none of the other Directors, Key Managerial Personnel and their relatives are concerned or interested in the Resolution at Item No. 6 of the Notice.

#### Item No. 7

As per the provisions of SEBI (Listing obligation and Disclosure Requirement) Regulation, 2015, at least half of the Board of Directors shall comprise of Independent Directors and to comply the Listing provisions. Smt. Meenu Sacheti who was appointed as Non-executive Director of the Company and who meets the criteria of Independence in terms of Section 149 of the Companies Act, 2013 and SEBI (Listing Obligation & Disclosure Requirement), Regulations, 2015, it is recommended to change the designation of Smt. Meenu Sacheti from Non-executive Director to Independent Director.

The disclosure relating to Smt. Meenu Sacheti, as required under the provisions of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulation, 2015, is set out as an Annexure to the Notice.

The resolution seeks the approval of members in terms of Sections 149, 150 and 152 of the Companies Act, 2013 and the Rules made thereunder for the appointment of Smt. Meenu Sacheti as an Independent Director of the Company for a period of 5 year from 1st January, 2017.

Except Smt. Meenu Sacheti, being an appointee, none of the other

Directors, Key Managerial Personnel and their relatives are concerned or interested in the Resolution at Item No. 7 of the Notice.

#### Item No. 8

The Board, on the recommendation of the Audit Committee, has approved the appointment and remuneration of the Cost Auditors to conduct the audit of the cost records of the Company across for the financial year ending March 31, 2018. In accordance with the provisions of Section 148 of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014, the remuneration payable to the Cost Auditors as recommended by the Audit Committee and approved by the Board of Directors, has to be ratified by the members of the Company. Accordingly, consent of the members is sought for passing of resolution for ratification of the remuneration payable to the Cost Auditors of the Company for the financial year ending March 31, 2018.

No Director, Key Managerial Personnel or their relatives is concerned or interested in the resolution. The Board recommends the resolution set out at Item No. 9 for approval of the members.

#### Item No. 9

Working capital bankers of the Company have sanctioned enhanced limits on the basis of creation of first charge on the fixed assets of the Insulator division of the Company.

As the mortgage or charge on properties to secure the working capital facilities on first charge basis may be regarded as disposal of the whole or substantially the whole of the Insulators division of the Company, it is considered necessary to seek members approval pursuant to the provisions of section 180(1)(a) of the Companies Act, 1956.

No Director, Key Managerial Personnel or their relatives is interested or concerned in the resolution. The Board recommends the resolution set forth in Item No. 8 for approval of the members.

## ANNEXURE TO THE NOTICE

### Details of Director Seeking Appointment/Re-Appointment at the Forthcoming Annual General Meeting

[In pursuance of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015]

Name	Shri T.C. Chejara	Shri Sachin Ranka	Shri D.B. Deshpande	Smt. Meenu Sacheti
DIN	07619881	00335534	06463412	02266703
Date of Birth	10/09/1953	28/01/1963	11/11/1952	17/07/1962
Qualifications	Chartered Accountant	MBA (Finance)	B.E Electricals	B.Com
Expertise in Specific area	Finance and Accounts	Finance & Corporate Management	Electric Engineering and Corporate Management	Management and Administration
Date of First appointment on the Board of the Company	01/10/2016	30/11/1992	01/01/2013	31/03/2015
Relationship with other Director	None	None	None	None
Shareholding in the Company	Nil	500	Nil	Nil
Directorship held in other Public companies	Modern Denim Limited	Modern Denim Limited	Nil	Modern Denim Limited
Chairman/ Member in the Committees of the Boards of companies in which he is Director	Chairman of the Audit Committee and Stakeholders Relationship committee of Modern Denim Limited	Chairman of the Board and CSR committee of Modern Denim Limited	Nil	Nil

## DIRECTORS' REPORT AND MANAGEMENT DISCUSSION AND ANALYSIS

### The Members

Your Directors are pleased to present the 32nd Annual Report of the Company together with the Audited Financial Statements for the financial year ended 31st March, 2017.

### FINANCIAL PERFORMANCE

(₹ in Crores)

Particulars	Year ended 31.03.2017	Year ended 31.03.2016
Net Sales and Other Income	520.02	467.51
Profit before exceptional items & tax	21.93	27.07
Add : Exceptional Items	5.03	4.56
Profit before tax	26.96	31.63
Less : Tax expense (Deferred tax)	(2.92)	2.42
Profit for the year after tax	29.88	29.21
Balance Brought forward from previous year	243.03	213.82
Less : Impact of Amalgamation (Net)	59.13	—
Balance carried to Balance sheet	213.78	243.03

Note : Pursuant to the scheme of amalgamation of Modern Terry Towels Limited with the Company approved by Hon'ble BIFR under the provision of Sick Industrial Companies (Special Provisions) Act, 1985, the financial results of the year ended March 31, 2017 are not comparable with the year ended March 31, 2016.

### OPERATIONS

The overall performance of the Company has been satisfactory. Various factors have contributed for satisfactory performance of your Company inter alia includes balancing of plant and machinery, continuous efforts for production of value added insulators and diversification. The net turnover for the year has been ₹ 514.17 crores and profit before interest & depreciation ₹ 44.24 crores.

During the year under review, no amount from the profit was transferred to General Reserve. Keeping in view the need to conserve the Company's resources for meeting the enhanced working capital requirement and balancing the manufacturing equipments, your directors deemed it prudent not to recommend any dividend for the year.

#### Insulators Division

During the financial year 2017, despite challenging business environment the division has registered a growth of 6.14%. The net turnover for the year has been ₹ 342.25 crores as against ₹ 322.47 crores and profit before interest & depreciation of ₹ 46.70 crores as against ₹ 41.42 crores of previous year.

#### Yarn Division

The turnover of the division has been ₹ 128.10 crores as against ₹ 138.54 crores in previous year and profit before interest & depreciation has been ₹ 5.82 crores as against ₹ 6.68 crores in previous year. Turnover and profitability has been marginally lower due to competitive market conditions.

#### Terry Towels Division

During the year Modern Terry Towels Limited has been merged with the Company and has become division of the Company. The turnover of this division has been ₹ 43.82 crores and loss before interest & depreciation has been ₹ 8.28 crores. It is mainly due to low capacity utilization and shortage of working capital. However post merger the company is expecting to achieve constant growth of the division and increase in capacity utilization and profitability.

### EXPORTS

The Company is one of the major exporters of H.T. Porcelain Insulators from India. The Company has achieved export turnover of ₹ 101.14 crores during the year under review as compared to ₹ 84.00 crores in previous year showing an impressive growth of 20%. In spite of stiff competition from China and slowdown of global economy, export has increased because of sustained quality and by tapping & revival of potential customers. In addition, the company possesses the ability to cater to the diverse needs of global customers and is concentrating to strengthen its presence in all corners of global market. Your company is a regular supplier to all the major multinational OEMs for their world wide requirements of quality Porcelain Insulators.

### ANALYSIS AND REVIEW

Your Company continues to be a leader in the manufacture of Extra High Voltage Insulators in the country. Despite stiff competition buyers show interest in your company's product for its quality & timely delivery and hence your directors are confident of achieving better working results in the coming years. Your Company is having well equipped R & D laboratory recognized by Govt. of India, Ministry of Science & Technology which takes care of the stringent quality requirements of customers and ensures quality and reliability in each and every product manufactured. In-house R&D activities have a thrust on qualitative development to replace expensive input raw material & to bring consistency in quality of the products under manufacture. The future of the Insulator industry looks promising due to major thrust on power sector reforms and speedy implementation of new power projects. Major Railway electrical projects as well as dedicated freight corridor project will increase demand for Railway Insulators. We are putting our efforts to promote Long Rod Insulators to all potential SEB's and increase our share in domestic market. Your company has established fully equipped SGI and Aluminium foundry to cater demand from various segments apart from fulfilling company's major captive requirement of SGI and aluminium castings in time. This will give further boost to the revenue of the Company in coming years.

#### Industry Overview

The power generation, transmission and distribution sector is the key growth driver for the Insulators industry. The Government of India is putting emphasis on power sector reforms in overcoming impediments; it will however take some time before on-ground demand improvement is visible. Over the past few years, demand in domestic insulators market has been sluggish, primarily due to poor financial health of state utilities, which has impacted new projects and delay in the execution of on-going projects.

The Indian Textile Industry is one of the leading textile industries in the world. It is one of the key sectors of India's manufacturing segment as it contributes significantly to the economy in terms of employment generation and foreign exchange revenue. The industry is taking all steps to promote textile exports, which is the need of the hour. Costs are increasing due to rising input costs, including labour and power. Focus on new product development and value added products is continuing in this segment.

#### Opportunities & Challenges

Your Company is engaged in the manufacturing of High Quality Solid core post insulators for Disconnectors and sub-station requirements, Hollow insulators for Circuit Breakers, Lightning Arrestors and Instruments Transformers, Long rod Insulators for Overhead Transmission Lines, Railway Insulators, line Post Insulators for Distribution Segment. Your Company makes sustainable efforts to provide varieties of Insulators to the whole world and in the process nurtures long-term relations with customers. Your company has also invested in plant and machinery and equipments for making investment to increase the production capacity of finished products to grab the opportunity in the emerging global markets.



The market share of China in the international trade has been steadily increasing in recent years. Additionally, increased acceptance of alternate technologies has further impacted the domestic insulators industry.

The future for the Indian textile industry looks promising, due to strong domestic consumption. India has the potential to double its market size in the long run as China is losing its competitive advantage in textiles mainly on account of increasing labour & power costs and focus on the domestic market with high value products. The shift from China to India is expected to happen in the long run, to make India a dependable source of supply for the World. However, there are several challenges ahead for the Textile industry for enhancing its competitive strength and global positioning in terms of inflexible labour laws, poor infrastructure, competition from low cost neighbouring countries which will have to be addressed to sustain the growth momentum of the industry.

#### **Risks & Challenges**

The current economic environment, in combination with significant growth ambitions of the Company, carries with it an evolving set of risks. Your Company recognizes that these risks need to be managed to protect customers, employees, shareholders and other stakeholders to achieve our business objectives. In line with this, your Company has put in place a detailed Risk Management Policy which identifies the various types of risks at all levels of the Company. Early risk identification along with appropriate measures has enabled the Company to mitigate all threats which may arise from time to time. Also, the possibility of occurrence of the risk event and the magnitude of their consequences on the organization is determined and used to prioritize risk management.

#### **Outlook**

Government initiatives are expected to catalyse demand improvement in near future. With Government's focus on 'Power for All' by 2019 the medium to long term fundamentals look encouraging. The company is alert and in touch with the ground realities of the changing business environment and is confident of increasing the Indian share in the world market.

The overall business outlook for the company is promising with improvement in overall economic environment. The company continues to examine the possibilities of expansion and shall make the necessary investments when attractive opportunities arise.

#### **AMALGAMATION OF MODERN TERRY TOWELS LIMITED WITH THE COMPANY**

During the year, Hon'ble Board for Industrial & Financial Reconstruction (BIFR) has sanctioned the scheme of amalgamation of Modern Terry Towels Limited (MTTL) with your Company with effect from 01.01.2008 (the Appointed Date) under the provisions of Sick Industrial Companies (Special Provisions) Act, 1985. The Scheme has been made effective on 15th September, 2016. The merger results in consolidation of two companies which facilitate savings in the administrative cost and also beneficial in terms of saving of Income Tax under the provisions of Section 72A of the Income Tax Act, 1961.

#### **DEMERGER OF YARN DIVISION OF THE COMPANY**

As reported earlier, a scheme of Demerger under section 391 to 394 of the Companies Act, 1956 was pending before the High Court of Rajasthan at Jaipur to demerge the Yarn Division of the Company. However, the Ministry of Corporate Affairs has notified the provisions related to National Company Law Tribunal (NCLT) and therefore the proceedings pending before Rajasthan High Court have been transferred to NCLT which is under consideration before Hon'ble NCLT, New Delhi. The demerger would result in benefit to the shareholders, creditors, employees and general public.

#### **SUBSIDIARY, ASSOCIATES AND JOINT VENTURE COMPANIES**

During the year under review, the Company has sold its Investments in Subsidiary Company i.e. M/s Motile Power Trade Private Limited and

therefore ceased to be a subsidiary of the Company. Hence, the company has not prepared the Consolidated Financial Statement.

The Company does not have any Joint Ventures & Associate Companies during the year.

#### **SHARE CAPITAL**

During the year under review, the Company has allotted 25400400 Equity Shares of the Company to the eligible shareholders of erstwhile Modern Terry Towels Limited pursuant to the scheme of Amalgamation approved by Hon'ble BIFR. Consequently, the paid up equity share capital of the Company stood at ₹ 47.14 crores.

#### **PARTICULAR OF LOANS, GUARANTEES AND INVESTMENT**

Pursuant to the provisions of Section 186(4) of the Act and SEBI (LODR), disclosures on particulars relating to loans, advances and investments are provided as part of the Financial Statements. There are no guarantees issued or securities provided by your Company in terms of Section 186 of the Act, read with the Companies (Meetings of Board and its Powers) Rules, 2014.

#### **DEPOSITS**

During the year under review, your Company has not accepted or renewed any Deposit within the meaning of Section 73 of the Act, read with the Companies (Acceptance of Deposits) Rules, 2014. Hence, the requirement of furnishing details of deposits which are not in compliance with Chapter V of the Act is not applicable.

#### **CONTRACTS OR ARRANGEMENTS WITH RELATED PARTIES**

During the financial year under review, all contracts/ arrangements/ transactions entered into by your Company with Related Parties were on arm's-length basis and in the ordinary course of business. There were no transactions with Related Parties, which qualify as material transaction under the SEBI (LODR). Since all the contracts/arrangements/transactions with Related Parties, during the year under review, were in the ordinary course of business and at arm's-length and were not considered material, disclosure in Form AOC-2 under Section 134(3)(h) of the Act, read with the Companies (Accounts of Companies) Rules, 2014, is not applicable. The details of contracts and arrangement with Related Parties of your Company for the financial year ended 31st March, 2017, are given in Note No. 33 to the Financial Statements forming part of this Annual Report. The Policy on Related Party Transactions, as approved by the Board, is available on your Company's website, www.moderninsulators.com.

#### **CORPORATE GOVERNANCE**

Your Directors are committed to best practices of Corporate Governance. Corporate Governance principles form an integral part of the core values of your Company. In terms of Regulation 34(3) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, a separate report on Corporate Governance, along with a certificate from the Practicing Company Secretaries on its compliance, forms an integral part of this Annual Report.

#### **DIRECTORS AND KEY MANAGERIAL PERSONNEL**

During the year under review, the Board accepted the request of Shri H.L. Sharma for an early retirement from the office of the Whole-Time Director, with effect from 30th September, 2016. The Board placed on record its deep appreciation for the valuable contribution and services rendered by Shri H.L. Sharma during his association, spanning over three decades, with the Group.

Subject to the approval of the shareholders, the Board has, on the recommendation of the Nomination and Remuneration Committee, appointed Shri T.C. Chejara (DIN: 07619881) as an Additional Director under the category Non-Executive Non- Independent Director of the Company w.e.f. 1st October, 2016. As an Additional Director, Shri T.C.

Chejara holds office upto the date of the ensuing AGM and is eligible to be appointed as a Director of the Company. The Company has received a notice from Shri T.C. Chejara, along with the requisite deposit, signifying his candidature for appointment as a Director at the ensuing AGM. The resolution seeking the appointment of Shri T.C. Chejara as Director w.e.f. 1st October, 2016 has been included in the Notice of the AGM. Your Directors recommend the resolution for your approval.

During the year, Shri Sachin Ranka (DIN: 00335534), Chairman & Managing Director of the Company whose term expires on 31st March, 2017 has been reappointed by the Board of Directors for a period of five years from 1st April, 2017 with remuneration. The resolution seeking the re-appointment of Shri Sachin Ranka as Chairman & Managing Director w.e.f. 1st April, 2017 has been included in the Notice of the AGM. Your Directors recommend the resolution for your approval.

During the year, Shri D.B. Deshpande (DIN: 06463412), Executive Director of the Company whose term expires on 31st March, 2017 has been reappointed by the Board of Directors for a period of one year from 01.04.2017 with remuneration. The resolution seeking the re-appointment of Shri D.B. Deshpande as Executive Director w.e.f. 1st April, 2017 has been included in the Notice of the AGM. Your Directors recommend the resolution for your approval.

In compliance with the provisions of Section 149 and other applicable provisions of Companies Act, 2013 and in terms of SEBI (LODR), Regulations, 2015, Smt. Meenu Sacheti, Director of the Company is proposed to be appointed as an Independent Director of the Company for a period of five year w.e.f. 1st January, 2017. Smt. Meenu Sacheti fulfils the conditions specified in the Companies Act, 2013 and rules made thereunder for her appointment as an Independent Director of the Company. The resolution seeking the appointment of Smt. Meenu Sacheti as an Independent Director w.e.f. 1st January, 2017 has been included in the Notice of the AGM. Your Directors recommend the resolution for your approval.

In accordance with the provisions of Section 152 of the Companies Act, 2013 and the Articles of Association of the Company, Shri D.B. Deshpande (DIN: 06463412), Executive Director of the Company, will retire by rotation at the ensuing AGM and, being eligible, have offered himself for re-appointment. Resolutions seeking their appointment have been included in the Notice of the AGM. Your Directors recommend the Resolutions for your approval.

In terms of the provisions of Sections 2(51) and 203 of the Act, read with the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, Shri Sachin Ranka, Chairman & Managing Director, Shri D.B. Deshpande, Executive Director, Shri D.S. Singhvi, Chief Financial Officer and Shri Gaurav Goyal, Company Secretary are the Key Managerial Personnel (KMP) of the Company. The appointment and remuneration of Directors and KMPs are as per policy of the Company.

The Company has received declarations from all the Independent directors of the Company that they meet the criteria of independence as laid down under section 149(6) of the Companies Act, 2013 and the SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015.

#### **BOARD EVALUATION**

Pursuant to the provisions of the Companies Act, 2013 and SEBI (LODR) and in terms of the Framework of the Board Performance Evaluation, the Nomination and Remuneration Committee and the Board have carried out an annual performance evaluation of its own performance, the performance of various Committees of the Board, individual Directors and the Chairman. The manner in which the evaluation has been carried out has been set out in the Corporate Governance Report which forms part of this Report. The details of the programme for familiarisation of the Independent Directors of your Company are available on the Company's website, www.moderninsulators.com.

#### **MEETING OF THE BOARD**

During the year ended 31st March, 2017, six Board Meetings were held, on 25th June, 2016, 14th September, 2016, 22nd September, 2016, 30th December, 2016, 14th February, 2017 and 28th March, 2017. Further details on the Board Meetings are provided in the Corporate Governance Report, forming part of this Annual Report.

#### **COMMITTEES OF THE BOARD**

##### **Audit Committee**

The Board has constituted an Audit Committee comprising of Shri R. Raniwala, Shri S.B.L. Jain and Shri T.C. Chejara as its members. Further details relating to the Audit Committee are provided in the Corporate Governance Report, forming part of this Annual Report.

All the recommendations made by the Audit Committee, during the year, were accepted by the Board of Directors of the Company.

##### **Nomination and Remuneration Committee**

The Board has constituted a Nomination and Remuneration Committee comprising of Shri R. Raniwala, Shri S.B.L. Jain and Shri P.K. Rao as its members.

The Board has, on the recommendation of the Nomination and Remuneration Committee, formulated the Remuneration Policy of the Company. This Policy is available on the Company's website www.moderninsulators.com.

Further details relating to the Nomination and Remuneration Committee and policy are provided in the Corporate Governance Report, forming part of this Annual Report.

##### **Corporate Social Responsibility Committee**

The Board has constituted a Corporate Social Responsibility Committee comprising of Shri Sachin Ranka, Shri R. Raniwala and Shri T.C. Chejara as its members. Further details relating to the Corporate Social Responsibility Committee are provided in the Corporate Governance Report, forming part of this Annual Report.

##### **Stakeholders' Relationship Committee**

The Board has constituted a Stakeholders Relationship Committee comprising of Shri R. Raniwala, Shri S.B.L. Jain and Shri T.C. Chejara as its members. Further details relating to the Stakeholders Relationship Committee are provided in the Corporate Governance Report, forming part of this Annual Report.

#### **DIRECTORS' RESPONSIBILITY STATEMENT**

In terms of Section 134 (5) of the Companies Act, 2013, the directors would like to state that:

- In the preparation of the annual accounts, the applicable accounting standards have been followed alongwith proper explanation relating to material departures;
- The directors have selected such accounting policies and applied them consistently and made judgments and estimates that were 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 and loss of the Company for that period;
- The directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- The directors have prepared the annual accounts on a going concern basis;
- The directors had laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and were operating effectively;
- The directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such system were adequate and operating effectively.

## **AUDITORS AND AUDITORS' REPORT**

### **Statutory Auditors**

M/s. B.L. Verma & Co., Chartered Accountants, Jaipur (ICAI Firm Registration No. 001064C) is the Statutory Auditors of the Company. The present statutory auditors have completed their tenure of two terms of 5 consecutive years and also an additional period of 3 years as stipulated under section 139 of the Companies Act, 2013. M/s B.L. Verma & Co. Chartered Accountants, Jaipur will thus be holding the office of statutory auditors upto the conclusion of the forthcoming annual general meeting. The Board of Directors, on recommendation of the Audit Committee, has proposed to appoint M/s R.B. Verma & Associates, Chartered Accountants, Jaipur (ICAI Firm Registration No. 012650C), as the Statutory Auditors of the Company for a period of 5 years commencing from the conclusion of 32nd Annual General Meeting till the conclusion of 37th Annual General Meeting. M/s R.B. Verma & Associates, Chartered Accountants, Jaipur has consented to the said appointment, and confirm that their appointment, if made, would be within the limits mentioned u/s 141 (3)(g) of the Companies Act, 2013 and the Companies (Audit and Auditors) Rules, 2014.

The Board places on records its appreciation for the contribution of M/s B.L Verma & Co., Chartered Accountants, Jaipur during their tenure as the statutory auditors of the Company.

The observations made by the Statutory Auditors on the Financial Statements of the Company, in their Report for the financial year ended 31st March, 2017, read with the explanatory notes therein, are self-explanatory and, therefore, do not call for any further explanation or comments from the Board under Section 134(3)(f) of the Act.

### **Secretarial Auditor**

Pursuant to the provisions of Section 204 of the Act, read with the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Company had appointed M/s JAKS & Associates, Company Secretaries, Jaipur to conduct the secretarial audit for the financial year 2016-17. The Secretarial Audit Report, issued by M/s JAKS & Associates, Company Secretaries for the financial year 2016-17, forms part of this Report, and is set out in Annexure 'A' to this Report. The observations in Secretarial Audit Report which pertains mainly listing agreement requirements, stock exchange compliances etc. It is clarified that the company has started all the compliances related to stock exchange and are in process of revocation of its suspension from the Bombay Stock Exchange.

### **Cost Auditors**

Pursuant to the provisions of Section 148 of the Act, read with the Companies (Cost Records and Audit) Rules, 2014, as amended from time to time, the Board at its meeting held on 29th May, 2017, has appointed M/s Rajesh & Company, Cost Accountants, Jaipur (Firm Registration No. 000031), as the Cost Auditors to conduct the audit of the cost records of the Company for the financial year 2017-18. As required under the Companies Act, 2013 a resolution seeking Members approval for remuneration payable to the Cost Auditors forms part of the Notice convening Annual General Meeting for ratification.

### **EXTRACT OF ANNUAL RETURN**

In accordance with the provisions of Section 134(3)(a) of the Act, an extract of the Annual Return of the Company for the financial year ended 31st March, 2017, is given in Annexure 'B' to this Report.

### **VIGIL MECHANISM / WHISTLE BLOWER POLICY**

The Company has established a Vigil Mechanism for reporting of concerns through the Whistle Blower Policy of the Company, which is in compliance of the provisions of Section 177 of the Act, read with Rule 7 of the Companies (Meetings of Board and its Powers) Rules, 2014, and SEBI (LODR), Regulations, 2015. The Policy provides for framework and process whereby concerns can be raised by its employees against any

kind of discrimination, harassment, victimisation or any other unfair practice being adopted against them. Adequate safeguards are provided against victimisation to those who avail of the mechanism, and access to the Chairman of the Audit Committee in exceptional cases is provided to them. The details of the Vigil Mechanism are also provided in the Corporate Governance Report and the Whistle Blower Policy has been uploaded on the website of the Company, [www.moderninsulators.com](http://www.moderninsulators.com).

### **RISK MANAGEMENT**

The Company has framed and implemented a Risk Management Policy to identify the various business risks. This framework seeks to create transparency, minimize adverse impact on the business objectives and enhance the Company's competitive advantage. The risk management policy defines the risk management approach across the enterprise at various levels including documentation and reporting.

### **INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY**

The internal control framework is designed to ensure proper safeguarding of assets, maintaining proper accounting records and providing reliable financial information and other data. This system is supplemented by internal audit, reviews by the management and documented policies, guidelines and procedures. The Company has a well-defined organization structure, authority levels, internal rules and guidelines for conducting the business transactions. The Company intends to undertake further measures as necessary in line with its intent to adhere to procedures, guidelines and regulations as applicable in a transparent manner.

An external independent firm carries out the internal audit of the Company operations and reports its findings to the Audit Committee. Internal Audit also evaluates the functioning and quality of internal controls and provides assurance of its adequacy and effectiveness through periodic reporting. Internal Audit is carried out as per risk based internal audit plan which is reviewed by the Audit Committee of the Company. The Committee periodically reviews the findings and suggestions for improvement and is apprised on the implementation status in respect of the actionable items.

### **CORPORATE SOCIAL RESPONSIBILITY (CSR)**

In terms of the provisions of Section 135 of the Act, read with the Companies (Corporate Social Responsibility Policy) Rules, 2014, the Board of Directors of your Company has constituted a Corporate Social Responsibility (CSR) Committee, which is chaired by Shri Sachin Ranka. The Committee has formulated and recommended to the Board a Corporate Social Responsibility Policy (CSR Policy) indicating the activities to be undertaken by the Company, which has been approved by the Board, and the same is available on the Company's website, [www.moderninsulators.com](http://www.moderninsulators.com).

The Company is a caring corporate citizen and lays significant emphasis on development of the host communities around which it operates. The Company, with this intent, has identified several projects relating to Social Empowerment and Welfare, Environment Sustainability, Health Care and Education during the year, and initiated various activities in and around its plant location. The work on several initiatives has picked up momentum during the year, resulting in a spend of ₹ 26.66 Lacs. The Annual Report on CSR activities is given in Annexure 'C' to this Report.

### **PARTICULAR OF EMPLOYEES**

In accordance with the provisions of Section 197(12) of the Act read with Rules 5(2) and 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the names and other particulars of employees drawing remuneration in excess of the limits, set off in the aforesaid Rules, including any statutory modification(s) or re-enactment(s) thereof for the time being in force, are to be set out in the Board's Report, as an annexure thereto. In line with the provisions of Section 136(1) of the Act, the Report and Accounts, as set out therein, are being sent to all Members of your Company excluding the aforesaid information about the employees. Any Member, who is interested in obtaining these



particulars about employees, may write to the Company Secretary at the Registered Office of your Company. The aforesaid addendum is also available for inspection by the members at the Registered Office of the Company from 21 days before the AGM till the date of the ensuing AGM, during business hours on working days. Disclosures pertaining to remuneration and other details, as required under Section 197(12) of the Act read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, are given in Annexure 'D' to this Report.

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

Information relating to the conservation of energy, technology absorption and foreign exchange earnings and outgo, as stipulated under Section 134(3)(m) of the Act, read with the Companies (Accounts) Rules, 2014, is given in Annexure 'E' to this Report.

#### **MATERIAL CHANGES AND COMMITMENTS EFFECTING THE FINANCIAL POSITION OF THE COMPANY**

Except as disclosed elsewhere in this Report, no material changes and commitments, which could affect the Company's financial position, have occurred between the end of the financial year of the Company and the date of this Report.

#### **LISTING OF SHARES**

The shares of the Company are listed at BSE Limited but trading of the shares is suspended. However, the Board of Directors has decided to revoke the suspension at BSE. The Company has filed an application to BSE for Revocation of suspension of trading in equity shares of the Company and the same is under consideration.

#### **GENERAL**

Your Directors state that no disclosure or reporting is required in respect of the following items as there were no transactions on these items during the year under review:

- Issue of equity shares with differential rights as to dividend, voting or otherwise;
- Issue of shares (including sweat equity shares) to employees of the Company under any Scheme;
- There were no revisions in the financial statements;
- No significant or material orders were passed by the Regulators or Courts or Tribunals which impact the going concern status and the Company's operations in the future; and
- No cases or complaints were received pursuant to the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.

#### **ACKNOWLEDGMENT**

Your Directors express their deep sense of gratitude to the banks, financial institutions, stakeholders, business associates, Central and State Governments and all regulatory bodies for their co-operation and support and look forward to their continued support in future.

We very warmly thank all of our employees for their contribution to your Company's performance. We applaud them for their superior levels of competence, dedication and commitment to your Company.

On behalf of the Board of Directors

**Sachin Ranka**

Chairman & Managing Director

DIN: 00335534

Place : Ahmedabad

Date : 29th May, 2017

## **Annexure A to Boards' Report**

### **SECRETARIAL AUDIT REPORT**

#### **FOR THE FINANCIAL YEAR ENDED 31st MARCH, 2017**

[Pursuant to section 204(1) of the Companies Act, 2013 and rule No.9 of the Companies (Appointment and Remuneration Personnel) Rules, 2014]

To,  
The Members

#### **MODERN INSULATORS LIMITED**

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by Modern Insulators Limited (hereinafter called the company). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon.

Based on our verification of the books, papers, minute books, forms and returns filed and other records maintained by the company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, We hereby report that in our opinion, the company has, during the audit period covering the financial year ended on 31st March, 2017 complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance- mechanism in place to the extent, in the manner and subject to the reporting made hereinafter.

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31st March, 2017 according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the rules made thereunder;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;

- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-
  - (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
  - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992;
  - (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 (Not applicable to the Company during the Audit Period);
  - (d) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 (Not applicable to the Company during the Audit Period);
  - (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 (Not applicable to the Company during the Audit Period);
  - (f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
  - (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009 (Not applicable to the Company during the Audit Period); and
  - (h) The Securities and Exchange Board of India (Buyback of

Securities) Regulations, 1998 (Not applicable to the Company during the Audit Period);

- (i) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015; and
  - (j) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015
- (vi) The laws as are applicable specifically to the Company are as under: Petroleum Act, 1934 and rules made there under;  
 We have also examined compliance with the applicable clauses of the following:
- (i) Secretarial Standards issued by The Institute of Company Secretaries of India (Notified w.e.f. 01.07.2015).
  - (ii) The Listing Agreements entered into by the Company with BSE limited, Calcutta Stock Exchange and Ahmadabad Stock Exchange. But the trading of the Company with stock exchanges is suspended

We further report that during the financial year Modern Terry Towels Limited has been merged with the Company pursuant to the order of Hon'ble BIFR dated 28.07.2016. The Company has filed requisite form in ROC and the same have been approved.

During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above except to the extent as mentioned below:-

1. The Company was not complying with the provisions of listing agreement and SEBI Rules and Regulations, wherever applicable with the Company till December 2016 and after that Company has taken decision to initiate process for revocation of trading suspension and started for listing compliances.
2. The shares of the Company are not in dematerialized from therefore the Company has not comply with the provisions of the Depositories Act, 1996 and the Regulations and Bye-Laws framed there under till December 2016 and after that the Company has Started for dematerialisation of shares and inform all shareholders to demat their

shares lying in physical format.

3. The Company has not disclosed in the board report number of board & committee meeting attended by each director as per SS-1.

**We further report that**

The Board of Directors of the Company was duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors in compliance with the Companies Act 2013 and in accordance with the listing agreement. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

Majority decision is carried through while the dissenting members' views are captured and recorded as part of the minutes.

We further report that there are adequate systems and processes in the company commensurate with the size and operations of the company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

This report is to be read with our letter of even date which is annexed as ANNEXURE 'A' and forms an integral part of this report.

**FOR JAKS & ASSOCIATES**  
 Practicing Company Secretaries

**Deepak Arora**  
 [Partner]  
 FCS No. 5104  
 C P No.: 3641

Place : Jaipur  
 Date : 29th May, 2017

**ANNEXURE - I to the Secretarial Audit Report**

To,  
 The Members  
 Modern Insulators Limited

Our Report of even date is to be read along with this letter.

1. Maintenance of Secretarial record is the responsibility of the management of the company. Our responsibility is to express an opinion on these Secretarial records based on our audit.
2. We have followed the Audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in Secretarial records. We believe that the processes and practices, we followed provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the company. We have relied upon the Report of Statutory Auditors regarding compliance of Companies Act, 2013 and Rules made thereunder relating to maintenance of Books of Accounts, papers and financial statements of the relevant Financial Year, which give a true and fair view of the state of the affairs of the company.
4. We have relied upon the Report of Statutory Auditors regarding compliance of Fiscal Laws, like the Income Tax Act, 1961 & Finance Acts, the Customs Act, 1962, the Central Excise Act, 1944 and Service Tax.
5. Where ever required, we have obtained the Management representation about the compliance of Laws, rules and regulations and happening of events etc.
6. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedures on test basis.
7. The Secretarial Audit report is neither an assurance as to the future viability of the company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

**FOR JAKS & ASSOCIATES**  
 Practicing Company Secretaries

**Deepak Arora**  
 [Partner]  
 FCS No. 5104  
 C P No.: 3641

Place : Jaipur  
 Date : 29th May, 2017



**Annexure B to Boards' Report**  
**FORM NO. MGT 9 (EXTRACT OF ANNUAL RETURN)**  
**As on financial year ended on 31.03.2017**

Pursuant to Section 92 (3) of the Companies Act, 2013 and rule 12(1) of the Company (Management & Administration) Rules, 2014.

**I. REGISTRATION & OTHER DETAILS:**

1	CIN	: L31300RJ1982PLKC002460
2	Registration Date	: 5/1/1982
3	Name of the Company	: MODERN INSULATORS LIMITED
4	Category/Sub-category of the Company	: Company Limited by Shares
5	Address of the Registered office & contact details	: A-4, Vijay Path, Tilak Nagar, Jaipur-302004
6	Whether listed company	: Yes
7	Name, Address & contact details of the Registrar & Transfer Agent, if any.	: Beetal Financial & Computer Services Pvt. Ltd. Beetal House, 3rd floor, 99, Madangir, New Delhi-110062 Tele:- 011-29961281

**II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY**

(All the business activities contributing 10 % or more of the total turnover of the company shall be stated)

S. No.	Name and Description of main products / services	NIC Code of the Product/service	% to total turnover of the company
1	Insulators & Metal Parts	03233	66%
2	Yarn	17111	26%

**III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES**

The company does not have any holding, subsidiary and associate company

**IV. SHARE HOLDING PATTERN (Equity share capital breakup as percentage of total equity)**

**(i) Category-wise Share Holding**

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
<b>A. Promoters</b>									
<b>(1) Indian</b>									
a) Individual/ HUF	-	2000	2000	0.01	2000	-	2,000	-	-
b) Central Govt	-	-	-	-	-	-	-	-	-
c) State Govt(s)	-	-	-	-	-	-	-	-	-
d) Bodies Corp.	-	11874339	11874339	54.61	11874339	15682398	27556737	58.45	3.84
e) Banks / FI	-	-	-	-	-	-	-	-	-
f) Any other	-	-	-	-	-	-	-	-	-
<b>Sub Total (A) (1)</b>	-	11876339	11876339	54.62	11876339	15682398	27558737	58.46	3.84
<b>(2) Foreign</b>									
a) NRI Individuals	-	-	-	-	-	-	-	-	-
b) Other Individuals	-	-	-	-	-	-	-	-	-
c) Bodies Corp.	-	-	-	-	-	-	-	-	-
d) Any other	-	-	-	-	-	-	-	-	-
<b>Sub Total (A) (2)</b>	-	-	-	-	-	-	-	-	-
<b>TOTAL (A)</b>	-	11876339	11876339	54.62	11876339	15682398	27558737	58.46	3.84
<b>B. Public Shareholding</b>									
<b>1. Institutions</b>									
a) Mutual Funds	-	1000000	1000000	4.60	1000000	821	1000821	2.12	-2.48
b) Banks / FI	-	1450	1450	0.01	-	4154947	4154947	8.81	8.81
c) Central Govt	-	-	-	-	-	-	-	-	-
d) State Govt(s)	-	-	-	-	-	-	-	-	-
e) Venture Capital Funds	-	-	-	-	-	-	-	-	-
f) Insurance Companies	-	-	-	-	-	-	-	-	-
g) FIIs	-	-	-	-	-	146772	146772	0.31	0.31
h) Foreign Venture Capital Funds	-	-	-	-	-	-	-	-	-
i) Others (specify)	-	-	-	-	-	-	-	-	-
<b>Sub-total (B)(1):-</b>	-	1001450	1001450	4.61	1000000	4302540	5302540	11.25	6.64

<b>2. Non-Institutions</b>									
a) Bodies Corp.									
i) Indian	-	305538	305538	1.41	45190	1222825	1268015	2.69	1.28
ii) Overseas	-	-	-	-	-	-	-	-	-
b) Individuals	-	-	-	-	-	-	-	-	-
i) Individual shareholders holding nominal share capital upto Rs. 1 lakh	-	6739461	6739461	31.00	289885	10101308	10391193	22.04	-8.95
ii) Individual shareholders holding nominal share capital in excess of Rs 1 lakh	-	1224487	1224487	5.63	513883	1327487	1841370	3.91	-1.73
c) Others (specify)									
Non Resident Indians	-	596225	596225	2.74	500	766869	767369	1.63	-1.11
Individual (HuF)	-	-	-	-	14176	-	14176	0.03	0.03
Trusts	-	-	-	-	500	-	500	-	-
<b>Sub-total (B)(2):-</b>	-	8865711	8865711	40.77	864134	13418489	14282623	30.30	-10.48
<b>Total Public (B)</b>	-	9867161	9867161	45.38	1864134	17721029	19585163	41.54	-3.84
<b>C. Shares held by Custodian for GDRs &amp; ADRs</b>	-	-	-	-	-	-	-	-	-
<b>Grand Total (A+B+C)</b>	-	21743500	21743500	100.00	13740473	33403427	47143900	100.00	0.00

- Issued during the year to the shareholders of erstwhile Modern Terry Towels Limited pursuant to scheme of amalgamation approved by Hon'ble BIFR.

**(ii) Shareholding of Promoter**

SN	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in shareholding during the
		No. of Shares company	% of total Shares of the to total shares	% of Shares Pledged/ encumbered	No. of Shares company	% of total Shares of the to total shares	% of Shares Pledged/ encumbered	
1	Shri Sachin Ranka	500	0.0023	-	500	0.0011	-	(0.00)
2	Shri Shreyans Ranka	500	0.0023	-	500	0.0011	-	(0.00)
3	Smt. Smriti Ranka	500	0.0023	-	500	0.0011	-	(0.00)
4	Shri Suvrat Ranka	500	0.0023	-	500	0.0011	-	(0.00)
5	Ajaymeru trading & Investment Pvt. Ltd.	6530886	30.0360	-	6530886	13.8531	-	(16.18)
6	Pride Mercantiles Pvt. Ltd.	5343453	24.5749	-	5343453	11.3343	-	(13.24)
7	Trishul Traders Pvt. Ltd.	-	-	-	13729065	29.1216	0.53	29.12
8	Vulvan Traders Pvt. Ltd.	-	-	-	1953333	4.1433	-	4.14
	<b>Total</b>	11876339	54.6202	-	27558737	58.4566	0.53	3.84

**(iii) Change in Promoters' Shareholding (please specify, if there is no change)**

SN	Particulars	Date	Reason	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
				No. of shares	% of total shares	No. of shares	% of total shares
1	<b>Trishul Traders Pvt. Ltd.</b>						
	At the beginning of the year			-	-	-	-
	Changes during the year	28.03.2017	Allot	13729065	29.12	13729065	29.12
	At the end of the year			13729065	29.12	13729065	29.12
2	<b>Vulvan Trader Pvt. Ltd.</b>						
	At the beginning of the year			-	-	-	-
	Changes during the year	28.03.2017	Allot	1953333	4.14	1953333	4.14
	At the end of the year			1953333	0.09	1953333	4.14

Note: Issued during the year pursuant to scheme of amalgamation approved by Hon'ble BIFR.

**(iv) Shareholding Pattern of top ten Shareholders**

(Other than Directors, Promoters and Holders of GDRs and ADRs):

SN	For each of the Top 10 shareholders	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares	No. of shares	% of total shares
1	Unit Trust of India	-	-	1380775	2.93%
2	UTI-Opportunities Fund	1000000	4.60%	1000000	2.12%
3	Pirth Mercantiles Pvt. Ltd.	-	-	813333	1.73%
4	The New India Assurance Co. Ltd	-	-	586666	1.24%
5	Mahendra Girdharilal	-	-	584137	1.24%
6	General Insurance Corporation Od India	-	-	426666	0.91%
7	National Insurance Corporation Ltd	-	-	360000	0.76%
8	Lic Housing Finance Ltd	-	-	266666	0.57%
9	Life Insurance Corporation Of India	-	-	266666	0.57%
10	United India Insurance Co. Ltd	-	-	253333	0.54%

Note: During the year Modern Terry Towels Limited has merged with the Company and has allotted shares of the Company to the erstwhile shareholders of MTTL as per the scheme of amalgamation approved by Hon'ble BIFR.

**(v) Shareholding of Directors & Key Managerial Personnel:**

SN	For each of the Directors & Key Managerial Personnel	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares	No. of shares	% of total shares
1	Shri Sachin Ranka -Chairman & Managing Director	500	-	500	-
2	Shri D.B. Deshpande - Executive Director	-	-	-	-
3	Shri T.C. Chejara - Non - Executive Director	-	-	-	-
4	Shri R.Raniwala - Independent Director	-	-	-	-
5	Shri S.B. L. Jain - Independent Director	-	-	-	-
6	Shri P.K. Rao - Independent Director	-	-	-	-
7	Smt. Meenu Sacheti - Independent Director	-	-	-	-
8	Shri D.S. Singhvi - Chief Financial Officer	-	-	-	-
9	Shri Gaurav Goyal - Company Secretary & Compliance Officer	10	-	12	-

**V. INDEBTEDNESS**

Indebtedness of the Company including interest outstanding/accrued but not due for payment.

(₹ in lacs)

Particulars	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
<b>Indebtedness at the beginning of the financial year</b>				
i) Principal Amount	41.70	-	-	41.70
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	-	-
<b>Total (i+ii+iii)</b>	41.70	-	-	41.70
<b>Change in Indebtedness during the financial year</b>				
* Addition*	29.50	-	420.79	450.29
* Reduction	17.11	-	-	17.11
<b>Net Change</b>	12.39	-	420.79	433.18
<b>Indebtedness at the end of the financial year</b>				
i) Principal Amount	54.09	-	-	-
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	-	-
<b>Total (i+ii+iii)</b>	54.09	-	420.79	474.88

\* Transferred from MTTL pursuant to scheme of amalgamation.

**VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL**
**A. Remuneration to Managing Director, Whole-time Directors and/or Manager:**

(₹ in lacs)

SN.	Particulars of Remuneration	Name Designation	Name of MD/WTD/ Manager			Total Amount
			Shri Sachin Ranka CMD	Shri D.B. Deshpande WTD	Shri H.L. Sharama WTD	
<b>1</b>	<b>Gross salary</b>					
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961		60.00	61.92	8.40	130.32
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961		7.20	7.58	15.66	30.44
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961		-	-	-	-
2	Stock Option		-	-	-	-
3	Sweat Equity		-	-	-	-
4	Commission		-	-	-	-
	- as % of profit		-	-	-	-
	- others, specify		-	-	-	-
5	Others, please specify		-	-	-	-
	<b>Total (A)</b>		<b>67.20</b>	<b>69.50</b>	<b>24.06</b>	<b>160.76</b>
	<b>Ceiling as per the Act</b>					<b>269.61</b>

**B. Remuneration to other Directors**

(₹ in lacs)

Sl. No.	Particulars of Remuneration	Name of Directors					Total Amount
		T.C. Chejara	R. Raniwala	S.B.L. Jain	P.K. Rao	Meenu Sacheti	
<b>1</b>	<b>Independent Directors</b>						
	- Fee for attending board committee meetings	-	0.35	0.31	-	0.07	0.73
	- Commission	-	-	-	-	-	-
	- Others, please specify	-	-	-	-	-	-
	<b>Total (1)</b>	-	0.35	0.31	-	0.07	0.73
<b>2</b>	<b>Other Non-Executive Directors</b>						
	- Fee for attending board committee meetings	-	-	-	-	-	-
	- Commission	-	-	-	-	-	-
	- Others, (Professional Fee)	4.00	-	-	-	-	4.00
	<b>Total (2)</b>	<b>4.00</b>	-	-	-	-	<b>4.00</b>
	<b>Total (B)=(1+2)</b>	<b>4.00</b>	<b>0.35</b>	<b>0.31</b>	-	<b>0.07</b>	<b>4.73</b>
	<b>Total Managerial Remuneration</b>						-
	<b>Overall Ceiling as per the Act</b>						<b>269.61</b>

**C. Remuneration to Key Managerial Personnel other than MD/Manager/WTD**

(₹ in lacs)

Sl. No.	Particulars of Remuneration	Name of Key Managerial Personnel		Total Amount
		Shri D.S. Singhvi CFO	Shri Gaurav Goyal Company Secretary	
<b>1</b>	<b>Gross salary</b>			
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	12.72	1.95	14.67
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	5.80	1.47	7.27
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	-	-	-
2	Stock Option	-	-	-
3	Sweat Equity	-	-	-
4	Commission			
	- as % of profit			
	- others, specify			
5	Others, please specify	-	-	-
	<b>Total</b>	<b>18.52</b>	<b>3.42</b>	<b>21.94</b>

**VII. PENALTIES/PUNISHMENT/COMPOUNDING OF OFFENCES:**

Type	Section of the Companies Act	Brief Description	Details of Penalty /Punishment/ Compounding fees imposed	Authority (RD/ NCLT/ COURT)	Appeal made if any (give details)
<b>A. COMPANY</b>					
Penalty Punishment Compounding			None		
<b>B. DIRECTORS</b>					
Penalty Punishment Compounding			None		
<b>C. OTHER OFFICERS IN DEFAULT</b>					
Penalty Punishment Compounding			None		

**Annexure C to Boards' Report**  
**ANNUAL REPORT ON CORPORATE SOCIAL RESPONSIBILITY (CSR) ACTIVITIES**

**1. A brief outline of the Company's CSR policy, including overview of projects or programs proposed to be undertaken and a reference to the web-link to the CSR policy and projects or programmes:**

The Company had proposed to undertake activities relating to rural development including preventive healthcare, safe drinking water, environment sustainability, medical relief, enhancing vocational skills etc for the Financial Year 2016-17. The CSR policy is available on the Company's website. The web link of the same is [http://moderninsulators.com/Investors/invpdf/Policy\\_CSR.pdf](http://moderninsulators.com/Investors/invpdf/Policy_CSR.pdf).

**2. The Composition of the CSR Committee:**

S. No.	Name of Director	Designation	Category
1.	Shri Sachin Ranka	Chairman	Chairman & Managing Director

2.	Shri R. Raniwala	Member	Independent Director
3.	Shri T.C. Chejara	Member	Non-Executive Director

**3. Average net profit of the Company for last three financial years:**

Average Net Profit: Rs 1332.86 Lacs

**4. Prescribed CSR Expenditure (Two percent of the amount as in item 3 above)**

The Company is required to spend Rs. 26.66 Lacs.

**5. Details of CSR spent during the financial year:**

(a) Total amount spent for the financial year: Rs. 26.66 Lacs.

(b) Amount unspent, if any: Nil

(c) Manner in which the amount spent during the financial year is detailed below:

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
S. No.	CSR project or activity identified	Sector in which the project is covered	Projects or Programs: (1) Local area or other. (2) Specify the State and District where projects or programs was undertaken	Amount outlay (Budget) Project or programs wise  (Rs. in Lacs)	Amount spent on the projects or programs. Sub-heads: (1) Direct expenditure on projects or programs. (2) Overheads (Rs. in Lacs)	Cumulative expenditure up to the reporting period  (Rs. in Lacs)	Amount Spent: Direct or through implanting agency  (Rs. in Lacs)
1.	Medical relief including medical camps, general health care activities etc.	Health Care	Mumbai (Maharashtra) & Abu Road (Rajasthan)	10.47	10.47	10.47	Through H.S. Ranka Foundation, Mahaveer International & Modern Swastik seva sansthan
2.	Prevention, early diagnosis and early treatment of cancer patients	Health Care	Mumbai (Maharashtra)	3.00	3.00	3.00	Through JASCAP
3.	Rural Development including Educational programs at rural areas, development of vocational skills, help of flood victims	Rural Developments	Danta (Rajasthan) & Udaipur (Rajasthan)	1.80	1.80	1.80	Through Acharya Nanesh Samta Vikas Trust
4.	Environment sustainability and conservation of natural resources	Environment sustainability	Abu Road (Rajasthan)	11.39	11.39	11.39	Kedia rainwater harvesting and Mukhyamantri Jal swavlamban Abhiyan
	<b>Total</b>			<b>26.66</b>	<b>26.66</b>	<b>26.66</b>	



6. We hereby affirm that the CSR Policy as approved by the Board has been implemented and the CSR Committee as well as Board monitors the implementation of the CSR activities/programs undertaken by the Company in compliance of CSR objectives and Policy of the Company.

Date: 29<sup>th</sup> May, 2017

Place: Ahmedabad

(Sachin Ranka)  
**Chairman & Managing Director &  
 Chairman of CSR Committee**

## Annexure D to Boards' Report

Information pursuant to Section 197(12) of the Companies Act, 2013 read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014

(1) Ratio of the remuneration of each Director/KMP to the median remuneration of all the employees of the Company for the financial year:

Median remuneration of all the employees of the Company for the Financial Year 2016-17	156703
Percentage increase in the median remuneration of employees in the Financial Year	8.25%
Number of permanent employees on the rolls of the Company as on 31st March, 2017	1289

Name of Director & KMP	Ratio of Remuneration to median remuneration of all employees	% increase in remuneration in Financial year 2016-17
Shri Sachin Ranka	38.30	-
Shri D.B. Deshpande	39.50	12.12%
Shri D.S. Singhvi	9.86	13.78%
Shri Gaurav Goyal	1.88	NA

Note: The ratio of remuneration to the median remuneration is based on the remuneration paid during the period 1st April, 2016 to 31st March, 2017.

(2) Average percentage increase made in the salaries of employees, other than the managerial personnel in the financial year 2016-17, was 11.80% over the previous financial year, which is in line with the industry benchmark and cost of living index. The average salaries of the managerial personnel for the same financial year increased by 8.60%.

(3) The remuneration is as per the remuneration policy of the company.

## Annexure E to Boards' Report

**CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNING AND OUTGO ETC:**

Information on Conservation of Energy, Technology absorption, Foreign Exchange earnings and outgo required to be disclosed under Section 134 of the Companies Act, 2013 read with Companies (Accounts) Rules, 2014 are provided hereunder:

(A) Conservation of Energy:

S. No.	Particulars	Remarks
(i)	The steps taken or impact on conservation of energy:	Being energy efficient has become the need of the hour. Having realized it long back & since then channelized all efforts to conserve and optimize use of energy with continuous monitoring through improved operational techniques. Some of the measures taken by the company in this direction are as under:
(ii)	The steps taken by the Company for utilizing alternate sources of energy:	
(iii)	The capital investment on energy conservation equipments:	
		i) Installation of state of the art & energy efficient VFDs on agitators for power saving. This has added a new dimension in Rheological Quality control of the all important final slurry, thus improving the Quality of the final porcelain. ii) There has been mass scale deployment of highly energy efficient LED lights & 20W tube lights in Plants, Offices & Streets

**(B) Technology Absorption:**
**a) Efforts, in brief made towards technology absorption, adoption and innovation:**

- i. We are almost through with converting all our kiln liners with Ultra low thermal mass Pyroblocks modules. Apart from being highly energy efficient, these modules are, by design, easy for installation & replacements and have reduced down time of kiln operation. Thus, overall fuel efficiency has improved.
- ii. After kiln the second most energy sensitive operation is that of a huge battery of batch driers. We have started modifying driers by adding energy efficient fuel burners in the loop, thereby reducing the cost of drying. This exercise is ongoing & so far almost 50% of the driers are already converted.
- iii. There has been a strong drive in further reducing fuel consumption by incorporating automation in Air / Fuel ratio control. Further work in this direction is in full swing.
- iv. We are progressively converting the manual shaping machines into CNC modes thereby directly improving the product finish , dimensional control & Drier & Kiln recovery.
- v. Heavy core dia. Solid core & Critical Hollow insulators are being successfully handled using controlled electrical drying. This has consistently improved Drier & Kiln recovery apart from delivering technically sound products.
- vi. Process optimization to enhance technical performance and recovery of the existing product range.
- vii. Ball Mill productivity has been improved by single batch charging method to reduce grinding time, without affecting the final slurry properties.
- viii. Low temperature maturing Bauxite body & corresponding glaze has been developed for a peak temperature of 1160 OC, with improved technical performance. This is milestone towards achieving fuel economy.
- ix. There has been continuous focus to explore domestic source of china clays & ball clays as potential replacement for costly imported clays.
- x. All the existing testing machines operations are computerised with efficient data storage & retrieval system. There has been development of beam load testing setup for testing of hollow insulators shell.

**b) Benefits derived as a result of above efforts:**

- i. Improvement in efficiency & productivity.
- ii. Improvement in quality & reliability of products.
- iii. Reduction in firing cycle time & cost saving with increased productivity.
- iv. Reduction in power cost due to reduced power consumption.
- v. Reduction in rejections at various stages.
- vi. Consistent supply of quality clays are ensured.
- vii. Maintain and improve cost-competitiveness of raw materials.
- viii. Uninterrupted plant operations at optimum level with desired yield.
- ix. Entry in new product segment.

**c) In case of imported technology (Imported during last three years reckoned from the beginning of the financial year): Nil**
**d) Expenditure incurred on R&D**

i. Capital	:	₹ Nil lacs
ii. Recurring	:	₹ 391.28 lacs
Total	:	₹ 391.28 lacs

Total R& D expenditure, as %age of total turnover : 0.70%

**(C) Foreign Exchange earnings and outgo:**

The Company has earned during the period foreign exchange of ₹ 10114.05 lacs at F.O.B. price against an outgo of ₹ 1643.25 lacs.

## REPORT ON CORPORATE GOVERNANCE

### COMPANY'S PHILOSOPHY ON CORPORATE GOVERNANCE

Corporate Governance is the application of best management practices, compliances of law and adherence to ethical standards to achieve the Company's objective of enhancing shareholder value and discharge of social responsibilities. Adopting high standards gives comfort to all existing and potential stakeholders including government and regulatory authorities, customers, suppliers, bankers, employees and shareholders.

Your Company believes in adopting and adhering to the best standards of Corporate Governance. Company's philosophy on Corporate Governance enshrines the goal of achieving the highest level of transparency, accountability and equality in all spheres of its operations.

Your company is committed towards transparency in all its dealings and places high emphasis on business principles and believes the good Corporate Governance goes beyond working results and financial priority and is pre-requisite for the attainment of excellent performance.

### BOARD OF DIRECTORS

#### Composition of Board of Directors

As on date, your Company's Board comprises of 7 Directors, of which 4 are Independent Directors, 1 is Non-Executive Directors and 2 are Executive Directors. All Independent Directors are free from any business or other relationship that could materially influence their judgment. The composition of the Board is in conformity with the requirements of the Companies Act, 2013 and the Listing Regulations. The Directors are professionals and have expertise in their respective functional areas.

Name of Director	Executive/ Non-Executive/ Independent	No. of Equity Shares held	Directorships in other Public Limited Companies	Membership in Committees of other Companies	
				Member	Chairman
Shri Sachin Ranka	Executive/ Promoter	500	1	-	1
Shri D.B. Deshpande	Executive	-	-	-	-
Shri H.L. Sharma*	Executive	50	1	1	3
Shri T.C. Chejara	Non-Executive	-	1	1	3
Shri R.Raniwala	Independent	-	-	-	-
Shri SBL Jain	Independent	-	2	3	-
Shri P.K. Rao	Independent	-	-	-	-
Smt. Meenu Sacheti	Independent	-	-	-	-

\* Ceased to be a director w.e.f. 01.10.2016.

There is no inter-se relationship between our board members.

#### Conduct of Board Proceedings

The day to day matters concerning the business are conducted by the Executives of the Company under the direction of Executive Directors with the ultimate supervision of the Board. The Board holds its meetings at regular intervals to review and discuss the performance of the Company, its future plans, strategies and other pertinent issues relating to the Company.

#### Board Meetings and Annual General Meeting (AGM)

The Board meets once in every quarter to review the quarterly financial results and other items of the agenda and if necessary, additional meetings are held as and when required. The intervening gap between the meetings was within the period prescribed under regulation 17 of SEBI (LODR) Regulations, 2015.

Details of attendance of Directors at the Board Meetings and last Annual General Meeting (AGM) held during the FY 2016-17 are as under:

Name of the Directors	Attendance of AGM held on 22 <sup>nd</sup> Sept., 2016	Date of Board Meeting					
		25 <sup>th</sup> June, 2016	14 <sup>th</sup> Sept., 2016	22 <sup>nd</sup> Sept., 2016	30 <sup>th</sup> Dec., 2016	14 <sup>th</sup> Feb., 2017	28 <sup>th</sup> Mar., 2017
Mr. Sachin Ranka	✓	✓	✓	✓	✓	✓	✓
Mr. D.B. Deshpande	-	✓	Leave of Absence	Leave of Absence	Leave of Absence	✓	✓
Mr. H. L. Sharma (Till 30.09.2016)	✓	✓	✓	✓	N.A.	N.A.	N.A.
Mrs. Meenu Sacheti	-	✓	Leave of Absence	Leave of Absence	Leave of Absence	Leave of Absence	✓
Mr. S.B.L. Jain	✓	✓	✓	✓	✓	✓	✓
Mr. R. Raniwala	✓	✓	✓	✓	✓	✓	✓
Mr. P.K. Rao	-	Leave of Absence	Leave of Absence	Leave of Absence	Leave of Absence	Leave of Absence	✓
Mr. T. C. Chejara (From 01.10.2016)	N.A.	N.A.	N.A.	N.A.	✓	✓	✓

#### Meetings of Independent Directors

A separate meeting of Independent Directors of the Company was held on 28th March, 2017, without the presence of Non-Independent Directors and members of the management, to discuss the matters as required under Schedule IV of the Act and the Listing Regulations. The meeting was attended by all the Independent Directors.

### **Code of Conduct**

The Board of Directors has laid down a Code of Conduct (“the Code”) for all Board Members and Senior Management Personnel of your Company, which is available on the Company’s website, [www.moderninsulators.com](http://www.moderninsulators.com).

All Board Members and Senior Management Personnel have confirmed compliance with the Code. A declaration to that effect signed by the Managing Director is attached, and forms part of this Report.

### **Familiarization programme for Independent Director**

Your Company conducts introductory familiarization programme, inter alia covering the nature of the industry in which the Company operates, business model of the Company, etc., when a new Independent Director joins the Board of the Company. On an on-going basis, the Directors are familiarized with the Company’s business, its operations, strategy, functions, policies and procedures at the Board and Committee meetings.

The details of familiarisation programme, imparted to the Independent Directors during the F.Y. 2016-17, have been disclosed on the Company’s website, [www.moderninsulators.com](http://www.moderninsulators.com).

### **Performance evaluation**

A formal Evaluation Framework for evaluation of the Board’s performance, performance of its Committees and individual Directors of the Company, including the Chairman of the Board, in terms of the requirement of the Act and the Listing Regulations, is in place. In terms of the Evaluation Framework, the Board has carried out the annual performance evaluation of its own performance, the directors individually and the working of its Committees. Criteria for evaluation inter alia include providing strategic perspective, Chairmanship of the Board and its Committees, attendance and preparedness for the meetings, contribution at the meetings and role of the Committees.

### **COMMITTEES OF THE BOARD**

The Board has four Committees namely Audit Committee, Nomination & Remuneration Committee, Corporate Social Responsibility (CSR) Committee, and Stakeholders Relationship Committee.

#### **Audit Committee**

Your Company has a qualified and independent Audit Committee. The Committee is governed by a charter which is in line with the regulatory requirements mandated by Companies Act, 2013 and Regulation 18 of the SEBI (LODR), Regulations, 2015. The Audit Committee acts as a link between the management, the statutory and internal auditors, and the Board of Directors. The Audit Committee is provided with the necessary assistance and information so as to enable it to carry out its function effectively.

#### **Composition and Attendance during the Year**

As on date the Audit Committee comprises of two Independent Directors and one Non-Executive Director with Independent Director as Chairman of the Committee who are financially literate and have accounting or related financial management expertise. The composition of the Audit Committee complies with the requirements of the Act and the Listing Regulations.

During the year under review, 4 Audit Committee Meetings were held, on 25<sup>th</sup> June, 2016, 14<sup>th</sup> September, 2016, 30<sup>th</sup> December, 2016 and 28<sup>th</sup> March, 2017.

The composition of the Audit Committee and the details of the meetings attended by the Members are given below:

Name of the Member	Category	Number of Meetings	
		Held	Attended
Shri R. Raniwala, Chairman	Independent	4	4
Shri SBL Jain	Independent	4	4
Shri H.L. Sharma (Till 30.09.2016)	Executive	2	2
Shri T.C. Chejara (From 01.10.2016)	Non-Executive	2	2

The Chairman of the Audit Committee was present at the last AGM of the Company held on 22<sup>nd</sup> September, 2016.

#### **Brief description of terms of reference**

1. Oversight of the Company’s financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible.
2. Recommendation of appointment, remuneration and terms of appointment of the auditors.
3. Approval of payment to Statutory Auditors for any other services rendered by them.
4. Reviewing with the management, the annual financial statements and auditor’s report thereon before submission to the board for approval, with particular reference to:
  - a. Matters required to be included in the Director’s Responsibility Statement to be included in the Board’s Report in terms of clause (c) of sub-section of Section 134 of the Companies Act, 2013.
  - b. Changes, if any, in accounting policies and practices and reasons for the same.
  - c. Major accounting entries involving estimates based on the exercise of judgment by management.
  - d. Significant adjustments made in the financial statements arising out of audit findings.
  - e. Compliance with listing and other legal requirements relating to financial statements.
  - f. Disclosure of any related party transactions.
  - g. Qualifications in the draft audit report.
5. Reviewing with the management, the quarterly financial statements before submission to the board for approval.
6. Review and monitor the auditor’s independence and performance and effectiveness of audit process.
7. Approval or any subsequent modification of transactions of the Company with related parties.

8. Scrutiny of inter-corporate loans and investments.
9. Evaluation of internal financial controls and risk management systems.
10. Review with the management, performance of statutory and internal auditors and adequacy of the internal control systems.
11. Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit.
12. Discussion with internal auditors of any significant findings and follow up there on.
13. Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the board.
14. Discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern.
15. To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of nonpayment of declared dividends) and creditors.
16. To review the Whistle Blower mechanism.
17. Approval of appointment of CFO (i.e., the whole-time Finance Director or any other person heading the finance function or discharging that function) after assessing the qualifications, experience & background etc. of the candidate.
18. The Audit Committee shall have authority to investigate into any matter in relation to the items specified in section 177(4) of Companies Act, 2013 or referred to it by the Board and for this purpose shall have power to obtain professional advice from external sources and have full access to information contained in the records of the Company.
19. The Auditors of a Company and the Key Managerial Personnel shall have a right to be heard in the meetings of the Audit Committee when it considers the auditor's report.

**The Audit Committee shall mandatorily review the following information:**

1. management discussion and analysis of financial condition and results of operations;
2. statement of significant related party transactions (as defined by the audit committee), submitted by the management;
3. management letters/letters of internal control weaknesses issued by the statutory auditors;
4. internal audit reports relating to internal control weaknesses;
5. the appointment, removal and terms of remuneration of the chief internal auditor; and
6. statement of deviations:
  - a. Quarterly statement of deviation(s), including report of monitoring agency, if applicable, submitted to stock exchange(s) in terms of Listing Regulations;
  - b. Annual statement of funds utilized for the purposes other than those stated in the offer document/prospectus/notice in terms of Listing Regulations.

**Nomination and Remuneration Committee**

The Committee's constitution and terms of reference are in compliance with provisions of the Section 178 of the Companies Act, 2013 and Regulation 19 of SEBI (LODR) Regulations, 2015.

**Composition, Meetings, Attendance during the Year**

The Nomination and Remuneration Committee (NRC) comprises of 3 Non-Executive Independent Directors. During the year under review, 3 NRC Meetings were held, on 25<sup>th</sup> June, 2016, 22<sup>nd</sup> September, 2016 and 28<sup>th</sup> March, 2017.

The composition of the NRC and the details of the meetings attended by the Members are given below:

Name of the Member	Category	Number of Meetings	
		Held	Attended
Shri R. Raniwala, Chairman	Independent	3	3
Shri SBL Jain	Independent	3	3
Shri P.K. Rao	Independent	3	1

**Terms of Reference**

The broad terms of reference of the Committee are as follows:

1. To identify persons who are qualified to become Directors and who may be appointed in senior management in accordance with the criteria laid down, recommend to the Board for their appointment and removal and shall carry out evaluation of every Director's performance.
2. To formulate the criteria for determining qualifications, positive attributes and independence of a Director and recommend to the Board a policy, relating to the remuneration for the Directors, Key Managerial Personnel and other employees.
3. The Nomination and Remuneration Committee shall, while formulating the policy ensures that:
  - a. the level and composition of remuneration is reasonable and sufficient to attract, retain and motivate Directors of the quality required to run the Company successfully;
  - b. relationship of remuneration to performance is clear and meets appropriate performance benchmarks; and
  - c. remuneration to Directors, Key Managerial Personnel and senior management involves a balance between fixed and incentive pay reflecting short and long-term performance objectives appropriate to the working of the company and its goals;
4. The Chairperson of the said Committee or, in his absence, any other member of the committee authorized by him in this behalf shall attend the general meetings of the company.



5. To consider and fix the remuneration package of non-executive and executive Directors including pension rights and any compensation payment.
6. All elements of remuneration package of Directors such as benefits, bonus, stock options, pension etc.
7. Any other work and policy, related and incidental to the objectives of the committee as per provisions of the Act and rules made thereunder.

#### Remuneration Policy

The Company has formulated and adopted Executive Remuneration Policy of Directors, Key Managerial Personnel and other Senior Management of the Company and the same is disclosed in the Annual Report.

#### Remuneration to Directors

All decisions relating to the remuneration of the Directors were taken by the Board of Directors of the Company in accordance with the Shareholders' approval on recommendation of Nomination and Remuneration Committee, wherever necessary.

Details of remuneration paid to the Directors for the year under review are as under:

(Rs. in lacs)

Name of the Director	Remuneration	Sitting Fees
Shri Sachin Ranka	67.20	-
Shri D.B. Deshpande	69.50	-
Shri H. L. Sharma (Till 30.09.2016)	24.06	-
Shri R. Raniwala	-	0.35
Shri S.B.L. Jain	-	0.31
Shri P.K. Rao	-	-
Smt. Meenu Sacheti	-	0.07
Shri T. C. Chejara (From 01.10.2016)	-	-

#### Corporate Social Responsibility Committee

Your Company has a CSR Committee of the Board of Directors which assists the Board in discharging its social responsibility by way of formulating, monitoring and implementing the Corporate Social Responsibility Policy (CSR Policy).

#### Composition and Attendance during the Year

The CSR Committee comprises of 2 Non-Executive Directors and one Executive Director.

During the year under review, 2 CSR Committee meetings were held, on 25<sup>th</sup> June, 2016 and 28<sup>th</sup> March, 2017.

The composition of the CSR Committee and the details of the meetings attended by the Members are given below:

Name of the Member	Category	No. of Meetings	
		Held	Attended
Shri Sachin Ranka, Chariman	Executive	2	2
Shri R. Raniwala	Independent	2	2
Shri H.L. Sharma (till 30.09.2016)	Executive	2	1
Shri T.C. Chejara (From 01.10.2016)	Non-Executive	2	1

#### Stakeholders' Relationship Committee

The Committee's constitution and terms of reference are in compliance with provisions of the Section 178 of the Companies Act, 2013 and Regulation 20 of SEBI (LODR) Regulations, 2015 which are given below:

The composition of the Committee and the details of the meetings attended by the Members are given below:

Name of the Member	Category	No. of Meetings	
		Held	Attended
Shri R. Raniwala, Chairman	Independent	4	4
Shri SBL Jain	Independent	4	4
Shri H.L. Sharma (till 30.09.2016)	Executive	2	2
Shri T.C. Chejara (From 01.10.2016)	Non-Executive	2	2

#### Terms of reference:

1. The Stakeholders Relationship Committee shall consider and resolve the grievances of all stakeholders and security holders of the Company.
2. The Chairperson of the said Committee or, in his absence, any other member of the Committee authorized by him in this behalf shall attend the general meetings of the Company.
3. Review all Shareholder's grievances like non-receipt of annual reports, non-receipt of dividend etc.
4. Issue of Duplicate Share Certificates, Transfer of Shares in Physical form & Share Transfer Work.
5. Any other work and policy related and incidental to the objectives of the Committee as per provisions of the Act and rules made there under.

The Company Secretary also acts as a Secretary to the Committee.

#### Details of Complaints Received and Resolved

Particulars	No. of Complaints
Complaints pending as on 1 <sup>st</sup> April, 2016	Nil
Complaints received during the period 1 <sup>st</sup> April, 2016 to 31 <sup>st</sup> March, 2017	70
Complaints disposed off during the period 1 <sup>st</sup> April, 2016 to 31 <sup>st</sup> March, 2017	70
Complaints outstanding as on 31 <sup>st</sup> March, 2017	Nil

**Name and Designation of the Compliance Officer**

Name: Mr. Gaurav Goyal

Designation: Company Secretary

Address: A-4, Vijay Path, Tilak Nagar, Jaipur - 302 004

**GENERAL BODY MEETINGS****Details of Annual General Meetings**

Details of the Annual General Meetings (AGM) of the Company held in the last 3 years are as follows:

Financial Year/AGM	Date	Time	Venue	No. of Special Resolution(s) Passed
2013-14 29 <sup>th</sup> AGM	27 <sup>th</sup> September, 2014	10.30 A.M.	A-4, Vijay Path, Tilak Nagar, Jaipur – 302004 (Rajasthan)	2
2014-15 30 <sup>th</sup> AGM	22 <sup>nd</sup> September, 2015	11.00 A.M.	A-4, Vijay Path, Tilak Nagar, Jaipur – 302004 (Rajasthan)	4
2015-16 31 <sup>st</sup> AGM	22 <sup>nd</sup> September, 2016	11.00 A.M.	A-4, Vijay Path, Tilak Nagar, Jaipur – 302004 (Rajasthan)	3
2016-17 Court Convened Meeting	7 <sup>th</sup> January, 2017	11.00 A.M.	A-4, Vijay Path, Tilak Nagar, Jaipur – 302004 (Rajasthan)	1

**Postal Ballot & E-voting**

The Company successfully completed the process of obtaining approval of its Members on three resolutions during the year 2016-17. The details of these resolutions along with the voting pattern are as follows:-

Resolution No. 1

Special Resolution for amendment to the object clause of Memorandum of Association of the Company

Category	No. of Shares held	No. of votes polled	No. of votes in favour	No. of votes in against	No. of Invalid votes
Promoter	11876339	11874339	11874339	-	-
Public	9867161	177450	165700	-	11750
<b>Total</b>	<b>21743500</b>	<b>12051789</b>	<b>12040039</b>	<b>-</b>	<b>11750</b>

Resolution No. 2

Special Resolution for amendment to liability clause of Memorandum of Association of the Company

Category	No. of Shares held	No. of votes polled	No. of votes in favour	No. of votes in against	No. of Invalid votes
Promoter	11876339	11874339	11874339	-	-
Public	9867161	177450	165700	-	11750
<b>Total</b>	<b>21743500</b>	<b>12051789</b>	<b>12040039</b>	<b>-</b>	<b>11750</b>

Resolution No. 3

Special Resolution for adoption of new set of Articles of Association of the Company

Category	No. of Shares held	No. of votes polled	No. of votes in favour	No. of votes in against	No. of Invalid votes
Promoter	11876339	11874339	11874339	-	-
Public	9867161	179000	167250	-	11750
<b>Total</b>	<b>21743500</b>	<b>12053339</b>	<b>12041589</b>	<b>-</b>	<b>11750</b>

**Person who conducted the Postal Ballot exercise:-**

Mr. B.K. Sharma, Practising Company Secretary, Jaipur was appointed to act as the scrutinizer for conducting the postal ballot and E-voting.

There is no special resolution proposed to be conducted through postal ballot.

**Procedure for Postal Ballot:**

- The Board of Directors, vide resolution dated 30th December, 2016 had appointed Mr. B.K. Sharma as the scrutinizer.
- The dispatch of the Postal Ballot Notice dated 11th January, 2017 together with Explanatory Statement was completed on 16th January, 2017 along with forms and postage prepaid business envelopes to all the shareholders whose name(s) appeared on the Registers of Members/list of beneficiaries as on 6th January, 2017.
- The voting under the Postal Ballot was kept open from 18th January, 2017 to 16th February, 2017 (either physically or through electronic mode).
- Particulars of Postal Ballot forms received from the Members using the electronic platform of NSDL were entered in a register separately maintained for the purpose.
- The Postal Ballot forms were kept under the safe custody of the Scrutinizer in sealed and tamper proof ballot boxes before commencing the scrutiny of such postal ballot forms.
- All Postal Ballot forms received by the Scrutinizer upto 5 p.m. on 16th February, 2017 had been considered for his scrutiny. Postal Ballot forms received after the date had not been considered.
- On 17th February, 2017, as authorized by the Board, Mr. Gaurav Goyal, Company Secretary announced the results of the Postal Ballot as per the Scrutinizer's Report.

### MEANS OF COMMUNICATION

- Annual report containing Audited Annual Accounts, Consolidated Financial Statements, Board's Report, Management Discussion & Analysis (MD&A) Report, Auditor's Report and other information are circulated to members and others who are entitled to it.
- Financial Results were not published in newspapers upto September, 2016 quarter however from December, 2016, Company has published results in Financial Chronicle and other newspaper.
- All important information relating to Company and its performance including the financial results and shareholding pattern are displayed on the Company's website www.moderninsulators.com.
- The Company has not made quarterly presentations to analysts.
- Disclosures pursuant to various provisions of Listing Regulations, as applicable, are communicated to the BSE Limited, and are displayed by them on their website.

### DISCLOSURES

- During the year under review, no materially significant Related Party Transactions, that may have a potential conflict with the interest of the Company at large, have been entered into. All contracts/arrangements/ transactions entered into by your Company with its related parties were on an arm's-length basis and in the ordinary course of business. A policy on dealing with related party transactions has been uploaded on the website of the Company, www.moderninsulators.com.
- No penalty or strictures are imposed by SEBI or the Stock Exchanges or any Statutory Authority.
- The Company has followed all relevant Accounting Standards notified by the Companies (Accounting Standards) Rules, 2006 while preparing Financial Statements.
- There are no pecuniary relationships or transactions of Non-Executive Directors vis-a-vis the Company which has potential conflict with the interests of the Company at large.
- The Company has in place a mechanism to inform the Board members about the Risk assessment and mitigation plans and periodical reviews to ensure that the critical risks are controlled by the executive management.
- The Independent Directors have confirmed that they meet the criteria of 'Independence' as stipulated under the Companies Act, 2013 and the Listing Regulations.
- The Company has complied and disclosed all the mandatory corporate governance requirements under Regulation 17 to 27 and sub-regulation (2) of Regulation 46 of Listing Regulations (relating to disclosure on the website of the Company).

### DISCRETIONARY REQUIREMENT UNDER REGULATION 27 OF LISTING REGULATION

The status of compliance with discretionary recommendations of the Regulation 27 of the Listing Regulations with Stock Exchanges is provided below:

- Shareholders' Rights: As the quarterly and half yearly financial performance along with significant events are posted on the Company's website, the same are not being sent to the shareholders.
- Reporting of Internal Auditor: The Internal Auditor reports to the Audit Committee.

### CEO/CFO CERTIFICATION

The Executive Director and Chief Financial Officer (CFO) have issued certificate pursuant to the provisions of Regulation 17(8) of the Listing Regulations certifying that the financial statements do not contain any materially untrue statement and these statements represent a true and fair view of the Company's affairs. The said certificate is annexed and forms part of the Annual Report.

### GENERAL SHAREHOLDERS' INFORMATION

#### 1. Annual General Meeting:

Day & Date	:	Wednesday, 27 <sup>th</sup> September, 2017
Time	:	4.00 p.m.
Venue	:	A-4, Vijay Path, Tilak Nagar, Jaipur-302004 (Registered Office of the Company)

#### 2. Financial Calendar:

The Company follows the period of 1st April to 31st March, as the Financial Year.		
First quarterly results	:	On or before 14 <sup>th</sup> September, 2017
Second quarterly / Half yearly results	:	On or before 14 <sup>th</sup> December, 2017
Third quarterly results	:	On or before 14 <sup>th</sup> Feb, 2018
Annual results for the year ending on 31st March, 2018	:	On or before 30 <sup>th</sup> May, 2018
Annual General Meeting for the year ending on 31st March, 2018	:	Sept, 2018

#### 3. Dates of Book Closure:

The Register of Members and the Share Transfer Books of the Company shall remain closed from 23<sup>rd</sup> September, 2017 to 27<sup>th</sup> September, 2017 (both days inclusive)

#### 4. Stock Exchanges where Equity Shares are listed and Scrip code:

##### **BSE Limited (BSE)**

Phiroze Jeejeebhoy Towers,  
 Dalal Street, Mumbai- 400 001  
 Scrip Code: 515008

#### 5. Listing Fees to the Stock Exchanges

The Company has paid listing fees upto financial year 2017-2018 to BSE Limited.

**6. Registrar & Share Transfer Agent:**

Beetal Financial and Computer Services Private Limited  
 Beetal House, 3rd Floor, 99, Madangir, Behind LSC  
 New Delhi-110062

**7. Share Transfer System**

Registrar and Transfer Agents (the 'RTA'), on receipt of transfer deed with respective share certificates, scrutinizes the same and verify signatures of transferors on the transfer deed with specimen signatures registered with the Company. A list of such transfers is prepared and checked thoroughly and a transfer register is prepared. The transfer register is placed before the Stakeholders Relationship Committee for approval. Share transfers are registered and share certificates are returned within the prescribed time provided the documents submitted are valid and complete in all respects.

**8. Dematerialization of Shares**

The Company has set up requisite facilities for dematerialization of its Equity Shares in accordance with the provisions of Depository Act, 1996 with National Securities Depository Limited and Central Depository Services (India) Limited. The Company has entered into agreements with both of the Depositories. The status as on 31<sup>st</sup> March, 2017 is as under:

Mode	No. of Shares	%(Percentage)
Physical Form	33403427	70.85
NSDL	287414	0.61
CDSL	13453059	28.54
<b>Total</b>	<b>47143900</b>	<b>100.00</b>

ISIN No. of the Company: INE219W01012

**9. Market Price Data:** No Trading in Shares of the Company was held in BSE being the trading is suspended at BSE since 2002.**10. Distribution of Shareholding as on 31<sup>st</sup> March, 2017**

Sr. No	No. of Equity Shares	Number of Shares	% of Shareholding	No. of Shareholders
1.	1-5000	8015558	17.01	133682
2.	5001-10000	1064728	2.26	1376
3.	10001-20000	885039	1.86	611
4.	20001-30000	401928	0.85	158
5.	30000-40000	194508	0.41	55
6.	40000-50000	218139	0.46	47
7.	50001-100000	493110	1.05	70
8.	100001 & Above	35870890	76.10	86
	<b>Total</b>	<b>47143900</b>	<b>100.00</b>	<b>136085</b>

**11. Category of Shareholders as on 31<sup>st</sup> March, 2017**

Category	No. of shares	% Holding
Promoter & Promoter Group	27558737	58.46
Corporate Bodies	1268015	2.69
Mutual Funds	1000821	2.12
Banks/Financial Institutions	4154947	8.81
FII's	146772	0.31
Individuals including NRI	13014608	27.61
<b>Total</b>	<b>47143900</b>	<b>100.00</b>

**12. Reconciliation of Share Capital Audit**

As stipulated by the Securities Exchange Board of India, a qualified Practicing Company Secretary has carried out the reconciliation of Share Capital Audit to reconcile the total admitted capital with NSDL and CDSL, total issued and listed capital. The audit is carried out every quarter and the report thereon is submitted to the Stock Exchanges. The audit confirms that the total issued/paid up capital is in agreement with the aggregate total number of shares in physical form, shares allotted & advised for demat credit but pending execution and the total number of dematerialized shares held with NSDL and CDSL.

**13. Plant Locations**

The Company's plants are located at the following addresses:

1. Insulators Division : Post Box No. 23, Abu Road, Dist. Sirohi 307026 (Rajasthan)
2. Yarn Division : Village: Nana Borsara – 394125, Dist. Surat (Gujarat)
3. Terry Towels Division : Village: Nidrad, Taluka : Snaand– 382110, Ahmedabad, Gujarat

**14. Address for Correspondence**

The Company Secretary heads the Secretarial Department of the Company. In case of any problem/query, shareholders can contact at registered office of the Company at:

A-4, Vijay Path, Tilak Nagar, Jaipur-302004.

Phone: 91-141-4113645 Email: Compliance@moderninsulators.com

---



---



---

## CODE OF CONDUCT DECLARATION

As provided under Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Board of Directors and the Senior Management Personnel have affirmed compliance with the Code of Conduct of the Board of Directors and Senior Management for the year ended 31st March, 2017.

Place : Ahmedabad  
 Date : 29th May, 2017

**Sachin Ranka**  
 Chairman & Managing Director  
 DIN: 00335534

---

## CEO/CFO CERTIFICATION

The Board of Directors  
 Modern Insulators Limited

We certify that:

- a. We have reviewed the Financial Statements and the Cash Flow Statement of Modern Insulators Limited for the year 31<sup>st</sup> March, 2017, and that to the best of our knowledge and belief:
  - i. these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading; and
  - ii. these statements together present a true and fair view of the Company's affairs and are in compliance with the existing accounting standards, applicable laws and regulations.
- b. There are, to the best of our knowledge and belief, no transactions entered into by the Company during the year which are fraudulent, illegal or violative of the Company's Code of Conduct.
- c. We accept responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of the internal control systems of the Company pertaining to financial reporting. We have disclosed to the auditors and the Audit Committee, deficiencies in the design or operation of internal controls, if any, of which we are aware and the steps taken or proposed to be taken to rectify the deficiencies.
- d. We have indicated to the auditors and the Audit Committee:
  - i. significant changes in the internal control over financial reporting during the year;
  - ii. significant changes in the accounting policies during the year and that the same have been disclosed in the notes to the financial statements; and
  - iii. instances of significant fraud of which we have become aware and the involvement therein, if any, of the management or an employee having a significant role in the Company's internal control system over financial reporting.

**For Modern Insulators Limited**

Place : Ahmedabad  
 Date : 29<sup>th</sup> May, 2017

**D.S. Singhvi**  
 Chief Financial Officer

**D.B. Deshpande**  
 Executive Director  
 DIN: 06463412

---

## CERTIFICATE ON CORPORATE GOVERNANCE

### TO THE MEMBERS OF MODERN INSULATORS LIMITED

We have examined the compliance of the conditions of Corporate Governance by Modern Insulators Limited for the year ended on March 31, 2017, as stipulated in Chapter IV of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Regulations"), pursuant to the Listing Agreement of the said Company with Stock Exchanges.

The compliance of the condition of Corporate Governance is the responsibility of the Management. Our examination was limited to procedures and implementations thereof, adopted by the Company for ensuring the compliance of the conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us, and the representations made by the Directors and the Management, we certify that the Company has complied with the conditions of Corporate Governance as mentioned in Corporate Governance Report.

We state that such compliance is neither an assurance as to the future viability of the Company, nor the efficiency or effectiveness with which the Management has conducted the affairs of the Company.

For Kasliwal Maheshwari & Associates  
 Practicing Company Secretaries

Rajat Kasliwal  
 Partner  
 Membership No. 44052

Place : Jaipur  
 Date : 29<sup>th</sup> May, 2017

## INDEPENDENT AUDITORS' REPORT

To

The Members of

**Modern Insulators Limited**

### Report on the Financial Statements

We have audited the accompanying financial statements of **Modern Insulators Limited ("the Company")**, which comprise of the Balance Sheet as at March 31, 2017, the Statement of Profit and Loss, Cash Flow Statement for the year then ended and a summary of significant accounting policies and other explanatory information.

### Management's Responsibility for the Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

### Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit.

We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made there under.

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified audit opinion on the financial statements.

### Basis for Qualified Opinion

(a) *Balances of Trade Payables & Trade Receivables are subject to reconciliations/confirmations (Refer Note No.8.1 & 15.2).*

(b) *The company has not received information from vendors regarding their status under the Micro, Small and Medium Enterprises Development Act 2006 and hence disclosure relating to amounts unpaid as at the year end together with interest paid/payable under this Act have been considered as dues of trade payables other than micro and small enterprises. (Refer Note No.8.2).*

### Opinion

In our opinion and to the best of our information and according to the explanations given to us, except for the effect of the matters described in "Basis for Qualified opinion" paragraph above, the aforesaid financial statements, give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:

- (a) In the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2017;
- (b) In the case of the Statement of Profit and Loss, of the profit for the year ended on that date; and
- (c) In the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

### Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government of India in terms of Section 143(11) of the Companies Act, 2013 and on the basis of such checks of the books and records of the company as we considered appropriate and according to the information and explanations given to us, we give in the Annexure A, a statement on the matters specified in paragraphs 3 and 4 of the Order.
2. As required by Section 143(3) of the Act, we report that:
  - i. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
  - ii. In our opinion proper books of account as required by law have been kept by the Company so far as appears from our examination of those books.
  - iii. The Balance Sheet, Statement of Profit and Loss and Cash Flow Statement dealt with by this Report are in agreement with the books of account.
  - iv. Except for the effects of the matter described in the Basis for Qualified Opinion paragraph, in our opinion, the Balance Sheet, Statement of Profit and Loss and Cash Flow Statement comply with the accounting standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
  - v. On the basis of written representations received from the directors as on March 31, 2017, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2017, from being appointed as a director in terms of section 164 (2) of the Act.
  - vi. With respect to the adequacy of the internal financial controls over financial reporting of the company and the operating effectiveness of such controls, refer to our report in Annexure B and
  - vii. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:



- a. The Company has disclosed the impact of pending litigations on its financial position in its financial statements.
- b. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
- c. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.
- d. The company has provided requisite disclosures in financial statements as to holdings as well as dealings in Specified Bank Notes (SBNs) during the period from 8th November, 2016 to

30th December, 2016. Based on audit procedures and relying on the management representation, the disclosures are in accordance with the books of account maintained by the company and as provided to us by the management. (Refer Note No.37)

For **B.L. Verma & Co.**  
 Chartered Accountants  
 (Firm Regn. No.001064C)

**(B.L. Verma)**

Partner

Membership No.010900

Place: Jaipur

Date: 29th May, 2017

## ANNEXURE A FORMING PART OF THE INDEPENDENT AUDITORS' REPORT

Referred to in the report of even date of the Auditors to members of **MODERN INSULATORS LIMITED.**

- (i) (a) The company is maintaining proper records showing full particulars including quantitative details and situation of fixed assets except furniture & fixtures for which detailed records are not maintained.
- (b) As per the information and explanations given to us, most of the fixed assets have been physically verified during the year by management in accordance with a phased programme of verification at reasonable intervals. According to the information and explanations given to us, no material discrepancies were noticed on such verification.
- (c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the title deeds of immovable properties are held in the name of the Company or its division.
- (ii) As per the information and explanations given to us, the inventories have been physically verified during the year by the management. In our opinion, the frequency of verification is reasonable and no material discrepancies were noticed on physical verification during the year.
- (iii) The Company had given unsecured loan to a Company covered under section 189 of the Companies Act in view of proposed amalgamation awaiting approval from National Company Law Tribunal. Since the amount paid is in connection to proposed amalgamation scheme, no terms have been specified for repayment of loan and interest. In view of likely advantage to the Company on such amalgamation, granting of such loan is not prejudicial to the interest of the Company (Refer Note No. 29).
- (iv) According to the information and explanations given to us, the Company has complied with the provisions of section 185 and 186 of the Companies Act, 2013 in respect of loans, investments, guarantees and security.
- (v) According to the information and explanations given to us, the Company has not accepted any deposits from the public during the year.
- (vi) According to the information and explanations given to us, the central government has prescribed maintenance of cost records under section 148 (1) of the Companies Act, 2013 for the products of the company. We have broadly reviewed the books of account maintained by the Company and are of the opinion that prima facie, the prescribed accounts and records have been made and maintained. We had not, however carried out detailed examination of the same to determine whether they are accurate and complete.
- (vii) (a) According to the records of the company, the company is generally regular in depositing with appropriate authorities undisputed statutory dues including provident fund, employees'

state insurance, sales tax, service tax, duty of customs, duty of excise, value added tax, cess and other statutory dues applicable to it and no undisputed statutory dues as noted above is outstanding for a period of more than six months from the date it became payable.

- (b) According to the information and explanations given to us and the records of the Company examined by us, the particulars of dues of sales tax, value added tax, duty of excise and Service Tax etc., as applicable, as at 31st March 2017 which have not been deposited on account of dispute, are as follows:

Name of the Statute	Nature of dues	Amount (₹ in lacs)	Period to which the amount relates	Forum where the dispute is pending
Central Excise Act 1944	Excise Duty & Service Tax	98.57	Various years from 2005-06 to 2010-11	Central Excise and Service Tax Appellate Tribunal, Delhi
		55.32	2012-13 & 2013-14	Commissioner Central Excise (Appeals), Jaipur
		258.84	2004-05 to 2016-17	Departmental authorities at various places

- (viii) Based on our audit and as per the information and explanations given by the management, the company has not defaulted in repayment of dues to bank during the year. The company does not have any dues to debenture holders and loans from financial institutions/government.
- (ix) The Company has not raised moneys by way of initial public offer or further public offer (including debt instruments) and term loans during the year.
- (x) During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India and according to the information and explanations given to us, we have neither come across any instance of material fraud by the Company or any fraud on the company by the officers or employees noticed or reported during the year, nor we have been informed of any such case by the Management.
- (xi) The managerial remuneration has been paid or provided in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Companies Act, 2013.
- (xii) This clause of the CARO, 2016 is not applicable to the Company as the company is not a Nidhi Company.

- (xiii) According to the information and explanations given to us, all transactions with the related parties are in compliance with sections 177 and 188 of Companies Act, 2013 where applicable and the details of such transactions have been disclosed in the Financial Statements etc., as required by the applicable accounting standards.
- (xiv) According to the information and explanations given to us, the company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review.
- (xv) According to the information and explanations given to us, the company has not entered into any non-cash transactions with directors

or persons connected with them and therefore this clause is not applicable.

- (xvi) This clause of the CARO, 2016 is not applicable to the Company as the company is not required to be registered under section 45-1A of the Reserve Bank of India Act, 1934.

For **B.L. VERMA & CO.**  
 Chartered Accountants  
 (Firm Regn. No.001064C)

**(B.L. Verma)**  
 Partner

Membership No.010900

Place: Jaipur  
 Date: 29th May, 2017

## ANNEXURE B FORMING PART OF THE INDEPENDENT AUDITORS' REPORT

Referred to in the report of even date of the Auditors to members of **MODERN INSULATORS LIMITED**

### Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls over financial reporting of MODERN INSULATORS LIMITED ("the Company") as of March 31, 2017 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

#### Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

#### Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting were established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. We believe that the audit evidence we have obtained is

sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

#### Meaning of Internal Financial Controls over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

#### Inherent Limitations of Internal Financial Controls over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

#### Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2017, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India.

For **B.L. VERMA & CO.**  
 Chartered Accountants  
 (Firm Regn. No.001064C)

**(B.L. Verma)**  
 Partner

Membership No.010900

Place: Jaipur  
 Date: 29th May, 2017

## BALANCE SHEET AS AT 31ST MARCH, 2017

(₹ in lacs)

Particulars	Note No.	As at 31.03.2017	As at 31.03.2016
<b>EQUITY AND LIABILITIES</b>			
<b>Shareholders' Fund</b>			
Share Capital	1	4714.39	2174.35
Reserves & Surplus	2	21377.92	24302.86
		<u>26092.31</u>	<u>26477.21</u>
<b>Non-Current Liabilities</b>			
Long-term borrowings	3	37.20	24.86
Deferred Tax Liability (Net)	4	1161.94	1454.27
Other long term liabilities	5	-	233.93
Long term provisions	6	1536.92	1214.06
		<u>2736.06</u>	<u>2927.12</u>
<b>Current Liabilities</b>			
Short term borrowings	7	7277.67	5904.60
Trade payables	8		
Total outstanding dues of micro enterprises and small enterprises		-	-
Total outstanding dues of creditors other than micro enterprises and small enterprises		3473.93	2624.04
Other current liabilities	9	3044.98	2109.07
Short-term provisions	6	327.60	180.63
		<u>14124.18</u>	<u>10818.34</u>
<b>Total</b>		<u>42952.55</u>	<u>40222.67</u>
<b>ASSETS</b>			
<b>Non Current Assets</b>			
Property, Plant & Equipment			
Tangible assets	10	16034.64	13456.78
Intangible assets	10	14.43	13.10
Capital work-in-progress		1.07	204.26
		<u>16050.14</u>	<u>13674.14</u>
Non current investments	11	112.81	117.11
Long term loans and advances	12	2303.06	8118.97
		<u>18466.01</u>	<u>21910.22</u>
<b>Current assets</b>			
Current investments	13	1305.27	1888.34
Inventories	14	8427.67	6302.19
Trade receivables	15	10997.91	7708.84
Cash and bank balances	16	637.77	452.28
Short term loans and advances	12	2767.28	1674.53
Other current assets	17	350.64	286.27
		<u>24486.54</u>	<u>18312.45</u>
<b>Total</b>		<u>42952.55</u>	<u>40222.67</u>

**Significant Accounting Policies****Other Notes on Financial Statement**

26 to 38

As per our report of even date attached

For and on behalf of the Board

For **B.L. VERMA & CO.**  
 Chartered Accountants  
 (FRN No. 001064C)

**(B.L. VERMA)**  
 Partner  
 (Membership No. 10900)

Place : Jaipur  
 Date : 29th May, 2017

Sachin Ranka – Chairman & Managing Director (DIN : 00335534)  
 S.B.L. Jain – Independent Director (DIN : 00002582)  
 R. Raniwala – Independent Director (DIN : 00506419)  
 T.C. Chejara – Non-Executive Director (DIN : 07619881)  
 D.S. Singhvi – Chief Financial Officer  
 Gaurav Goyal – Company Secretary

Place : Ahmedabad

## STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH, 2017

(₹ in lacs)

Particulars	Note No.	Year ended 31.03.2017	Year ended 31.03.2016
<b>INCOME:</b>			
Revenue from Operations	18	51417.00	46101.37
Other Income	19	585.16	649.51
<b>Total Revenue</b>		<b>52002.16</b>	<b>46750.88</b>
<b>EXPENSES:</b>			
Cost of materials consumed	20	19597.57	16987.93
Changes in inventories of finished goods & stock in Process	21	(620.77)	822.78
Employee benefits expense	22	5742.25	4712.17
Finance cost	23	1238.37	1277.82
Depreciation and amortization expense	10	992.94	825.40
Other expenses	24	22859.01	19417.98
<b>Total Expenses</b>		<b>49809.37</b>	<b>44044.08</b>
<b>Profit before exceptional items &amp; tax</b>		<b>2192.79</b>	<b>2706.80</b>
<b>Exceptional items</b>	25	<b>503.34</b>	<b>456.37</b>
<b>Profit before tax</b>		<b>2696.13</b>	<b>3163.17</b>
<b>Tax Expense:</b>			
Deferred tax		(292.33)	242.57
		(292.33)	242.57
<b>Profit for the year</b>		<b>2988.46</b>	<b>2920.60</b>
<b>Earning per equity share (₹)</b>			
Basic & Diluted	34	6.34	13.43

**Significant Accounting Policies****Other Notes on Financial Statement**

26 to 38

As per our report of even date attached

For and on behalf of the Board

For **B.L. VERMA & CO.**  
Chartered Accountants  
(FRN No. 001064C)

Sachin Ranka – Chairman &amp; Managing Director (DIN : 00335534)

S.B.L. Jain – Independent Director (DIN : 00002582)

R. Raniwala – Independent Director (DIN : 00506419)

T.C. Chejara – Non-Executive Director (DIN : 07619881)

**(B.L. VERMA)**  
Partner  
(Membership No. 10900)

D.S. Singhvi – Chief Financial Officer

Gaurav Goyal – Company Secretary

Place : Jaipur  
Date : 29th May, 2017

Place : Ahmedabad

## SIGNIFICANT ACCOUNTING POLICIES

### i) Basis of preparation of financial statements

- a) The financial statements are prepared under the historical cost convention and in accordance with generally accepted accounting principles in India, the applicable accounting standards and as per relevant provisions of the Companies Act, 2013.
- b) Income & expenditure are recognised and accounted for on accrual basis.

### ii) Use of Estimates

The preparation of the financial statements requires estimates and assumptions to be made that affect the reported amounts of assets and liabilities on the date of financial statements and the reported amount of revenues and expenses during the reporting period. Difference between the actual results and estimates are recognised in the period in which the results are known/materialised.

### iii) Property, Plant & Equipment

- a) Property, Plant & Equipment (including intangible assets) are stated at cost less depreciation.
- b) Direct expenses as well as clearly identifiable indirect expenses, incurred on project during the period of construction are capitalised to the respective assets.
- c) CENVAT credit and other recoverable taxes on capital goods are accounted for by reducing the cost of capital goods.

### iv) Depreciation

Depreciation on Property, Plant & Equipment is provided as follows:

- (a) Depreciation on Property, Plant & Equipment is provided on straight line method over the estimated useful life of the assets.
- (b) Software is amortised over a period of 3 years.
- (c) Effective from 1st April, 2014 the company depreciates its Property, Plant & Equipment over the useful life in the manner prescribed in schedule II of the Act.
- (d) No amount has been written off from leasehold land. The same will be charged to the Profit & Loss Account only in the year in which the respective lease period expires.

### v) Investments

Long Term Investments are stated at cost. Provision for diminution in the value of Long term Investments is made only if such decline is other than temporary.

### vi) Inventories

- (a) Raw materials, Stores & spares and stock in process are valued at cost.
- (b) Finished Stock is valued at lower of cost or estimated net realisable value.
- (c) Waste is valued at estimated net realisable value.

Cost of raw materials & stores is computed on weighted average basis. Finished goods and stock in process include cost of conversion and other costs incurred in bringing the inventories to their present location and condition. The net realisable value of leftover stock out of the products manufactured as per customers' specifications are estimated at nominal value.

### vii) Revenue Recognition

- a) Sale of goods is recognised on the basis of despatch. Sales is shown inclusive of excise duty.
- b) Claims of customers & others are accounted for as and when settled.

### viii) Excise Duty/Cenvat

- (a) Excise duty is accounted for on the basis of payments made in respect of goods cleared and provision made for goods lying in bonded warehouse.
- (b) The Cenvat credit in respect of excise duty is utilised for payment of excise duty on goods despatched. The unutilised Cenvat credit is carried forward in the books.

### ix) Borrowing cost

Borrowing costs which are attributable to acquisition or construction of qualifying assets are capitalised as part of cost of such assets. A qualifying asset is one which necessarily takes substantial period of time to get ready for intended use. All other borrowing costs are charged to revenue.

### x) Employee Benefits:

- (a) Short-term employee benefits are recognized as an expense at the undiscounted amount in the profit and loss account of the year in which the related service is rendered.

- (b) Post employment and other long term employee benefits are recognized as an expense in the profit and loss account for the year in which the employee has rendered services. The expense is recognised at the present value of the amount payable determined using actuarial valuation techniques. Actuarial gains and losses in respect of post employment and other long term benefits are charged to the profit and loss account.

### xi) Foreign Currency Transactions

Transactions in foreign currency are recorded on the basis of exchange rates prevailing on the date of their occurrence. Foreign currency assets and liabilities are converted into rupee equivalent at the exchange rates prevailing on the Balance Sheet date and exchange difference arising therefrom is charged to the revenue.

### xii) Prior year adjustments

Income and expenditure pertaining to prior period are accounted for under respective heads of accounts in profit and loss account. Effect of such amount is disclosed in notes.

### xiii) Research and Development

Revenue expenditure on Research and Development is charged as expenses in the year in which they are incurred. Capital expenditure is included in Property, Plant & Equipment and depreciation is provided at the respective applicable rates.

- xiv) Liability for import duty, if any, on export obligation yet to be completed under EPCG Scheme is accounted for on expiry of obligation period / extension thereof.

### xv) Taxation

Deferred income tax is provided on all temporary differences at the balance sheet date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

### xvi) Impairment of Assets

An asset is treated as impaired when the carrying cost of asset exceeds its recoverable value. An impairment loss is charged to statement of profit & loss in the year in which an asset is identified as impaired. The impairment loss recognised in prior accounting period is reversed if there has been a change in the estimates of recoverable amount.

### xvii) Provisions, Contingent Liabilities and Contingent Assets

Provisions involving substantial degree of estimation in measurement are recognised when there is a present obligation as a result of past events and it is probable that there will be an outflow of resources. Contingent liabilities are not recognised but are disclosed in the notes to the accounts. Contingent Assets are neither recognised nor disclosed in the financial statements.

### xviii) Accounting policies not specifically referred to otherwise, are consistent with generally accepted accounting principles.

### xix) Amalgamation of Modern Terry Towels Limited

The Hon'ble Board for Industrial and Financial Reconstruction (BIFR) vide its order dated 28th July, 2016 has approved the Scheme of Amalgamation of Modern Terry Towels Limited (MTTL) a leading manufacturer of terry towels with Modern Insulators Limited. MTTL has been amalgamated with the Company on 15th September, 2016 being the date on which certified true copy of the BIFR order was filed with the Registrar of Companies with effect from the appointed date 01.01.2008.

All the assets and liabilities have been accounted for in the books of account of the Company at the value appearing in the books of account of MTTL under the "Pooling of Interest" method as prescribed by Accounting Standard- 14 on "Accounting for Amalgamations.

In terms of the Scheme, the Company has issued 25400400 Equity Shares of ₹ 10/- each fully paid up to the shareholders of the erstwhile MTTL in the ratio of 2 Equity Shares of ₹ 10/- each fully paid-up against 3 Equity Shares of ₹ 10/- each fully paid up of MTTL held by them. As a result, Issued and Paid-up Equity Share Capital of the Company has increased by ₹ 2540.04 lacs to ₹ 4714.39 lacs.

Difference between Share Capital of MTTL of ₹ 3810.06 lacs and Equity Share Capital issued by the Company of ₹ 2540.04 lacs to MTTL shareholders amounting to ₹ 1270.02 lacs has been credited to Profit & Loss account of the Company.

In view of amalgamation of MTTL with the Company effected during the year, the figures for the current year are not comparable with those of the previous year.

**NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2017**
**1. SHARE CAPITAL**
**(₹ in lacs)**

	As at 31.03.2017	As at 31.03.2016
<b>AUTHORISED</b>		
9,00,00,000 (Previous Year 2,50,00,000) Equity shares of ₹ 10/- each	9000.00	2500.00
5,00,00,000 (Previous Year 5,00,00,000) Preference shares of ₹ 100/- each	500.00	500.00
	<u>9500.00</u>	<u>3000.00</u>
<b>ISSUED, SUBSCRIBED AND PAID-UP</b>		
4,71,43,900 (Previous Year 2,17,43,500) Equity shares of ₹10/- each fully paid-up	<u>4714.39</u>	<u>2174.35</u>

1.1 The Company has only one class of shares referred to as equity shares having a par value of ₹ 10/- Each holder of equity shares is entitled to one vote per share.

1.2 Details of shareholders holding more than 5% of the total number of shares

Name of the Share holder	As at 31.03.2017		As at 31.03.2016	
	No. of Shares	% Holding	No. of Shares	% Holding
Trishul Traders Pvt. Ltd.	13729065	29.12	-	-
Ajaymeru Trading & Investments Pvt.Ltd	6530886	13.85	6530886	30.04
Pride Mercantiles Pvt.Ltd	5343453	11.33	5343453	24.57
<b>1.3 Reconciliation of Number of Shares</b>				
Equity shares at the beginning of the year	21743500		21743500	
Issued during the year to the shareholders of Modern Terry Towels Limited (MTTL) pursuant to the scheme of Amalgamation (Refer note no. xix of Significant Accounting Policies)	25400400		-	
Equity shares at the end of the year	47143900		21743500	
<b>1.4 Aggregate Number of Equity Shares allotted as fully paid during the period of five years immediately preceeding the reporting date without payment being received in cash</b>	<b>25400400</b>		<b>-</b>	

**2. RESERVES AND SURPLUS**
**(₹ in lacs)**

	As at 31.03.2017	As at 31.03.2016
<b>Capital Reserve</b>		
As per last balance sheet	25.00	25.00
Add : Transferred from MTTL pursuant to the scheme of Amalgamation	30.85	-
	<u>55.85</u>	<u>25.00</u>
<b>Securities Premium Account</b>		
As per last balance sheet	-	-
Transferred from MTTL pursuant to the scheme of Amalgamation	2911.45	-
	<u>2911.45</u>	<u>-</u>
<b>Statement of Profit &amp; Loss</b>		
As per last balance sheet	24277.86	21357.26
Add : Transferred from MTTL pursuant to the scheme of Amalgamation	(10125.72)	-
Add: Profit for the year	2988.46	2920.60
Add: Gain on extinguishment of share capital of MTTL and issuance of shares of MIL	1270.02	-
Surplus in the Statement of Profit & Loss	18410.62	24277.86
<b>Total</b>	<u>21377.92</u>	<u>24302.86</u>

**3. LONG TERM BORROWINGS**
**(₹ in lacs)**

	As at 31.03.2017		As at 31.03.2016	
	Non current	Current*	Non current	Current*
<b>Secured</b>				
Term loans from bank	37.20	16.89	24.86	16.84
<b>Unsecured</b>				
Public Fixed Deposits	-	420.79	-	-
	<u>37.20</u>	<u>437.68</u>	<u>24.86</u>	<u>16.84</u>

\*Considered in other current liabilities (Note No.9).

3.1 Term loans from bank are secured against hypothecation of the specific vehicles.

3.2 Term loans from bank (for vehicles) are repayable as per various payment schedules. Last instalment due in November-2021. Rate of Interest 9.65% to 9.90% p.a. (Previous year 10.40% to 10.65% p.a.)

3.3 Public Fixed Deposits does not carry any interest pursuant to the scheme of Amalgamation approved by Hon'ble Board for Industrial and Financial Reconstruction.



<b>4. DEFERRED TAX LIABILITY (NET)</b>		<b>(₹ in lacs)</b>		
	As at 31.03.2017	As at 31.03.2016		
<b>a) Deferred Tax Liability</b>				
Depreciation	2186.67	2144.78		
<b>b) Deferred Tax Asset</b>				
Provisions allowable for Tax purpose on payment basis	738.97	670.44		
Unabsorbed Depreciation	194.91	-		
Others (Provision for doubtful debts)	90.85	20.07		
	<u>1024.73</u>	<u>690.51</u>		
<b>Net Deferred Tax Liability</b>	<u>1161.94</u>	<u>1454.27</u>		
<b>5. OTHER LONG TERM LIABILITIES</b>		<b>(₹ in lacs)</b>		
	As at 31.03.2017	As at 31.03.2016		
Entry tax payable	-	198.06		
Interest on Entry tax Payable	-	35.87		
<b>Total</b>	<u>-</u>	<u>233.93</u>		
<b>6. PROVISIONS</b>		<b>(₹ in lacs)</b>		
	As at 31.03.2017		As at 31.03.2016	
	Long term	Short term	Long term	Short term
<b>Provisions for employee benefits</b>				
For Gratuity	1273.63	166.16	1005.25	97.71
For unavailed leaves	263.29	66.72	208.81	54.81
	<u>1536.92</u>	<u>232.88</u>	1214.06	152.52
<b>Other provisions</b>				
For excise duty on closing finished stock	-	94.72	-	28.11
<b>Total</b>	<u>1536.92</u>	<u>327.60</u>	<u>1214.06</u>	<u>180.63</u>
<b>7. SHORT TERM BORROWINGS</b>		<b>(₹ in lacs)</b>		
	As at 31.03.2017	As at 31.03.2016		
<b>Secured</b>				
Bank borrowings for working capital	<u>7277.67</u>	<u>5904.60</u>		
7.1 Borrowings for working capital are secured by hypothecation of stocks, book debts and first charge on fixed assets of Insulator Division and are personally guaranteed by one of the directors.				
<b>8. TRADE PAYABLE</b>		<b>(₹ in lacs)</b>		
	As at 31.03.2017	As at 31.03.2016		
<b>Trade payable</b>				
Total outstanding dues of micro enterprises and small enterprises	-	-		
Total outstanding dues of creditors other than micro enterprises and small enterprises	3473.93	2624.04		
	<u>3473.93</u>	<u>2624.04</u>		
8.1 Balances of trade payables are subject to reconciliations/confirmations.				
8.2 The Company has not received information from vendors regarding their status under the Micro, Small and Medium Enterprises Development Act 2006 and hence disclosure relating to amounts unpaid as at the year end together with interest paid/payable under this Act have been considered as dues of creditors other than micro and small enterprises.				
<b>9. OTHER CURRENT LIABILITIES</b>		<b>(₹ in lacs)</b>		
	As at 31.03.2017	As at 31.03.2016		
Current maturities of long term borrowings (Refer note No.3)	437.68	16.84		
Entry Tax Payable	210.54	188.16		
Statutory dues	154.68	177.74		
Payable towards capital goods	86.51	80.91		
Advance received from customers	478.19	392.52		
Sundry deposits	142.15	115.39		
Other payable*	1535.23	1137.51		
<b>Total</b>	<u>3044.98</u>	<u>2109.07</u>		

\* Includes employees dues, interest on entry tax and liabilities for expenses etc.

**10. PROPERTY, PLANT & EQUIPMENT**

Description	Gross Block					Depreciation					Net Block	
	As at 01.04.2016	Additions on Amalgamation of MTTL	Additions	Deductions	As at 31.03.2017	As at 01.04.2016	Additions on Amalgamation of MTTL	For the year	Deductions	As at 31.03.2017	As at 31.03.2017	
<b>I. TANGIBLE ASSETS:</b>												
Land	1045.18	151.69	-	-	1196.87	-	-	-	-	-	1196.87	
Building	4098.12	2791.17	357.07	-	7246.36	1446.42	1673.46	243.49	-	3363.37	3882.99	
Plant & Machinery	19442.61	18795.10	659.19	-	38896.90	10012.12	17665.31	655.69	-	28333.12	10563.78	
Furniture & Fixtures	281.42	111.50	32.26	1.87	423.31	169.68	100.09	20.86	1.36	289.27	134.04	
Office Equipments	206.93	81.29	32.92	1.82	319.32	173.65	75.32	16.43	1.81	263.59	55.73	
Vehicles	294.55	14.44	66.01	19.08	355.92	110.16	6.54	49.56	11.57	154.69	201.23	
<b>Total</b>	<b>25368.81</b>	<b>21945.19</b>	<b>1147.45</b>	<b>22.77</b>	<b>48438.68</b>	<b>11912.03</b>	<b>19520.72</b>	<b>986.03</b>	<b>14.74</b>	<b>32404.04</b>	<b>16034.64</b>	
<b>II. INTANGIBLE ASSETS:</b>												
Computer Software	95.31	-	8.24	-	103.55	82.21	-	6.91	-	89.12	14.43	
Technical know-how	-	99.68	-	-	99.68	-	99.68	-	-	99.68	-	
<b>TOTAL</b>	<b>25464.12</b>	<b>22044.87</b>	<b>1155.69</b>	<b>22.77</b>	<b>48641.91</b>	<b>11994.24</b>	<b>19620.40</b>	<b>992.94</b>	<b>14.74</b>	<b>32592.84</b>	<b>16049.07</b>	

For the year ended March 31, 2016

(₹ in lacs)

Description	Gross Block					Depreciation					Net Block	
	As at 01.04.2015	Additions on Amalgamation of MTTL	Additions	Deductions	As at 31.03.2016	As at 01.04.2015	Additions on Amalgamation of MTTL	For the year	Deductions	As at 31.03.2016	As at 31.03.2016	
<b>I. TANGIBLE ASSETS:</b>												
Land	1045.18	-	-	-	1045.18	-	-	-	-	-	1045.18	
Building	3973.01	-	125.11	-	4098.12	1305.63	-	140.79	-	1446.42	2651.70	
Plant & Machinery	19190.37	-	252.24	-	19442.61	9398.18	-	613.94	-	10012.12	9430.49	
Furniture & Fixtures	256.33	-	27.68	2.59	281.42	150.78	-	19.53	0.63	169.68	111.74	
Office Equipments	191.92	-	16.57	1.56	206.93	161.72	-	13.49	1.56	173.65	33.28	
Vehicles	242.63	-	52.42	0.50	294.55	82.22	-	28.11	0.17	110.16	184.39	
<b>Total</b>	<b>24899.44</b>	<b>-</b>	<b>474.02</b>	<b>4.65</b>	<b>25368.81</b>	<b>11098.53</b>	<b>-</b>	<b>815.86</b>	<b>2.36</b>	<b>11912.03</b>	<b>13456.78</b>	
<b>II. INTANGIBLE ASSETS:</b>												
Computer Software	89.61	-	5.70	-	95.31	72.67	-	9.54	-	82.21	13.10	
Technical know-how	-	-	-	-	-	-	-	-	-	-	-	
<b>TOTAL</b>	<b>24989.05</b>	<b>-</b>	<b>479.72</b>	<b>4.65</b>	<b>25464.12</b>	<b>11171.20</b>	<b>-</b>	<b>825.40</b>	<b>2.36</b>	<b>11994.24</b>	<b>13469.88</b>	

**11. NON CURRENT INVESTMENTS**

(₹ in lacs)

	As at 31.03.2017	As at 31.03.2016
<b>LONG TERM INVESTMENTS (AT COST)</b>		
<b>Trade Investments(Unquoted)</b>		
<b>a. Investment in Govt. securities</b>		
National Saving Certificates (Deposited with Govt. department)	0.01	0.01
<b>b. Investment in shares of subsidiary company</b>		
Motile Power Trade Private Ltd. Nil (Previous year 43000 Equity shares of ₹ 10/- each, fully paid up)	-	4.30
<b>c. Investment in shares of other company</b>		
<b>VS Lignite Power Pvt. Ltd.*</b>		
385186 Class 'A'- Equity shares of ₹ 10/- each, fully paid up; (Previous year 385186 Class 'A'- Equity shares of ₹ 10/- each, fully paid up)	38.52	38.52
742814 Class 'A'- 0.01% Cumulative & Redeemable Preference shares of ₹ 10/- each, fully paid up; (Previous year 742814 Class 'A'- 0.01% Cumulative & Redeemable Preference shares of ₹ 10/- each, fully paid up)	74.28	74.28
*Lying with said company under lien.		
<b>Total</b>	<b>112.81</b>	<b>117.11</b>

**12. LOANS AND ADVANCES****(₹ in lacs)**

	As at		As at	
	31.03.2017		31.03.2016	
	Long term	Short term	Long term	Short term
Loans and advances to related party (Refer Note No.29)	1457.00	-	5982.16	-
Loans to Subsidiary company (Refer Note No.30)	-	-	1300.00	-
Capital advances	304.13	-	326.65	-
Income Tax advance	-	456.01	-	456.01
Tax deducted at Source	-	359.39	-	300.11
Balance with government Authorities	-	477.39	-	210.61
Prepaid expenses	-	71.29	-	65.38
Loans to employees	-	66.74	-	72.72
Advance to suppliers	-	738.28	-	399.57
Deposits	541.93	558.14	510.16	150.84
Others	-	40.04	-	19.29
<b>Total</b>	<b>2303.06</b>	<b>2767.28</b>	<b>8118.97</b>	<b>1674.53</b>

**13. CURRENT INVESTMENTS****(₹ in lacs)**

	As at	
	31.03.2017	31.03.2016
<b>Non-trade Investments (Quoted)</b>		
a. <b>Birla Sun Life Floating Rate Long Term Growth</b> 600479.28 Units (Previous Year 972637.061 Units)	1105.27	1688.34
b. <b>Birla Sun Life Balance 95' Found - Growth</b> 27755.109 Units (Previous Year 27755.109 Units)	150.00	150.00
c. <b>Birla Sun Life Balance 95' Found - Growth DIR</b> 8709.587 Units (Previous Year 8709.587 Units)	50.00	50.00
<b>Total</b>	<b>1305.27</b>	<b>1888.34</b>

13.1 - Market Value of Investment ₹ 1445.07 Lacs ( Previous Year ₹ 1973.09 Lacs)

**14. INVENTORIES****(₹ in lacs)**

	As at	
	31.03.2017	31.03.2016
Raw Materials (In Transit ₹ 160.31 lacs; Previous Year ₹ 255.93 lacs)	1532.39	1489.12
Stocks in process	2388.33	2333.98
Finished stock	3556.44	1863.56
Stores & spares (In Transit ₹ 62.14 lacs; Previous Year ₹ 15.63 lacs)	950.51	615.53
<b>Total</b>	<b>8427.67</b>	<b>6302.19</b>

**15. TRADE RECEIVABLES****(₹ in lacs)**

	As at	
	31.03.2017	31.03.2016
<b>Trade Receivables (Unsecured)</b>		
Outstanding for a period exceeding six months from the date they are due for payment		
Considered good	533.39	520.73
Considered doubtful	267.28	59.05
	800.67	579.78
Less : Provision for doubtful debts	267.28	59.05
	533.39	520.73
Others (Considered Good)	10464.52	7188.11
<b>Total</b>	<b>10997.91</b>	<b>7708.84</b>

15.1 Includes ₹ 36.66 lacs (Previous year ₹ 1.30 lacs) under litigation for which adequate provision has been made.

15.2 Balances of trade receivables are subject to reconciliations/confirmations.

**16. CASH AND BANK BALANCES****(₹ in lacs)**

	As at 31.03.2017	As at 31.03.2016
<b>Cash and Cash equivalents</b>		
Cash on Hand	5.49	9.64
Balances with Banks	405.60	210.74
<b>Other Bank Balances</b>		
Fixed Deposit with banks	226.68	231.90
<b>Total</b>	<u>637.77</u>	<u>452.28</u>

16.1 Fixed deposits with banks include deposits of ₹ 21.35 lacs (Previous year ₹ 36.86 lacs) with original maturity of more than 12 months.

16.2 Fixed deposits with banks against margin ₹ 223.78 lacs (Previous year ₹ 210.61 lacs) are held to secure the company's non-fund based limits availed from the banks.

**17. OTHER CURRENT ASSETS****(₹ in lacs)**

	As at 31.03.2017	As at 31.03.2016
Export benefits & insurance claims receivable	286.76	216.34
Accrued interest	63.88	69.93
<b>Total</b>	<u>350.64</u>	<u>286.27</u>

**18. REVENUE FROM OPERATIONS****(₹ in lacs)**

	Year ended 31.03.2017	Year ended 31.03.2016
Sale of Products	55378.92	50349.96
Sale of Services	8.41	-
Other operating revenues	501.52	335.82
	<u>55888.85</u>	<u>50685.78</u>
Less : Excise duty	4471.85	4584.41
<b>Total</b>	<u>51417.00</u>	<u>46101.37</u>
18.1 :Particulars of sale of products		
Insulators & Metal fittings	36603.40	34754.30
Yarn & Waste	14444.63	15595.66
Terry Towels & Fabric	4330.89	-
<b>Total</b>	<u>55378.92</u>	<u>50349.96</u>
18.2 :Particulars of sale of services		
Job work Income	8.41	-
<b>Total</b>	<u>8.41</u>	<u>-</u>
18.3 :Particulars of other operating revenues		
Export Incentive	492.21	335.82
Scrap Sales	9.31	-
<b>Total</b>	<u>501.52</u>	<u>335.82</u>

**19. OTHER INCOME****(₹ in lacs)**

	Year ended 31.03.2017	Year ended 31.03.2016
Liabilities & sundry balances written back (net)	45.82	35.36
Interest Income	220.50	133.67
Foreign exchange fluctuation (net)	72.93	181.98
Miscellaneous Income (including dividend)	245.24	298.43
Profit / (Loss) on sale of Fixed Assets (net)	0.67	0.07
<b>Total</b>	<u>585.16</u>	<u>649.51</u>

**20. COST OF MATERIALS CONSUMED**

(₹ in lacs)

	Year ended 31.03.2017		Year ended 31.03.2016	
	(₹ in lacs)	% of consumption	(₹ in lacs)	% of consumption
Imported	1562.99	7.98	1384.31	8.15
Indigenous	18034.58	92.02	15603.62	91.85
<b>Total</b>	<b>19597.57</b>	<b>100.00</b>	<b>16987.93</b>	<b>100.00</b>

(₹ in lacs)

20.1 Details of Materials Consumed	Year ended 31.03.2017	Year ended 31.03.2016
Clays	1657.16	1599.20
Calcined Alumina	3005.85	2694.83
Metal Fittings	2723.70	2714.33
Polyester Chips	8417.21	8928.05
Spin Finish Oil	336.66	330.80
Cotton	1193.08	-
Fabric	446.18	-
Yarn	693.58	-
Dyes & Chemical	482.17	-
Others	641.98	720.72
<b>Total</b>	<b>19597.57</b>	<b>16987.93</b>

**21. CHANGES IN INVENTORIES OF FINISHED GOODS & STOCK IN PROCESS**

(₹ in lacs)

	Year ended 31.03.2017	Year ended 31.03.2016
Inventories at the beginning of the year		
Finished goods	1863.56	2302.55
Stock in process	2333.98	2717.77
	4197.54	5020.32
Add: Stock transferred from MTTL pursuant to the scheme of Amalgamation	1126.46	-
	5324.00	5020.32
Less: Inventories at the end of the year		
Finished goods	3556.44	1863.56
Stock in process	2388.33	2333.98
	5944.77	4197.54
<b>Total</b>	<b>(620.77)</b>	<b>822.78</b>

**22. EMPLOYEES BENEFITS EXPENSE**

(₹ in lacs)

	Year ended 31.03.2017	Year ended 31.03.2016
Salaries, Gratuity, Wages, Bonus and other allowances	5207.67	4293.71
Contribution to Provident & other Funds	453.49	356.75
Staff & Labour Welfare	81.09	61.71
<b>Total</b>	<b>5742.25</b>	<b>4712.17</b>

22.1 Disclosure in respect of employee benefits as per Accounting Standard 15 is given below:-

**Assumptions**

	Year ended 31.03.2017	Year ended 31.03.2016
- Discount rate	7.73%, 7.44% & 7.31%	8.00% & 7.96%
- Expected rate of return on assets	-	-
- Expected rate of future salary increase	5.50% & 6.50%	5.50%

	Gratuity Unfunded	Leave Encashment Unfunded	Gratuity Unfunded	Leave Encashment Unfunded	
Change in present value of obligations					
Present value of obligations as at the beginning of the year	1102.96	263.62	938.18	222.17	
Add: transferred from MTT pursuant to scheme of amalgamation	69.79	28.93	-	-	
Interest cost	93.28	23.14	72.72	17.23	
Current service cost	109.02	53.42	84.26	44.79	
Past service cost	-	-	-	-	
Benefits paid	(39.45)	(73.37)	(40.06)	(30.98)	
Actuarial loss on Obligations	104.19	34.27	47.86	10.41	
Present value of obligations as at the close of the year	<b>1439.79</b>	<b>330.01</b>	1102.96	263.62	
Change in fair value of plan assets	Not applicable		Not applicable		
Liability recognized in the Balance Sheet					
Present value of obligations as at the end of the year	1439.79	330.01	1102.96	263.62	
Fair value of plan assets as at the close of the year	-	-	-	-	
Funded status/difference	(1439.79)	(330.01)	(1102.96)	(263.62)	
Unrecognized Actuarial (Gain)/Loss	-	-	-	-	
Net Assets/(Liability) recognized in Balance Sheet	<b>(1439.79)</b>	<b>(330.01)</b>	(1102.96)	(263.62)	
Expenses recognized in statement of Profit and Loss					
Current service cost	109.02	53.42	84.26	44.79	
Past service cost	-	-	-	-	
Interest cost	93.28	23.14	72.72	17.23	
Expected return on plan assets	-	-	-	-	
Net Actuarial (Gain)/ Loss recognized during the year	104.19	34.27	47.86	10.41	
Total Expense recognized in statement of Profit and Loss	<b>306.49</b>	<b>110.83</b>	204.84	72.43	
Movement in liability recognised in the balance sheet					
Opening net liability	1102.96	263.62	938.18	222.17	
Add: transferred from MTT pursuant to scheme of amalgamation	69.79	28.93	-	-	
Expenses as above	306.49	110.83	204.84	72.43	
Benefits Paid	(39.45)	(73.37)	(40.06)	(30.98)	
Actual return on plan assets	-	-	-	-	
Acquisition adjustments	-	-	-	-	
Closing net Liability	<b>1439.79</b>	<b>330.01</b>	1102.96	263.62	
Amounts for the current and previous four periods are as follows:					
Present Value of Obligation - Gratuity	<b>31.03.2017</b>	31.03.2016	31.03.2015	31.03.2014	31.03.2013
Defined Benefit Obligation	<b>1439.79</b>	1102.96	938.18	804.99	695.16
Plan Assets	-	-	-	-	-
Unrecognised past service Cost	-	-	-	-	-
Deficit	<b>(1439.79)</b>	(1102.96)	(938.18)	(804.99)	(695.16)
Experience adjustments on plan liabilities	<b>(36.56)</b>	(47.33)	(31.63)	(33.84)	43.27
Experience adjustments on plan assets	-	-	-	-	-
The above disclosures are based on information certified by the independent actuary.					

**23. FINANCE COST****(₹ in lacs)**

	Year ended 31.03.2017	Year ended 31.03.2016
Interest Expenses	1041.73	1083.41
Other Borrowing Cost	196.64	194.41
<b>Total</b>	<b>1238.37</b>	<b>1277.82</b>

23.1 Interest includes ₹ 26.87 lacs ( Previous year ₹ 44.71 lacs) towards interest on entry tax.



**24. OTHER EXPENSES**

(₹ in lacs)

	Year ended		Year ended	
	31.03.2017		31.03.2016	
<b>MANUFACTURING EXPENSES</b>				
Power & Fuel		9605.27		8753.01
Stores & Spares Consumption		4090.66		3639.01
Packing		2853.18		2771.40
Job Charges		1322.49		665.17
Excise duty on increase/decrease in Finished Stock		66.61		(17.69)
Repairs & Maintenance:				
Plant & Machinery		928.14		771.58
Buildings		755.43		574.64
Others		38.30		31.96
Other expenses		442.02		354.54
		<u>20102.10</u>		<u>17543.62</u>
<b>ADMINISTRATIVE EXPENSES</b>				
Rent		62.43		55.99
Insurance (Net)		56.93		31.31
Rates & Taxes		17.72		9.40
Travelling & Conveyance		243.41		193.33
Legal & Professional Expenses		803.13		120.63
Telecommunication Expenses		15.87		13.90
Directors fees and Expenses		0.74		0.58
Expenditure towards Corporate Social Responsibility(CSR)activities		26.66		33.78
Payment to Auditors				
for Audit fee		2.70		2.70
for Tax Audit fee		0.90		0.90
for Expenses		2.61		2.41
Other expenses		407.47		288.40
		<u>1640.57</u>		<u>753.33</u>
<b>SELLING EXPENSES</b>				
Commission, rebates etc		143.47		159.61
Carriage outward (Net)		563.27		359.30
Bad debts written off	161.82		457.74	
Less: Provision for doubtful debts	<u>28.81</u>	133.01	<u>46.31</u>	411.43
Provision for doubtful debts		65.82		46.67
Sales Promotion & Advertisement		50.77		35.36
Insulators testing charges		115.60		79.96
Other expenses		43.96		28.65
		<u>1115.90</u>		<u>1120.98</u>
<b>OTHER EXPENSES</b>				
Lease rent on land		0.44		0.05
		<u>0.44</u>		<u>0.05</u>
<b>Total</b>		<u><u>22859.01</u></u>		<u><u>19417.98</u></u>

	Year ended		Year ended	
	31.03.2017		31.03.2016	
	₹ in lacs	(%)	₹ in lacs	(%)
24.1 Value of stores, spare parts and components consumed:				
Imported	274.56	6.71	108.17	2.97
Indigenous	3816.10	93.29	3530.84	97.03
<b>Total</b>	<u><u>4090.66</u></u>	<u><u>100.00</u></u>	<u><u>3639.01</u></u>	<u><u>100.00</u></u>

**25. EXCEPTIONAL ITEMS**

(₹ in lacs)

	Year ended 31.03.2017	Year ended 31.03.2016
FD Interest written back pursuant to the scheme of Amalgamation	503.34	-
Interest written back on account of waiver under amnesty scheme under Rajasthan Tax on entry of Goods into Local Area Act, 1999	-	456.37
	<b>503.34</b>	<b>456.37</b>

**26. CONTINGENT LIABILITIES NOT PROVIDED FOR**

(₹ in lacs)

	As at 31.03.2017	As at 31.03.2016
i) Guarantees given by bankers on behalf of the Company	1708.52	2254.98
ii) Outstanding Letters of Credit	143.45	73.18
iii) Disputed liabilities, not acknowledged as debts	511.55	112.06
iv) Disputed Income Tax demand	7.50	7.50
Deposited under protest ₹ 7.50 lacs(Previous Year ₹ 7.50 lacs)		
v) Disputed Land Tax demand	15.70	15.70
Deposited under protest ₹ 15.70 lacs(Previous Year ₹ 15.70 lacs)		
vi) Disputed Excise duty /Service Tax demands	433.80	377.90
Deposited under protest ₹ 21.07 lacs(Previous Year ₹ 20.28 lacs)		

**27. COMMITMENTS**

(₹ in lacs)

	As at 31.03.2017	As at 31.03.2016
Estimated amount of contracts remaining to be executed on capital account, not provided for (net of advances)	2409.51	2450.59

28 Profit for the year has been arrived at after adjusting prior year debits ₹ 25.42 lacs (Previous year ₹ 9.84 lacs) and prior year credits ₹ 10.00 lac (Previous year ₹ 3.69 lacs). Expenses/Income arisen/settled during the year have been charged to revenue.

29 Long term loans and advances include interest free loan of ₹ 1457 lacs (Previous year ₹ 5982.16 lacs) paid to a company covered under section 189 of Companies Act 2013 in view of proposed amalgamation, awaiting approvals from National Company Law Tribunal. (Maximum amount due at any time during the year ₹ 1457 lacs; previous year ₹ 6672.91 lacs). Since the amount paid is in connection to proposed amalgamation scheme, no terms have been specified for repayment of loan and interest. In view of likely advantage to the Company on such amalgamation, granting of such loan is not prejudicial to the interest of the company.

**30 Loan to subsidiary company:**

(₹ in lacs)

Name of the Company	As at	As at	Maximum balance during the year	
	31.03.2017	31.03.2016	31.03.2017	31.03.2016
Motile Power Trade Pvt. Ltd.	-	1300.00	1300.00	1300.00

31 Research and Development expenditure debited to the Statement of Profit and Loss by charge to relevant heads of account amounting to ₹ 391.28 lacs (previous year ₹ 401.59 lacs).

**32 Segment information as per Accounting Standard 17**

A) Primary Segment reporting (By Business Segment)

The three identified segments are

i) Insulators ii) Yarn (FDY) iii) Terry Towels

(₹ in lacs)

	Year ended 31.03.2017				Year ended 31.03.2016		
	Insulators	Yarn	Terry Towels	Total	Insulators	Yarn	Total
<b>1. Segment Revenue</b>							
Sale	36603.40	14413.76	4361.76	55378.92	34754.30	15595.66	50349.96
<b>2. Segment Result</b>							
Profit before Financial Expenses	4251.77	141.44	(458.71)	3934.50	4200.82	240.17	4440.99
Less: Financial Expenses	1224.73	4.75	8.89	1238.37	1272.38	5.44	1277.82
Profit before tax	3027.04	136.69	(467.60)	2696.13	2928.44	234.73	3163.17
<b>3. Capital Employed</b>							
Segment Assets	26475.33	10982.22	5495.00	42952.55	29325.82	10896.85	40222.67
Segment liabilities	15234.58	330.27	1295.39	16860.24	13365.77	379.69	13745.46
Capital Employed	11240.75	10651.95	4199.61	26092.31	15960.05	10517.16	26477.21

B) Secondary segment reporting (By Geographical Segment) – The analysis of Geographical segment is based on geographical location of the customers, which is domestic and export.

	Year ended 31.03.2017	Year ended 31.03.2016
<u>Revenue by Geographical market</u>		
In India	45204.28	41780.42
Other than India	10174.64	8569.54
	<u>55378.92</u>	<u>50349.96</u>
<u>Carrying Amount of Segment Assets (Trade Receivables)</u>		
In India	7780.41	5260.30
Other than India	3217.50	2448.54
	<u>10997.91</u>	<u>7708.84</u>

### 33. Related party Disclosures as per Accounting Standard 18:

- i) Related Party Relationships
  - a) Where control exists :  
Modern Denim Ltd.
  - b) Key Management Personnel :  
Shri Sachin Ranka (Chairman & Managing Director)  
Shri D.B.Deshpande (Executive Director)  
Shri H.L. Sharma (Executive Director upto 30.09.2016)
  - c) Relatives of Key Management Personnel and their enterprises where transactions have taken place:  
Shubham Corporate Advisory Services Pvt. Ltd.  
H.S. Ranka Foundation  
Smt. Smriti Ranka  
Shri Shreyans Ranka
- ii) Transactions with related parties and outstanding at the end of the year :

(₹ in lacs)

Types of related Parties	Description of the nature of the transactions	Name	Volume of transactions		Outstanding	Outstanding
			Year ended 31.03.17	Year ended 31.03.16	as on 31.03.17	as on 31.03.16
Where Control exists	Purchase of goods	Modern Terry Towels Ltd.	-	2.77	-	-
		Modern Denim Ltd.	540.37	-	-	-
	Sale of goods	Modern Denim Ltd.	7.05	0.50	-	-
		Loans & Advances given	Modern Terry Towels Ltd.	-	1967.30	-
Modern Denim Ltd.	1457.00		-	1457.00	-	
Others		Modern Terry Towels Ltd.	-	0.09	-	-
		Modern Denim Ltd.	11.17	0.45	-	-
Key Managerial Personnel	Remuneration etc.	Shri Sachin Ranka	67.20	67.20	-	-
		Shri H.L. Sharma	24.06	17.18	-	-
		Shri D.B.Deshpande	69.50	62.57	-	-
Subsidiary Companies	Loan given	Motile Power Trade Pvt. Ltd.	1300.00	-	-	1300.00
Relative of key Managerial Personnel and their enterprises	Rent paid	Shubham Corporate Advisory Services Pvt. Ltd.	15.17	6.87	-	-
		Smt. Meena Ranka	-	2.40	-	-
		Smt. Smriti Ranka	16.54	16.39	-	-
	Sale of investment	Smt. Smriti Ranka	4.30	-	-	-
	Contribution towards CSR activities	H.S. Ranka Foundation	5.00	22.50	-	-
	Remuneration	Shri Shreyans Ranka	20.25	17.40	-	-
	Fee	Shri Tara Chand Chejara	4.00	-	-	-

**34. Earning per Share as per Accounting Standard 20 :**

	Year ended 31.03.2017	Year ended 31.03.2016
i) Net profit available for equity Shareholders (₹ in lacs)	2988.46	2920.60
ii) Number of Equity Shares of ₹10/- each	47143900	21743500
iii) Basic & Diluted earning per share (₹)	6.34	13.43

**35. a) Derivatives : Outstanding as at Balance Sheet data**

Particulars	Currency	Amount in Foreign Currency		Purpose
		As at 31.03.2017	As at 31.03.2016	
Forward Contracts	USD	-	202500	Hedging for export receivables

**b) Foreign currency exposures which are not hedged as at the Balance Sheet date**

	As at 31.03.2017		As at 31.03.2016	
	Payable	Receivables	Payable	Receivables
USD	243009	1968456	248181	3086568
EURO	116001	347677	94676	628877
GBP	-	117700	-	3240

**36. (i) Value of imports (including in transit) Calculated on CIF Basis: (₹ in lacs)**

	Year ended 31.03.2017	Year ended 31.03.2016
Raw Materials	1260.96	1069.56
Components & Spare Parts	280.23	229.60
Capital Goods	57.82	-

**(ii) Expenditure in foreign currency:**

Selling Commission	27.32	26.22
Technical Consultancy	8.52	37.08
Foreign Travelling Expenses	33.28	21.85
Professional Fees	25.08	-
Others	7.86	5.66

**(iii) Earnings in foreign exchange:**

Export of goods calculated on FOB basis	10114.05	8401.79
---	----------	---------

**37. Details of Specified Bank Notes (SBN) held and transacted during the period from 8th November, 2016 to 30th December, 2016 as required vide Notification No. GSR 308 (E) dated 30.03.2017 are provided in the table below:**

Particular	(₹ in lacs)		
	SBNs	Other denomination notes	Total
Closing cash in hand as on 8-11-2016	2.71	10.15	12.86
(+) Permitted receipts	-	67.87	67.87
(-) Permitted Payments	-	62.35	62.35
(-) Amount deposited in Banks	2.71	-	2.71
Closing cash in hand as on 30-12-2016	-	15.67	15.67

**38. Previous year's figures have been regrouped and rearranged wherever necessary, to make them comparable with those of current year.**

As per our report of even date attached

 For **B.L. VERMA & CO.**  
 Chartered Accountants  
 (FRN No. 001064C)

**(B.L. VERMA)**  
 Partner  
 (Membership No. 10900)

 Place : Jaipur  
 Date : 29th May, 2017

For and on behalf of the Board

 Sachin Ranka – Chairman & Managing Director (DIN : 00335534)  
 S.B.L. Jain – Independent Director (DIN : 00002582)  
 R. Raniwala – Independent Director (DIN : 00506419)  
 T.C. Chejara – Non-Executive Director (DIN : 07619881)

 D.S. Singhvi – Chief Financial Officer  
 Gaurav Goyal – Company Secretary

Place : Ahmedabad

**CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2017**

(₹ in lacs)

Particulars	2016-2017	2015-2016
<b>(A) CASH FLOW FROM OPERATING ACTIVITIES</b>		
Net Profit before tax	2192.79	2706.80
ADJUSTMENTS FOR		
- Depreciation	992.94	825.40
- Foreign Exchange	13.98	33.52
- Interest and Bank Charges	1238.37	1277.82
- Profit/(Loss) on Sale of Fixed Assets	(0.67)	(0.07)
Operating Profit before working capital changes	4437.41	4843.47
ADJUSTMENTS FOR		
- Trade and other receivables	(3500.53)	(3824.69)
- Inventories	(920.06)	1580.94
- Trade and other payable	(147.15)	(870.12)
Cash generation from Operations	(130.33)	1729.60
Interest and bank charges paid	(1238.37)	(1277.82)
<b>Net Cash used in operating activities before exceptional items</b>	<b>(1368.70)</b>	451.78
Exceptional items	503.34	456.37
<b>Net Cash used in operating activities after exceptional items</b>	<b>(865.36)</b>	908.15
<b>(B) CASH FLOW FROM INVESTING ACTIVITIES</b>		
- Purchase of Property, Plant & Equipment (including Capital Work in Progress)	(952.50)	(465.31)
- Sale of Property, Plant & Equipment	8.70	2.36
- Investment	587.37	(303.56)
<b>Net cash used in investing activities</b>	<b>(356.43)</b>	(766.51)
<b>(C) CASH FLOW FROM FINANCING ACTIVITIES</b>		
- Proceeds from Borrowings		
Banks	1373.07	(115.61)
Other Loan	12.39	10.44
<b>Net Cash from financing activities</b>	<b>1385.46</b>	(105.17)
<b>NET CHANGES IN CASH &amp; CASH EQUIVALENTS(A+B+C)</b>	<b>163.67</b>	36.47
Cash & Cash Equivalents- Opening Balance	452.28	415.81
- Opening Balance of MTT transferred pursuant to amalgamation	21.82	-
Cash & Cash Equivalents- Closing Balance	637.77	452.28

- The Scheme of Amalgamation between MTTL and the Company did not involve any cash outflow as the Company issued Equity Shares of the Company to the Shareholders of erstwhile MTTL in terms of the Scheme.

As per our report of even date attached

For and on behalf of the Board

 For **B.L. VERMA & CO.**  
 Chartered Accountants  
 (FRN No. 001064C)

**(B.L. VERMA)**  
 Partner  
 (Membership No. 10900)

 Place : Jaipur  
 Date : 29th May, 2017

Sachin Ranka – Chairman &amp; Managing Director (DIN : 00335534)

S.B.L. Jain – Independent Director (DIN : 00002582)

R. Raniwala – Independent Director (DIN : 00506419)

T.C. Chejara – Non-Executive Director (DIN : 07619881)

D.S. Singhvi – Chief Financial Officer

Gaurav Goyal – Company Secretary

Place : Ahmedabad

### MODERN INSULATORS LIMITED

Registered Office : A-4, Vijay Path, Tilak Nagar, Jaipur-302 004  
 Phone : 0141-4113645 E-mail : modernjaipuroffice@gmail.com  
 CIN : L31300RJ1982PLC002460

### ATTENDANCE SLIP

(To be handed over at the entrance of the Meeting hall)  
**32<sup>nd</sup> Annual General Meeting-27<sup>th</sup> September, 2017**

I hereby record my presence at the THIRTY TWO ANNUAL GENERAL MEETING of the Company held at Registered Office of the Company at A-4, Vijay Path, Tilak Nagar, Jaipur-302 004 on Wednesday the 27th September, 2017 at 4:00 P.M.

Full Name of Member (IN BLOCK LETTERS) .....

Folio No./ Client ID ..... D.P. ID ..... No. of Shares held .....

Full Name of Proxy (IN BLOCK LETTERS) .....

Member's/Proxy's Signature .....

**NOTE : ADMISSION WILL BE STRICTLY PERMITTED FOR SHAREHOLDERS/VALID PROXY HOLDERS ONLY.**



### MODERN INSULATORS LIMITED

Registered Office : A-4, Vijay Path, Tilak Nagar, Jaipur-302 004  
 Phone : 0141-4113645 E-mail : modernjaipuroffice@gmail.com  
 CIN : L31300RJ1982PLC002460

### PROXY FORM

Name of the member(s) : .....

Registered Address : .....

E-mail ID : ..... Folio No./Client Id : .....

DP ID : .....

I/We, being the members(s) of ..... Shares of the Modern Insulators Limited, hereby appoint.

1. Name : ..... Address : .....

Email ID : ..... Signature : ....., or failing him

2. Name : ..... Address : .....

Email Id : ..... Signature : ....., or failing him

3. Name : ..... Address : .....

E mail Id : ..... Signature : .....

as may/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 32nd Annual General Meeting of the Company, to be held on Wednesday, the 27th September, 2017 at 4:00 P.M. at A-4, Vijay Path, Tilak Nagar, Jaipur - 302 004 and at any adjournment thereof in respect of such resolutions as are indicated below :

Resolution No.

1 ..... 2 ..... 3 ..... 4 ..... 5 ..... 6 ..... 7 ..... 8 ..... 9 .....

Signed this ..... day of ..... 2017.

Signature of Shareholder : .....

Signature of Proxy Holder(s) : .....

Affix Re 1/- Revenue Stamp
-------------------------------------

**Note : This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company at A-4, Path, Tilak Nagar, Jaipur-302 004 not less than FORTY EIGHT HOURS before the commencement of the meeting.**



**Route Map to the venue of AGM**



**Book Post  
(Printed Matter)**

*If undelivered please return to :*



**Modern Insulators Limited  
A-4, Vijay Path, Tilak Nagar,  
Jaipur-302 004 (India)**