

**ANNUAL REPORT
2018-2019**



Modern
INSULATORS LIMITED

NOTICE

NOTICE is hereby given that the 34th Annual General Meeting of the Members of Modern Insulators Limited will be held on Friday the 27th September, 2019 at 11.00 A.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 receive, consider and adopt the Audited Financial Statements of the Company for the year ended 31st March, 2019 and the reports of the Board of Directors and Auditors thereon.
- (2) To appoint a director in place of Shri Shreyans Ranka (DIN: 06470710), who retires by rotation and being eligible, offers himself for re-appointment.

B. SPECIAL BUSINESS

- (3) **To re-appoint Shri R. Raniwala as Independent Director of the Company**

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

"RESOLVED THAT pursuant to the provisions of Sections 149 and 152 read with Schedule IV and other applicable provisions, if any, of the Companies Act, 2013 ("the Act") and the Companies (Appointment and Qualification of Directors) Rules, 2014 and the applicable provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force), Shri R. Raniwala (DIN: 00506419), who was appointed as an Independent Director and who holds office of Independent Director being eligible, and in respect of whom the Company has received a notice in writing under Section 160 of the Act from a member proposing his candidature for the office of Director, be and is hereby re-appointed as an Independent Director of the Company w.e.f 01/04/2019, not liable to retire by rotation and to hold office for a second term on the Board of the Company and shall hold office up to the conclusion of 38th General Meeting."

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

- (4) **To appoint Shri S. K. Sharma as an Independent Director of the Company**

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

"RESOLVED THAT pursuant to the provisions of Sections 149, 152 and any other applicable provisions of the Companies Act, 2013 and rules made there under (including any statutory modification(s) or re-enactment thereof for the time being in force) read with Schedule IV of the Companies Act, 2013, approval of the members of the company be and is hereby given to the appointment of Shri Sureshkumar Mohanlal Sharma (DIN: 01378040), who was appointed by the Board of Directors as an Additional Director (Non Executive Independent) of the Company with effect from April 01, 2019 pursuant to the provisions of section 161(1) of the Companies Act, 2013 and pursuant to the applicable Articles of Association of the company, and who holds office upto the date of this Annual General Meeting of the Company in terms of Section 161 of the

Companies Act, 2013 and who has submitted a declaration that he meets the criteria of the independent directorship as provided in section 149(6) of the Act, who is eligible for appointment, on recommendation of the Nomination and Remuneration Committee, and in respect of whom the Company has received a notice in writing under Section 160 of the Act from a member proposing his candidature for the office of Director, be and is hereby appointed as an Independent Non Executive Director of the Company, who shall hold office for a period of five years from the date of appointment and whose office shall not, henceforth, be liable to retire by rotation.

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

- (5) **To ratify the remuneration of Cost Auditors for the financial year ending March 31, 2020**

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

"RESOLVED THAT pursuant to the provisions of Section 148 and 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, 2020, be paid the remuneration of Rs. 50,000/- and reimbursement of expenses upto Rs. 25,000/- be and is hereby ratified and approved."

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

- (6) **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. 10575 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. 4025 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."

(7) Loans and advances to Modern Medisciences Private Limited under Section 185 of Companies Act, 2013

To consider and if thought fit, to pass the following resolution as a Special Resolution:

"RESOLVED THAT pursuant to the provisions of Sections 185 of the Companies Act, 2013 ("Act") read with Companies (Meetings of Board and its Powers) Rules, 2014 (including any statutory modification(s), amendment(s) or re-enactment(s) thereof for the time being in force) and other applicable provisions of the Act and the rules and regulations made thereunder and the enabling provisions of the Memorandum and Articles of Association of the Company, consent of the members

be and is hereby accorded to grant a loan ("Proposed Loan") up to Rs. 10 Crores to Modern Medisciences Private Limited ("MMPL") (CIN No. U24290MH2019PTC324345), in one or more tranches, for meeting its day to day working capital requirements, on such terms and conditions as may be mutually agreed between the Company and MMPL.

"RESOLVED FURTHER THAT the Board of Directors and/or Company Secretary of the Company be and is hereby authorized to do or cause to be done all such acts, deeds and things, settle any queries, difficulties, doubts that may arise with regard to any transaction with the related party, finalise the terms and conditions and execute such agreements, documents and writings and to make such filings as may be necessary, expedient and desirable", in order to give effect to this Resolution in the best interest of the Company."

By the Order of the Board

Place : Mumbai
 Date : 14th August, 2019

(Gaurav Goyal)
 Company Secretary

Notes:

1. The Explanatory Statement pursuant to Section 102 and/or any other applicable provisions of the Companies Act, 2013 setting out the material facts in respect of Item No. 3 to 6 set out in the Notice and the details under Regulation 36(3) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and clause 1.2.5 of Secretarial Standards on the General Meeting (SS-2) issued by the Institute of Company Secretaries of India, in respect of the person(s) seeking appointment/re-appointment as Director at the Annual General Meeting, is annexed hereto.
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. In terms of Section 105 of the Companies Act, 2013, a person can act as proxy on behalf of not more than fifty members holding in the aggregate, not more than ten percent of the total share capital of the Company. In case a proxy is proposed to be appointed by a Member holding more than 10% of the total share capital of the Company carrying voting rights, then such proxy shall not act as a proxy for any other person or Member.
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. Only bonafide members of the Company whose names appear on the Register of Members/Proxy holders, in possession of valid attendance slips duly filled and signed will be permitted to attend the meeting. The Company reserves its right to take all steps as may be deemed necessary to restrict non-members from attending the meeting.
7. Details of Directors retiring by rotation/seeking re-appointment at the ensuing Meeting are provided in the "Annexure" to the Notice.
8. The Share transfer books and Register of members shall remain closed from 20th September, 2019 to 27th September, 2019 (both days inclusive) in connection with the Annual General Meeting.
9. As per the provisions of Section 72 of the Act, the facility for making nomination is available for the Members in respect of the shares held by them. Members who have not yet registered their nomination are requested to register the same by submitting Form No. SH - 13. Members are requested to submit the said details to their depository participants ("DPs") in case the shares are held by them in electronic form and to Beetal in case the shares are held by them in physical form.
10. 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.
11. Members holding shares in physical form are advised to submit particulars of their bank account, viz. name and address of the branch of the bank, MICR code of the branch, type of account and account number to our Registrar and Share Transfer Agent, Beetal Financial & Computer Service Pvt. Ltd. Beetal House, 3rd Floor, 99 Madangir, Behind LSC, New Delhi-110062.
12. 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.
13. Members who are holding shares in physical form in identical order of names in more than one folio are requested to send to the Company or Company's Registrar and Share Transfer Agent the details of such folios together with the share certificates for consolidating their holding in one folio. The share certificates will be returned to the members after making requisite changes, thereon. Members are requested to use the share transfer form SH-4 for this purpose.
14. The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every

participant in securities market. Members holding shares in electronic form are, therefore, requested to submit the PAN to their Depository Participants with whom they are maintaining their demat accounts. Members holding shares in physical form can submit their PAN details to the registrar and Share transfer Agent.

15. SEBI has also mandated that for registration of transfer of securities, the transferee(s) as well as transferor(s) shall furnish a copy of their PAN card to the Company for registration of transfer of securities.
16. SEBI Notification No. SEBI/LAD-NRO/GN/2018/24 dated June 8, 2018 and further amendment vide Notification No. SEBI/LAD-NRO/GN/2018/49 dated November 30, 2018, requests for effecting transfer of securities (except in case of transmission or transposition of securities) shall not be processed from April 1, 2019 unless the securities are held in the dematerialized form with the depositories. Therefore, Shareholders are requested to take action to dematerialize the Equity Shares of the Company, promptly.
17. Non-resident Indian shareholders are requested to inform about the following immediately to the Company or its Registrar and Share Transfer Agent or the concerned Depository Participant, as the case may be, immediately of:
 - a. The change in the residential status on return to India for permanent settlement.
 - b. The particulars of the NRE account with a Bank in India, if not furnished earlier.
18. 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 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 2019 will also be available on the Company's website www.moderninsulators.com.
19. The Statutory Registers maintained under the provisions of the Companies Act, 2013, will be available for inspection by the Members at the AGM.
20. Members are requested to send all communications relating to shares and unclaimed dividends, 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
21. A Member desirous of getting any information on the accounts of the Company is requested to forward his request to the Company at least 10 days prior to the Meeting so that the required information can be made available at the Meeting.
22. A route map showing directions to reach the venue of the Annual General Meeting is given with the Annual Report.
23. **Voting**

All persons whose names are recorded in the Register of Members or in the Register of Beneficial Owners maintained by the Depositories as on the cut-off date i.e. 20th September, 2019 only shall be entitled to vote at the General Meeting by availing the facility of remote e-voting or by voting at the General Meeting.

(I) 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 members who have cast their vote by remote e-voting prior to the AGM may also attend the AGM but shall not be entitled to cast their vote again.
4. The remote e-voting period commences on Tuesday, 24th September, 2019 (9:00 am) and ends on Thursday, 26th September, 2019 (5:00 pm). During this period members of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date of Friday, 20th September, 2019, may cast their vote by remote e-voting. The remote e-voting module shall be disabled by NSDL for voting thereafter. Once the vote on a resolution is cast by the member, the member shall not be allowed to change it subsequently.
5. 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.
6. The Results shall be declared within 48 hours after the Annual General Meeting of the Company. The results declared along with the Scrutinizer's Report shall be placed on the company's website www.moderninsulators.com and on the website of NSDL www.evoting.nsdl.com and the same shall also be communicated to BSE Limited.
7. 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, 2019 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
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 24th September, 2019 (9:00 am) and ends on 26th September, 2019 (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/Mr. Nadeem Zaki
- Phone: 0141-4113645
 Email Id: - 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 with a copy to evoting@nsdl.co.in.
12. In case of any queries, you may refer to the Frequently Asked Questions (FAQs) for members 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

Shri R. Raniwala was appointed as an Independent Non-Executive Director of the Company by the members at the 29th AGM of the Company held on 27th September, 2014 for a period of five consecutive years. As per Section 149(10) of the Act, an Independent Director shall hold office for a term of upto five consecutive years on the Board of a Company, but shall be eligible for re-appointment on passing a special resolution by the Company for another term of upto five consecutive years on the Board of a Company.

Based on recommendation of Nomination and Remuneration Committee and in terms of the provisions of Sections 149, 150, 152 read with Schedule IV and any other applicable provisions of the Act and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, Shri R. Raniwala, being eligible for re-appointment as an Independent Director and is proposed to be re-appointed as an Independent Director for second term of five consecutive years from 1st April, 2019 not liable to retire by rotation and to hold office for a second term on the Board of the Company and shall hold office up to the conclusion of 38th General Meeting.

The Company has received declaration from him stating that he meets the criteria of Independence as prescribed under sub-section (6) of Section 149 of the Companies Act, 2013 and Regulation 16(1)(b) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. He has also given his consent to continue to act as Director of the Company, if so appointed by the members.

In the opinion of the Board, Shri R. Raniwala fulfils the conditions specified under Section 149 (6) of the Act, the Companies (Appointment and Qualification of Directors) Rules, 2014 and Regulation 16(1)(b) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 for his reappointment as an Independent Non-Executive Director of the Company and is independent of the management. The Board considers that his continued association would be of immense benefit to the Company and it is desirable to continue to avail services of Shri R. Raniwala as an Independent Director.

The Company has also received notices in writing from member in terms of Section 160 of the Act his candidature to be appointed as director in this Annual General Meeting.

The disclosure relating to Shri R. Raniwala, 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 Special Resolutions set out at Item No. 3 of this Notice for the approval by the Members.

Save and except the above, none of the other Directors or key managerial personnel of the Company or their relatives are in any way concerned or interested, in the resolution set out at Item No. 3.

Item No. 4

The Board of Directors has appointed Shri S.K. Sharma as Additional Director in category of Non-Executive Independent Director with effect from 01/04/2019. In terms of provisions of Section 161 of the Companies Act, 2013, he will hold office up to the date of this Annual General Meeting. In terms of Section 149 of the Companies Act, 2013 ("the Act") read with the Companies (Appointment and Qualification of Directors), Rules 2014, an Independent Director shall hold office for a period upto Five consecutive years and shall not be liable to retire by rotation.

Shri S.K. Sharma is not disqualified from being appointed as Director in terms of Section 164 of the Act and has given her consent to act as Director. The Company has received declaration that she meets the criteria of Independence as prescribed under Section 149(6) of the Act and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

The Board of Directors considered the matter of her appointment in its meeting held on April 01, 2019 and felt that her association would be of immense benefit to the Company and proposed her appointment as Independent Director under Section 149 of the Act, whose office shall not be liable to retirement by rotation, to hold office for a term of Five years commencing from April 01, 2019 upto March 31, 2024. In the opinion of the Board, she fulfill the conditions of appointment as an Independent Director as specified in the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015. The Company has received notices in writing from member in terms of Section 160 of the Act his candidature to be appointed as director in this Annual General Meeting.

The disclosure relating to Shri S. K. Sharma, 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 resolution set out at Item No. 4 as an ordinary resolution to the Shareholders for their approval

Save and except the above, none of the other Directors or key managerial personnel of the Company or their relatives are in any way concerned or interested, in the resolution set out at Item No. 4.

Item No. 5

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, 2020.

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, 2020.

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. 5 for approval of the members.

Item No. 6

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, 2013.

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.

Item No. 7

The Company has received a request from Modern Medisciences Private Limited ("MMPL") to grant financial assistance ("Proposed Loan") for meeting day to day working capital requirements of the Company. In terms of Section 185 of the Act (as amended by Companies (Amendment) Act, 2017 and notified by Ministry of Corporate Affairs vide notification dated May 7, 2018), the Proposed Loan requires the approval of the members of the Company by way of a Special Resolution. Further, approval of the members of the Company shall not be required in terms of Section 186 of the Act, as the quantum of the loan is within the prescribed threshold.

The background of the Proposed Loan request is provided below:-

The Company's business mainly comprises of (a) manufacturing of

healthcare products and (b) Clinical laboratories

The key particulars are per proviso (a) of Section 185 (2) of the Companies Act, 2013 of the Proposed Loan are as under -

Particulars	Information
Name of the Related party	Modern Medisciences Pvt. Ltd.
Name of Director(s) or Key Managerial Personnel who is related	1. Shri Sachin Ranka Chairman & Managing Director 2. Shri Shreyans Ranka, Executive Director
Nature of relationship	Shri Sachin Ranka and Shri Shreyans Ranka are relative of Mrs. Aditi Ranka and Mrs. Sanjana Bafna
Purpose	Financial assistance for meeting day to day working capital requirements of the Company
Total Limit	Rs. 10 Crore
Nature of Loan	Demand Loan
Interest	11% p.a.

A copy of the draft Loan Term Sheet will be available for inspection by the members, free of cost, at the Registered Office of the Company during business hours on all working days, excluding Saturday and Sunday, between 11.00 AM to 1.00 PM up to the date of the AGM and also at the venue of the AGM.

None of the Directors, except Shri Sachin Ranka, Shri Shreyans Ranka, Mrs. Aditi Ranka, or Key Managerial Personnel of the Company and their relatives are concerned or interested, financially or otherwise, in this resolution.

This Board is of the opinion that the Proposed Loan is in the best interests of the Company, and therefore, recommends the Resolution set out in the Notice for the approval of the members to be passed as Special Resolution.

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 Shreyans Ranka	Shri R. Raniwala	Shri S.K. Sharma
DIN	06470710	00506419	01378040
Date of Birth	21/02/1988	25/01/1956	06/06/1948
Qualifications	Bachelor in Industrial Engineering from University of Illinois at Urbana-Champaign, USA & Masters in Management at Imperial Business School, London	Chartered Accountant	B.Sc and LLB
Expertise in Specific area	Finance & Corporate Management	Finance and Accounts	Finance, Legal and Management
Date of First appointment on the Board of the Company	01/04/2018	29/06/2012	01/04/2019
Relationship with other Director	Son of Shri Sachin Ranka (Chairman & Managing Director)	None	None
Shareholding in the Company	500	Nil	Nil
Directorship held in other Public companies	Nil	Nil	Modern Denim Limited
Chairman/ Member in the Committees of the Boards of companies in which he is Director	Nil	Chairman of the Audit Committee and Stakeholders Relationship Committee of the Company	Chairman of the Audit Committee of Modern Denim Limited

DIRECTORS' REPORT AND MANAGEMENT DISCUSSION AND ANALYSIS

The Members

Your Directors are pleased to present the 34th Annual Report on the business and operations of the Company together with the Audited Financial Statements for the year ended 31st March, 2019.

FINANCIAL PERFORMANCE

(₹ in Crores)

Particulars	Year ended 31.03.2019	Year ended 31.03.2018
Revenue from Operations	440.05	408.94
Other Income	8.29	7.05
Total revenue	448.34	415.99
Profit before finance cost and depreciation	44.62	39.57
Finance cost	11.05	11.73
Depreciation	10.06	10.01
Profit before exceptional items & tax	23.51	17.83
Exceptional Items	–	–
Profit before tax	23.51	17.83
Tax expense	(2.01)	1.20
Profit after tax	25.52	16.63
Other comprehensive income (Net of tax)	(0.66)	(0.23)
Total comprehensive income	24.86	16.86
Retained earnings at the beginning of the year	169.16	152.30
Retained earnings at the end of the year	194.02	169.16

OPERATIONS

The overall performance of the Company has been satisfactory inspite of challenging business environment. Various factors have contributed for satisfactory performance of your Company inter alia optimization and improvement in operational efficiency thereby improvement in productivity, continuous efforts for production of value added insulators etc. The revenue from operation for the year has been ₹ 440.05 crores as against 408.94 crores in previous year and net profit for the year stood at ₹ 24.86 crores as against ₹ 16.86 crores as compared to previous year.

There are no material changes or commitments affecting the financial position of the Company which have occurred between the end of the financial year and the date of this Report.

Insulators Division

During the year under review, the division has achieved a turnover of ₹ 392.51 crores as against ₹ 365.40 crores and profit before interest & depreciation of ₹ 50.76 crores as against ₹ 47.05 crores of previous year.

Terry Towels Division

The turnover of this division has been ₹ 47.54 crores as against ₹ 43.53 crores and loss before interest & depreciation has been ₹ 6.14 crores as against ₹ 7.48 crores. The division has shown marginal improvement in performance however incurred losses mainly due to lower capacity utilization.

EXPORTS

The company is one of the major exporters of H.T. Porcelain Insulators from India. The Company has achieved export turnover of ₹ 98 crores

during the year as compared to ₹ 92 crores in previous year. During the whole year export has sustained on satisfactory level because of good quality and timely delivery. In addition we also tapped & revived potential customers especially from Europe, USA, Turkey and Russia market. To become competitive in international market, the company is doing tremendous efforts by exploring new market for insulators with RTV coating & by developing high strength insulators. This would help the company to strengthen the ability to cater the diverse needs of global customers and strengthen its presence in all corners of global market. The company is also continuously focusing on economize the manufacturing by way of R&D activities, better process control and getting optimum utilization of its productive resources so that products of the insulator division remain competitive in terms of quality and price in the international market. These steps will help export turnover to increase in coming years.

Your company is a regular supplier to all the major multinational OEMs for their world wide requirements of quality Porcelain Insulators. Although, Market opportunities are shifting towards developing countries i.e. Asia, Africa & South America. Therefore your company needs to explore these markets to enhance the export business. In addition, your company needs to introduce more automation in manufacturing to increase reliability of process and cost effective manufacturing.

DIVIDEND AND RESERVES

During the year under review, no amount from the profit is 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.

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 as insulator demand is expected to improve in medium term with Central Electrical authority targeting to upgrade the distribution lines and adding new substations. Railway electrification in the country also is on full swing and we are expecting substantial growth in current year. We are putting our efforts to promote LRI to all potential SEBs 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, CT, CVT & PT, 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, buoyed by 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 and 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.

ALLOTMENT OF SHARES BY MODERN POLYTEX LIMITED PURSUANT TO DEMERGER OF YARN DIVISION OF THE COMPANY

Your Company has filed application in BSE for fixing of record date for allotment of shares of Modern Polytex Limited (MPL) which is in process and your Company and MPL are taking effective steps to complete the formalities relating to allotment of shares of MPL pursuant to demerger of Yarn Division of the Company and thereafter the listing of the same.

STRATEGIC INITIATIVES

In June 2016, the Board of Directors of your Company approved the merger/amalgamation of Modern Denim Limited with the Company under the ambit of Board for Industrial & Financial Reconstruction (BIFR). Modern Denim Limited was a sick Company and the same was registered with BIFR under the provision of Sick Industrial Companies (Special Provisions) Act, 1985 (SICA). However, SICA stood repealed and BIFR stand dissolved in terms of Sick Industrial Companies (Special Provisions) Repeal Act, 2003. In view of repeal of SICA the Company is in process of filing application in NCLT/Stock Exchange for merger of Modern Denim Limited with the Company for its revival. The consolidation of two companies will facilitate savings in the administrative cost and also beneficial in terms of saving of Income Tax under the provisions of the Income Tax Act, 1961.

SUBSIDIARY, ASSOCIATES AND JOINT VENTURE COMPANIES

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

SHARE CAPITAL

The paid up Equity Share Capital as at March 31, 2019 stood at ₹ 47.14 crores. During the year under review, the Company has not issued shares with differential voting rights nor has granted any stock options or sweat equity or warrants. As on March 31, 2019, none of the Directors of the Company hold instruments convertible into equity shares of the Company.

FINANCE AND ACCOUNTS

As mandated by the Ministry of Corporate Affairs, the financial statements for the year ended on March 31, 2019 has been prepared in accordance with the Indian Accounting Standards (Ind AS) notified under Section 133 of the Companies Act, 2013 (hereinafter referred to as "The Act") read with the Companies (Accounts) Rules, 2014 as amended from time to time. The estimates and judgments relating to the Financial Statements are made on a prudent basis, so as to reflect in a true and fair manner, the form and substance of transactions and reasonably present the Company's state of affairs, profits and cash flows for the year ended March 31, 2019. The Notes to the Financial Statements form an integral part of this Report.

CORPORATE GOVERNANCE

As per Regulation 34(3) read with Schedule V of the Listing Regulations, a separate section on corporate governance practices followed by the Company, together with a certificate from Practicing Company Secretary confirming compliance forms an integral part of this Report.

PARTICULAR OF LOANS, GUARANTEES AND INVESTMENT

Pursuant to the provisions of Section 186 of the Companies Act, 2013 and schedule V of SEBI (LODR) Regulations, 2015, 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 rules issued thereunder.

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 and, as such, no amount of principal or interest was outstanding, as on the date of the Balance Sheet. 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

All transactions entered with Related Parties for the year under review were on arm's length basis. Further, there are no material related party transactions during the year under review with the Promoters, Directors or Key Managerial Personnel. All Related Party Transactions are placed before the Audit Committee for approval. Omnibus approval was obtained on a yearly basis for transactions which are of repetitive nature. A statement giving details of all Related Party Transactions are placed before the Audit Committee and the Board for review and approval on a quarterly basis.

The details of contracts and arrangement with related parties for the financial year ended 31st March, 2019, are given in Note No. 39 to the Financial Statements forming part of this Annual Report.

Form AOC-2 pursuant to Section 134 (3) (h) of the Companies Act, 2013 read with Rule 8(2) of the Companies (Accounts) Rules, 2014 is set out in the Annexure 'A' to the Report.

The Policy on Related Party Transactions as approved by the Board of Directors has been uploaded on the website of the Company and can be seen at the link <http://www.moderninsulators.com>. None of the Directors has any pecuniary relationship or transactions vis-à-vis the Company except remuneration and sitting fees.

DIRECTORS

Subject to the approval of the shareholders, the Board has, on the recommendation of the Nomination and Remuneration Committee, appointed Shri S. K. Sharma (DIN: 01378040) as an Additional Director under the category Independent Director of the Company w.e.f. 1st April, 2019. As an Additional Director, Shri S. K. Sharma 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 requisite notice in writing from a member proposing Shri S. K. Sharma, signifying his candidature for appointment as a Director at the ensuing AGM. Accordingly, the Board recommends the resolution in relation to appointment of Shri S. K. Sharma as a Non-executive Independent Director, for the approval by the members of the Company. Brief profile of Shri S. K. Sharma has been given in the Notice convening the Annual General Meeting.

During the year under review, the Board accepted the request of Shri D.B. Deshpande (DIN: 06463412), for an early retirement from the office of the Executive Director, with effect from 15th February, 2019. The Board placed on record its deep appreciation for the valuable contribution and services rendered by Shri D.B. Deshpande during his association with the Company.

During the year under review, the Board accepted the resignation of Shri P.K. Rao (DIN: 00465202), from the office of the Independent Director, with effect from 01st April, 2019. The Board placed on record its deep appreciation for the valuable contribution and services rendered by Shri P.K. Rao during his association with the Company.

During the year, Shri S.B.L. Jain (DIN: 06463412), ceased to be associated with the Company as an Independent Director of the Company w.e.f. from 01st April, 2019 due to his expiration of term of his office. The Board placed on record its deep appreciation for the valuable contribution and services rendered by Shri S.B.L. Jain during his association with the Company.

All Independent Directors of the Company have given declarations that they meet the criteria of independence as laid down under Section 149(6) of the Act and Regulation 16(1) (b) of the Listing Regulations. In the opinion of the Board, the Independent Directors, fulfil the conditions of independence specified in Section 149(6) of the Act and Regulation 16(1) (b) of the Listing Regulations. The Independent Directors have also confirmed that they have complied with the Company's Code of Business Conduct & Ethics.

KEY MANAGERIAL PERSONNEL

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 Shreyans Ranka, Whole Time Director, Shri Dinesh Singh 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.

BOARD EVALUATION

Pursuant to the provisions of the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, a structured criteria and framework adopted by the Board after taking into consideration the various aspects of the Board's functioning, composition of the Board and its Committees, culture, execution and performance of specific duties, obligations and governance.

The performance evaluation of the Independent Directors was completed during the year under review. The performance evaluation of the Chairman and the Non-Independent Directors was carried out by the Independent Directors and Non-Executive Directors. The Board of Directors expressed their satisfaction with the evaluation process.

FAMILIARISATION PROGRAMME FOR DIRECTORS

The Board has also laid down a policy for familiarisation of the Independent Directors with the operations of the Company, as well as, to make them aware about their rights, responsibilities and liabilities as an Independent Director.

The details of the Policy on Familiarisation Programme of the Independent Directors along with an overview of the familiarisation programmes conducted for the Independent Directors of the Company are available on the website of the Company and can be accessed at the link: www.moderninsulators.com.

MEETING OF THE BOARD

During the year 2018-19, four Board Meetings were held, on 29th May, 2018, 14th August, 2018, 14th November, 2018 and 14th February, 2019. Further details on the Board Meetings are provided in the Corporate Governance Report, forming part of this Annual Report.

COMMITTEES OF THE BOARD

The Board of Directors has the following Committees:

1. Audit Committee
2. Remuneration and Nomination Committee
3. Stakeholders' Relationship Committee
4. Corporate Social Responsibility Committee

The details of the Committees along with their composition, number of meetings held and attendance at the meetings are provided in the Corporate Governance Report.

DIRECTORS' RESPONSIBILITY STATEMENT

To the best of knowledge and belief and according to the information and explanations obtained by them, your Directors make the following statement in terms of Section 134(3)(c) read with section 134 (5) of the Companies Act, 2013:

- (a) that in the preparation of the Annual Accounts for the year ended 31st March, 2019, the applicable accounting standards have been followed alongwith proper explanation relating to material departures, if any;
- (b) 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;
- (c) 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;
- (d) The annual accounts have been prepared on a going concern basis;
- (e) 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;
- (f) 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 R. B. Verma & Associates, Chartered Accountants, Jaipur (ICAI Firm Registration No. 012650C) were appointed as Statutory Auditors of the Company for a period of five consecutive years at the Annual General Meeting (AGM) of the Members held on June 05, 2017 on a remuneration mutually agreed upon by the Board of Directors and the Statutory Auditors. Their appointment was subject to ratification by the Members at every subsequent AGM held after the AGM held on September 27, 2017. Pursuant to the amendments made to Section 139 of the Companies Act, 2013 by the Companies (Amendment) Act, 2017 effective from May 7, 2018, the requirement of seeking ratification of the Members for the appointment of the Statutory Auditors has been withdrawn from the Statute. Hence the resolution seeking ratification of the Members for continuance of their appointment at this AGM is not being sought.

The observations made in the Auditors' Report read together with relevant notes thereon are self explanatory and hence, do not call for any further comments under Section 134 of the Companies Act, 2013.

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 has appointed M/s ATCS & Associates, Company Secretaries, Jaipur to conduct the secretarial audit for the financial year 2018-19. The Secretarial Audit Report, issued by M/s ATCS & Associates, Company Secretaries for the financial year 2018-19, forms part of this Report, and is set out in Annexure 'B' 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

As per the requirements of the Section 148 of the Act read with the Companies (Cost Records and Audit) Rules, 2014 as amended from time to time, your Company is required to maintain cost records and accordingly, such accounts are made and records have been maintained. The Board at its meeting held on 30th May, 2019, 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 2019-20. 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.

Internal Auditors

M/s S. Garg & Co., Chartered Accountants are the Internal Auditors of the Company. Internal Audit Report, their significant findings and follow up actions taken by the management is reviewed by the Audit Committee on a quarterly basis.

EXTRACT OF ANNUAL RETURN

The extract of the Annual Return of the Company as on 31st March, 2019 in Form MGT - 9 in accordance with Section 92 (3) of the Companies Act, 2013 read with Companies (Management and Administration) Rules, 2014, is annexed as Annexure 'C' which forms an integral part of this Report and is also available on the Company's website viz. www.moderninsulators.com.

NOMINATION AND REMUNERATION POLICY

The Board of Directors has framed a policy which lays down a framework in relation to remuneration of Directors, Key Managerial Personnel and Senior Management of the Company. The Policy broadly lays down the guiding principles, philosophy and the basis for payment of remuneration to Executive and Non-executive Directors (by way of sitting fees and commission), Key Managerial Personnel, Senior Management and other employees. The policy also provides the criteria for determining qualifications, positive attributes and Independence of Director and criteria for appointment of Key Managerial Personnel/ Senior Management and performance evaluation which are considered by the Nomination and Remuneration Committee and the Board of Directors while making selection of the candidates. The above policy has been posted on the website of the Company at www.moderninsulators.com

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.

RISK MANAGEMENT

Risk management is embedded in your Company's operating framework. Your Company believes that managing risks helps in maximizing returns. The Company's approach to addressing business risks is comprehensive and includes periodic review of such risks and a framework for mitigating controls and reporting mechanism of such risks. The risk management framework is reviewed periodically by the Board and the Audit Committee.

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 FINANCIAL CONTROL SYSTEMS AND THEIR ADEQUACY

Your Company has an effective internal control and risk-mitigation system, which are constantly assessed and strengthened with new/revised standard operating procedures. The Company's internal control system is commensurate with its size, scale and complexities of its operations. The internal and operational audit is entrusted to M/s S. Garg & Co., Chartered Accountants. The main thrust of internal audit is to test and review controls, appraisal of risks and business processes, besides benchmarking controls with best practices in the industry.

The Audit Committee of the Board of Directors actively reviews the adequacy and effectiveness of the internal control systems and suggests improvements to strengthen the same. The Company has a robust Management Information System, which is an integral part of the control mechanism.

The Audit Committee of the Board of Directors, Statutory Auditors and the Business Heads are periodically apprised of the internal audit findings and corrective actions taken. Audit plays a key role in providing assurance to the Board of Directors. Significant audit observations and corrective actions taken by the management are presented to the Audit Committee of the Board. To maintain its objectivity and independence, the Internal Audit function reports to the Chairman of the Audit Committee.

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.

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 ₹ 41.32 Lacs. The Annual Report on CSR activities is given in Annexure 'D' to this Report.

ENVIRONMENT, HEALTH AND SAFETY

The Company is conscious of the importance of environmentally clean and safe operations. The Company's policy requires conduct of operations in such a manner so as to ensure safety of all concerned, compliances of environmental regulations and preservation of natural resources.

In order to comply with provisions of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 and Rules framed thereunder, the Company has formulated and implemented a policy on prevention, prohibition and redressal of complaints related to sexual harassment of women at the workplace. All women employees either permanent, temporary or contractual are covered under the above policy. The said policy has been uploaded on the internal portal of the Company for information of all employees. An Internal Complaint Committee (ICC) has been set up in compliance with the said Act. During the year under review, company has not received any complaint.

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 'E' to this Report.

HUMAN RESOURCES AND INDUSTRIAL RELATIONS

The Company takes pride in the commitment, competence and dedication of its employees in all areas of the business. The Company has a structured induction process at all locations and management development programs to upgrade skills of managers. Objective appraisal systems based on key result areas (KRAs) are in place for senior management staff.

The Company is committed to nurturing, enhancing and retaining its top talent through superior learning and organizational development. This is a part of our Corporate HR function and is a critical pillar to support the organization's growth and its sustainability in the long run.

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 'F' 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. 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.

SECRETARIAL STANDARDS

The Company has complied with the applicable Secretarial Standards issued by the institute of Company Secretaries of India.

CAUTIONARY STATEMENT

Statements in this Directors' Report and Management Discussion and Analysis describing the Company's objectives, projections, estimates, expectations or predictions may be "forward-looking statements" within the meaning of applicable securities laws and regulations. Actual results could differ materially from those expressed or implied. Important factors that could make difference to the Company's operations include raw material availability and its prices, cyclical demand and pricing in

the Company's principal markets, changes in Government regulations, Tax regimes, economic developments within India and the countries in which the Company conducts business and other ancillary factor.

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;
- 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
- There was no instance of fraud during the year under review, which required the statutory auditors to report to the audit committee and/

or board under section 143 (12) of the Act and the rules framed thereunder.

APPRECIATION

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.

For and on behalf of the Board of Directors

Sachin Ranka

Chairman & Managing Director

DIN: 00335534

Place : Abu Road

Date : 30th May, 2019

Annexure A to Boards' Report FORM NO. AOC. 2

Form for disclosure of particulars of contracts/arrangements entered into by the company with related parties referred to in sub-section (1) of section 188 of the Companies Act, 2013 including certain arms length transactions under third proviso thereto
(Pursuant to clause (h) of sub-section (3) of section 134 of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014)

1. Details of contracts or arrangements or transactions not at arm's length basis

There were no contracts or arrangements or transactions entered into during the year ended 31st March, 2019, which were not at arm's length basis

2. Details of material contracts or arrangement or transactions at arm's length basis

Name(s) of the related party and nature of relationship	Nature of contracts/ arrangement/ transactions	Duration of the contracts/ arrangements/ transactions	Salient terms of the contracts or arrangements or transactions including the value, if any:	Date(s) of approval by the Board, if any:	Amount paid as advances, if any:
Modern Denim Limited	Purchase and sale Agreement	01.04.2018 to 31.03.2019	Omnibus approval given by the Audit Committee	29.05.2018, 14.09.2018, 14.12.2018 and 14.02.2019	Nil
Modern Denim Limited	Loans & Advances given	01.04.2018 to 31.03.2019	Loan and advances given pursuant to the proposed amalgamation of Modern Denim Limited with the Company	29.05.2018, 14.09.2018, 14.12.2018 and 14.02.2019	Nil
Shubham Corporate Advisory Services Pvt. Ltd.	Leave and License agreement of Corporate office Premises	01.04.2018 to 31.03.2020	Use of Office Space for Corporate Head Quarter at Mumbai at a monthly Compensation of Rs. 110000/ plus applicable taxes	14.02.2018	Nil
Smt. Smriti Ranka	Rent Agreement	31.03.2019	01.04.2018 to Ahmedabad at a monthly compensation of Rs. 120000/- Plus applicable taxes.	Rent of Guest house at 14.02.2018	Nil
Acharya Shri Nanesh Samta Vikas Trust	Contribution towards CSR activities	01.04.2018 to 31.03.2019	Omnibus approval given by the Audit Committee	14.02.2018	Nil
Meena Ranka Foundation	Contribution towards CSR activities	01.04.2018 to 31.03.2019	Omnibus approval given by the Audit Committee	14.02.2018	Nil
Jumbo Finance Ltd.	Loans & Advances given	01.04.2018 to 31.03.2019	Demand Loan	14.12.2017	Nil

For Modern Insulators Limited

Sachin Ranka

Chairman & Managing Director

DIN: 00335534

Place : Abu Road

Date : 30th May, 2019

Annexure B to Boards' Report
FORM MR-3
SECRETARIAL AUDIT REPORT
FOR THE FINANCIAL YEAR ENDED 31st MARCH, 2019

[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 MODERN INSULATORS LIMITED 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, 2019 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, 2019 according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the rules made there under;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made there under;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed there under;
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made there under 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; (Not applicable to the Company during the Audit Period);
 - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
 - (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;
 - (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); and
 - (i) The Securities and Exchange Board of India (Listing obligations and Disclosure Requirements) Regulations, 2015 and amendments thereof;

(vi) The laws as are applicable specifically to the Company are as under:

- (a) Petroleum Act, 1934 and rules made there under;

We have also examined compliance with the applicable clauses of the following:

- I. Secretarial Standards with regard to Meetings of Board of Directors (SS-1) and General Meetings (SS-2) issued by The Institute of Company Secretaries of India;
- II. The Listing Agreements entered into by the Company with BSE LIMITED and CALCUTTA STOCK EXCHANGE but the trading of the company with Stock Exchanges is suspended.

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. As per the Regulation 31 of SEBI LODR REGULATION 2015, The company has submitted the shareholding pattern to stock exchange with the delay of 1 day for quarter ended 31.03.2019
2. As per the Regulation 30(2) of SEBI LODR REGULATION 2015, the Company has disclosed the outcome of Board Meeting dated 29.05.2018 with a delay of 3 days and not disclosed the reason for resignation of Mr. D.B. Deshpande on website.
3. As per SEBI (Prohibition of Insider Trading) Regulation, 2015, the Company has not provided intimation about the closure of trading window.
4. The Company has granted interest free unsecured loan to a company covered under section 189 of the Companies Act 2013. The company has not provided interest on the said loan as prescribed u/s 186(7) of Companies Act, 2013 for which we have been informed that the same is not provided in view of proposed amalgamation under the provisions of Companies Act, 2013.

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. 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 ATCS & ASSOCIATES
Practicing Company Secretaries

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

Place: Jaipur

Date: 30.05.2019

Annexure A to 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.
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 ATCS & ASSOCIATES
Practicing Company Secretaries

Deepak Arora
[Partner]

FCS No. 5104
C P No.: 3641

Place: Jaipur

Date: 30.05.2019

Annexure C to Boards' Report
FORM NO. MGT 9 (EXTRACT OF ANNUAL RETURN)
As on financial year ended on 31.03.2019

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 | : | L31300RJ1982PLC002460 |
| 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	89%
2	Terry Towels	17111	11%

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 (As on 31st March-2018)				No. of Shares held at the end of the year (As on 31st March-2019)				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoters									
(1) Indian									
a) Individual/ HUF	2000	-	2000	-	2000	-	2000	-	-
b) Central Govt	-	-	-	-	-	-	-	-	-
c) State Govt(s)	-	-	-	-	-	-	-	-	-
d) Bodies Corp.	11874339	15682398	27556737	58.45	28118386	251684	28370070	60.18	1.73
e) Banks / FI	-	-	-	-	-	-	-	-	-
f) Any other	-	-	-	-	-	-	-	-	-
Sub Total (A) (1)	11876339	15682398	27558737	58.46	28120386	251684	28372070	60.18	1.73
(2) Foreign									
a) NRI Individuals	-	-	-	-	-	-	-	-	-
b) Other Individuals	-	-	-	-	-	-	-	-	-
c) Bodies Corp.	-	-	-	-	-	-	-	-	-
d) Any other	-	-	-	-	-	-	-	-	-
Sub Total (A) (2)	-	-	-	-	-	-	-	-	-
TOTAL (A)	11876339	15682398	27558737	58.46	28120386	251684	28372070	60.18	1.73
B. Public Shareholding									
1. Institutions									
a) Mutual Funds	1000000	821	1000821	2.12	1000000	821	1000821	2.12	-
b) Banks / FI	-	4154947	4154947	8.81	-	4084282	4084282	8.66	(0.15)
c) Central Govt	-	-	-	-	-	-	-	-	-
d) State Govt(s)	-	-	-	-	-	-	-	-	-
e) Venture Capital Funds	-	-	-	-	-	-	-	-	-
f) Insurance	-	-	-	-	-	-	-	-	-
g) FIIs	-	146772	146772	0.31	70665	-	70665	0.15	-
h) Foreign Venture Capital	-	-	-	-	-	-	-	-	-
i) Others (specify)	-	-	-	-	-	-	-	-	-
Sub-Total (B) (1)	1000000	4302540	5302540	11.25	1070665	4231875	5302540	11.25	-
2. Non-Institutions									
a) Bodies Corp.									
i) Indian	76733	117686	1253419	2.66	113708	308510	422218	0.90	(1.76)
ii) Overseas	-	-	-	-	-	-	-	-	-
b) Individuals									
i) Individual shareholders holding nominal share capital upto Rs. 1 lakh	976573	9463183	10439756	22.14	1014813	8897535	9912348	21.03	(1.12)
ii) Individual shareholders holding nominal share capital in excess of Rs 1 lakh	957214	828237	1785451	3.79	1374624	916773	2291397	4.86	1.07
c) Others (specify)									
Non Resident Indians	3500	759219	762719	1.62	11850	750503	762353	1.62	-
Individual (HUF)	40275	503	40778	0.09	80421	53	40474	0.17	0.08
Trusts	500	-	500	-	500	-	500	-	-
Sub-Total (B)(2):-	2084795	12227828	14282623	30.30	2595916	10873374	13469290	28.57	(1.73)
Total Public (B)	3054795	16530368	19585163	41.54	3666581	15105249	18771830	39.82	(1.73)
C. Shares held by Custodian for GDRs & ADRs									
	-	-	-	-	-	-	-	-	-
GRAND TOTAL (A+B+C)	14931134	32212766	47143900	100.00	31786967	15356933	47143900	100.00	-

(ii) Shareholding of Promoter

S. No.	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in shareholding during the year
		No. of Shares	% of total Shares of the company	% of Shares Pledged/encumbered to total shares	No. of Shares	% of total Shares of the company	% of Shares Pledged/encumbered to total shares	
1	Shri Hari Singh Ranka	-	-	-	-	-	-	-
2	Shri Sachin Ranka	500	0.0011	-	500	0.0011	-	-
3	Shri Shreyans Ranka	500	0.0011	-	500	0.0011	-	-
4	Smt. Smriti Ranka	500	0.0011	-	500	0.0011	-	-
5	Shri Suvrat Ranka	500	0.0011	-	500	0.0011	-	-
6	Ajaymeru trading & Investment Pvt. Ltd.	6530886	13.8531	-	-	-	-	(13.85)
7	Pride Mercantiles Pvt. Ltd.	5343453	11.3343	-	5343453	11.3343	-	-
8	Trishul Traders Pvt. Ltd.	13729065	29.1216	0.53	251684	0.5339	0.53	(28.59)
9	Vulvan Traders Pvt. Ltd.	1953333	4.1433	-	-	-	-	(4.14)
10	Jay Beneficiary Trust	-	-	-	6530886	138531	-	13.85
11	Vijay Beneficiary Trust	-	-	-	16244047	344563	-	34.46
	Total	27558737	58.4566	0.53	28372070	60.1818	0.53	1.73

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

S. No.	Particulars	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				
	At the beginning of the year	500	-	500	-
	At the end of the year	500	-	500	-
	(No Change during the year)				
2	Shri Shreyans Ranka				
	At the beginning of the year	500	-	500	-
	At the end of the year	500	-	500	-
	(No Change during the year)				
3	Smt. Smriti Ranka				
	At the beginning of the year	500	-	500	-
	At the end of the year	500	-	500	-
	(No Change during the year)				
4	Shri Suvrat Ranka				
	At the beginning of the year	500	-	500	-
	At the end of the year	500	-	500	-
	(No Change during the year)				
5	Ajaymeru trading & Investment Pvt. Ltd.				
	At the beginning of the year	6530886	13.85	6530886	13.85
	Increase/(decrease) during the year				
	(Inter-se Transfer on 27.03.2019)	(6530886)	(13.85)	-	-
	At the end of the year	-	-	-	-
6	Pride Mercantiles Pvt. Ltd.				
	At the beginning of the year	5343453	11.33	5343453	11.33
	At the end of the year	5343453	11.33	5343453	11.33
	(No Change during the year)				
7	Trishul Traders Pvt. Ltd.				
	At the beginning of the year	13729065	29.12	13729065	29.12
	Increase/(decrease) during the year				
	(Inter-se Transfer on 20.03.2019)	(13477381)	(28.59)	251684	0.53
	At the end of the year	251684	0.53	251684	0.53
8	Vulvan Trader Pvt. Ltd.				
	At the beginning of the year	1953333	4.14	1953333	4.14
	Increase/(decrease) during the year				
	(Inter-se Transfer on 27.03.2019)	(1953333)	(4.14)	-	-
	At the end of the year	-	-	-	-

9	Jay Beneficiary Trust				
	At the beginning of the year	-	-	-	-
	Increase/(decrease) during the year				
	(Inter-se Transfer on 27.03.2019)	6530886	13.85	6530886	13.85
	At the end of the year	6530886	13.85	6530886	13.85
10	Vijay Beneficiary Trust				
	At the beginning of the year	-	-	-	-
	Increase/(decrease) during the year				
	(Inter-se Transfer on 27.03.2019)	1953333	4.14	1953333	4.14
	Increase/(decrease) during the year				
	(Inter-se Transfer on 20.03.2019)	13477381	28.59	15430714	32.73
	Increase/(decrease) during the year				
	(Inter-se Transfer on 20.03.2019)	813333	1.72	16244047	34.55
	At the end of the year	16244047	34.55	16244047	34.55

(iv) Shareholding Pattern of top ten Shareholders

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

S. No.	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	1380775	2.93
2	UTI-Opportunities Fund	1000000	2.12	1000000	2.12
3	The New India Assurance Co. Ltd	586666	1.24	586666	1.24
4	Mahendra Girdharilal	585137	1.24	585137	1.24
5	Life Insurance Corporation of India	487466	1.03	487466	1.03
6	General Insurance Corporation of India	426666	0.91	426666	0.91
7	National Insurance Corporation Ltd	360000	0.76	360000	0.76
8	LIC Housing Finance Ltd	266666	0.57	266666	0.57
9	United India Insurance Co. Ltd	253333	0.54	253333	0.54
10	The Oriental Insurance Co. Ltd.	213333	0.45	213333	0.45

(v) Shareholding of Directors & Key Managerial Personnel:

S. No.	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	150	-	150	-
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	12	-	12	-

Note:-

Shri D.B. Deshpande has resigned w.e.f 15/02/2019

Shri S.B. L. Jain has resigned w.e.f 01/04/2019

Shri P.K. Rao has resigned w.e.f 01/04/2019

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
Indebtedness at the beginning of the financial year				
i) Principal Amount	8385.54	-	-	8385.54
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	-	-
Total (i+ii+iii)	8,385.54	-	-	8,385.54
Change in Indebtedness during the financial year				
* Addition*	945.63	-	-	945.63
* Reduction	15.25	-	-	15.25
Net Change	930.38	-	-	930.38
Indebtedness at the end of the financial year				
i) Principal Amount	9315.92	-	-	9315.92
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	-	-
Total (i+ii+iii)	9,315.92	-	-	9,315.92

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

A. Remuneration to Managing Director, Whole-time Directors and/or Manager:

(₹ in lacs)

S. No.	Particulars of Remuneration	Name of MD/WTD/ Manager			Total Amount
		Shri Sachin Ranka CMD	Shri D.B. Deshpande WTD	Shri Shreyans Ranka WTD	
1	Gross salary				
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	60.00	46.65	18.90	125.55
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	13.20	54.56	4.16	71.92
	(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	-	-	-	-
	Total (A)	73.20	101.21	23.06	197.47
	Ceiling as per the Act				274.95

Note:-

Shri D.B. Deshpande has resigned w.e.f. 15.02.2019

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	
1	Independent Directors						
	- Fee for attending board committee meetings	-	0.51	0.46	-	0.13	1.10
	- Commission	-	-	-	-	-	-
	- Others, please specify	-	-	-	-	-	-
	Total (1)	-	0.51	0.46	-	0.13	1.10
2	Other Non-Executive Directors						
	- Fee for attending board committee meetings	-	-	-	-	-	-
	- Commission	-	-	-	-	-	-
	- Others, (Professional Fee)	25.20	-	-	-	-	25.20
	Total (2)	25.20	-	-	-	-	25.20
	Total (B)=(1+2)	25.20	0.51	0.46	-	0.13	26.30
	Total Managerial Remuneration						223.77
	Overall Ceiling as per the Act						269.61

Note:-

Shri S.B. L. Jain has resigned w.e.f 01.04.2019

Shri P.K. Rao has resigned w.e.f 01.04.2019

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	
1	Gross salary			
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	19.66	3.34	23.00
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	5.46	1.44	6.90
	(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	-	-	-
	Total	25.12	4.78	29.90

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)
A. COMPANY					
Penalty					
Punishment			None		
Compounding					
B. DIRECTORS					
Penalty					
Punishment			None		
Compounding					
C. OTHER OFFICERS IN DEFAULT					
Penalty					
Punishment			None		
Compounding					

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

- 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 2018-19. 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.
- The Composition of the CSR Committee:**
- Average net profit of the Company for last three financial years:**
Average Net Profit: Rs 2032.02 Lacs
- Prescribed CSR Expenditure (Two percent of the amount as in item 3 above)**
The Company is required to spend Rs. 40.64 Lacs.
- Details of CSR spent during the financial year:**
 - Total amount spent for the financial year: Rs. 41.32 Lacs.
 - Amount unspent, if any: Nil
 - Manner in which the amount spent during the financial year is detailed below:

S. No.	Name of Director	Designation	Category
1.	Shri Sachin Ranka	Chairman	Managing Director
2.	Shri R. Raniwala	Member	Independent Director
3.	Shri T.C. Chejara	Member	Non-Executive Director

(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. Promoting Education	Health Care/ Education	Mumbai (Maharashtra) & Abu Road (Rajasthan)	26.32	26.32	26.32	Through Meena Ranka Foundation and Modern Swastik Seva Sansthan
2.	Rural Development including Educational programs at rural areas, development of vocational skills	Rural Development	Danta (Rajasthan) & Udaipur (Rajasthan)	8.00	8.00	8.00	Through Acharya Nanesh Samta Vikas Trust & JASCAP
3.	Water Harvesting Treatment	Water preservation	Abu Road (Rajasthan)	7	7	7	Through Implementing Agencies
	Total			41.32	41.32	41.32	

6. Responsibility Statement

Pursuant to the Companies (Corporate Social Responsibility Policy) Rules, 2014, as amended from time to time, it is confirmed that the CSR Committee has implemented and monitored the CSR initiatives in line with CSR objective and Policy of the Company. The CSR Committee has monitored the status of the amount spent on the projects through the Social Audit.

Date: 30th May, 2019
Place: Abu Road

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

Annexure E 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 2018-19	193048
Percentage increase in the median remuneration of employees in the Financial Year	17.70%
Number of permanent employees on the rolls of the Company as on 31st March, 2019	1338

Name of Director & KMP	Ratio of Remuneration to median remuneration of all employees	% increase in remuneration in Financial year 2018-19
Shri Sachin Ranka	34.19	NA
Shri Shreyans Ranka	10.68	NA
Shri D.B. Deshpande	25.12	11.01%
Shri D.S. Singhvi	11.43	15.50%
Shri Gaurav Goyal	2.17	22.25%

Note : The ratio of remuneration to the median remuneration is based on the remuneration paid during the period 1st April, 2018 to 31st March, 2019.

(2) Average percentage increase made in the salaries of employees, other than the managerial personnel in the financial year 2018-19, was 11.50% over the previous financial year, which is in line with the industry benchmark and cost of living index. However, the average salaries of the managerial personnel for the same financial year increased by 12.96%.

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

Annexure F to Boards' Report

Information as per Section 217 (1) (e) read with the Companies (Disclosure of particulars in the Report of Board of Directors) Rule, 1988.

A. TECHNOLOGY ABSORPTION:

1. Research and Development (R&D):

- a) Specific area in which R&D carried out by company:
- i) Successfully implemented high glost pitcher body in full scale production
 - ii) Successfully established Bauxite body recipe with existing body clay combination. This has been tried both at Low as well as at Normal temperature of firing cycle.
 - iii) Development of suitable Low temperature maturing grey glaze recipe (1160 oC to 1180 oC) for Bauxite body.
 - iv) Successfully developed & established MDS Alumina High strength body in plant for critical insulators.
 - v) Development of import substitute Ball clay from domestic circle. Successfully trial taken in lab scale for replacement of Imported Ball clay & china clay with 6% domestic clay.
 - vi) Successfully developed Resistance glaze for Insulators application on insulator sample basis. Further work is going on to implement in production.
 - vii) Successfully modified and converted waste ETP sludge into usable pebbles body mass. This has already been implemented for full scale production of pebbles for inhouse consumption.
 - viii) Successfully modified Grey glaze and implemented in full scale production with stable performance. Grey glaze performance for export insulators has benefited.
 - ix) Developed and implemented Fritted dark brown re-fire glaze to cover majority of glaze defects. This glaze is suitable for heavy thickness spray application for better covering.
 - x) Successfully developed several Hybrid (i.e, combination of Bauxite & Alumina) High strength body recipe in lab scale for maturing at low temperature (1160 oC to 1180 oC). Salient features are around 175 Mpa for unglazed strength and much above 200 Mpa for glazed strength.

b) Benefits as a result of the above R&D:

- i) Consistent supply of quality clays are ensured.
- ii) Maintain and improve cost-competitiveness of raw materials.
- iii) Improvement in quality & reliability of products.
- iv) Uninterrupted plant operations at optimum level with desired yield.
- v) Entry in new product segment.

c) Future plan of action:

- i) Modification of the existing ball milling practice by introducing clay blunging system.
- ii) Development of Isotactic method of manufacturing insulators of critical design.
- iii) Development of 800 kV HVDC longrod insulators.

- iv) Development of alternate energy efficient method of drying shaped insulators by airless drying technology.
- v) Technology upgradation of insulators manufacturing with a high rate of plant scale recovery.
- vi) Further development on low temperature bauxite body & glaze with an improvement in yield.

d) Expenditure on R&D

i) Capital	-
ii) Recurring	Rs. 384.35 lacs
Total	Rs. 384.35 lacs

Total R&D expenditure, as %age of total turnover: 0.87 %.

2. Technology Absorption, Adoption and innovation:

a) Efforts, in brief made towards technology absorption, adoption and innovation:

- i) In Kiln-3 introduce VFD for waste gas & combustion air fan so we save 1100 units per cycle due to that in a month save approx.- 75000 Rs. & make plan to installed VFD in rest of all kiln.
- ii) Conventional Tube light Fitting-36W replace with Energy Efficient Tube light fitting-20W- 600nos due to that saving approx.-3 lacs per year & payback comes with in 4.5 months.
- iii) Rs. 28 Lacs saved by IEX power purchase in FY-2018-19.
- iv) Overall Power factor achieved 0.995 in comparison of 0.986 in FY-2017-18 & it is increase 18%.
- v) Increased kiln loading of Rly 044 & 046 in K-2 by increasing additional deck. This has resulted in 288 nos of additional Rly units loading per cycle.
- vi) VFD introduced in combustion air fan in K-3 resulting in power saving of approx. 10%. This is being planned for implementation in all the kilns.
- vii) Continuing with development of kiln furniture to yield better kiln productivity and avoid furniture rejection also.
- viii) Secondary air butterfly valve replaced by flapper valve (made inhouse) for avoiding valve jamming and leakage.
- ix) In Driers burners installed in all the remaining driers.

b) Benefits derived as a result of above efforts:

- i) Improvement in efficiency & productivity.
- ii) Reduction in firing cycle time & cost saving with increased productivity.
- iii) Reduction in power cost due to reduced power consumption.
- iv) Reduction in rejections at various stages.

B. Foreign Exchange Earning & Outgo:

The company has earned during the period foreign exchange of Rs. 10119.43 lacs at F.O.B. price against an outgo of Rs. 1450.99 lacs.

REPORT ON CORPORATE GOVERNANCE

The Directors present the Company's Report on Corporate Governance for the year ended March 31, 2019, in terms of Regulation 34(3) read with Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (The "Listing Regulations").

COMPANY'S PHILOSOPHY ON CODE OF CORPORATE GOVERNANCE

Good Corporate Governance is the adoption of best business practices which ensure that the Company operates within the regulatory framework. The adoption of such corporate practices ensures accountability, ethical behaviour, transparency and fairness to all stakeholders. The Company believes in practicing good Corporate Governance and endeavours to improve on these aspects on an ongoing basis. The philosophy on corporate governance is an important tool for shareholder protection and maximisation of their long-term values.

Your Company is in compliance with the requirements stipulated under the provisions of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended, with the Stock Exchanges ("Listing Regulations") with regards to corporate governance.

BOARD OF DIRECTORS

Composition of Board of Directors

The Board is broad-based and consists of eminent individuals from Industrial, Managerial, Technical, Financial and Marketing background. The Company is managed by the Board of Directors in co-ordination with the Senior Management team. The composition and strength of the Board is reviewed from time to time for ensuring that it remains aligned with statutory as well as business requirements.

As on March 31, 2019, the Company's Board consists of seven directors. The Board comprises of Two Executive Promoter Director, one Non-Executive Director, and four Independent Directors including one Woman Director. 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.

The Board has identified the following skill set with reference to its Business and Industry which are available with the Board:

Sr. No.	Name of Directors	Expertise in Specific Functional Areas
1.	Shri Sachin Ranka	Industrialist, Business Strategy, Corporate Management and Leadership
2.	Shri Shreyans Ranka	Business Strategy, Sales and Marketing and Business Management
3.	Shri T.C. Chejara	Finance, Corporate Planning and Strategy, Sales & Marketing
4.	Shri R. Raniwala	Finance, Capital Market and Wealth Management, Board service and governance
5.	Shri S.B. L. Jain	Board service and governance
6.	Shri P. K. Rao	Industrialist, Finance, Board service and governance
7.	Smt. Meenu Sacheti	Industrialist, Finance, Board service and governance

The Composition of the Board and directorship held, as on 31st March, 2019 are as follows:

Name of Directors	Executive/ Non-Executive/ Independent	No. of Equity Shares held	Directorships in other Public Limited Companies	Membership in Committees of other Companies		List of Directorship held in other listed Companies and Category of Directorship
				Chairman	Member	
Shri Sachin Ranka	Promoter/Chairman & Managing Director	500	1	-	1	Modern Denim Ltd. (Chairman & Managing Director)
Shri Shreyans Ranka	Promoter/Executive Director	500	-	-	-	-
Shri T.C. Chejara	Non-Executive Director	150	1	1	1	Modern Denim Limited (Non-Executive Director)
Shri R.Raniwala	Non-Executive Independent Director	-	-	-	-	-
Shri S.B.L. Jain	Non-Executive Independent Director	-	1	-	2	Pushpsons Industries Ltd. (Independent Director)
Shri P.K. Rao	Non-Executive Independent	-	-	-	-	-
Smt. Meenu Sacheti	Non-Executive Independent Director	-	1	-	-	Modern Denim Ltd. (Independent Director)

1. Shri Sachin Ranka and Shri Shreyans Ranka are related to each other. None of the other Directors are related inter-se.
2. Directorships exclude Private Limited Companies, Foreign Companies and Section 8 Companies.
3. Membership in Committees includes only Audit Committee and Stakeholders' Relationship Committee
4. Shri D.B. Deshpande, Executive Director resigned from the Board w.e.f. 15th February, 2019
5. Shri S.B.L. Jain, Independent Director, whose term expires on 31st March, 2019 has ceased to be associated with the Company.
6. Shri P.K. Rao, Independent Director, resigned from the Board of the Company w.e.f. 01st April, 2019
7. Shri S.K. Sharma has been appointed as Additional Director (Independent) on the Board of the Company w.e.f. 01st April, 2019

Independent Directors confirmation by the Board

All Independent Directors have given declarations that they meet the criteria of independence as laid down under Section 149(6) of the Companies Act, 2013 and Regulation 16(1) (b) of the Listing Regulations. In the opinion of the Board, the Independent Directors, fulfill the conditions of independence specified in Section 149(6) of the Companies Act, 2013 and Regulation 16(1) (b) of the Listing Regulations.

Board Meetings and Annual General Meeting (AGM)

The Board meets at regular intervals to discuss and decide on business strategies/policies and review the financial performance of the Company. The Board Meetings are pre-scheduled and a tentative annual calendar of the Board Meeting is circulated to the Directors well in advance to facilitate them to plan their schedules accordingly. In case of business exigencies, the Board's approval is taken through circular resolutions. The circular resolutions are noted at the subsequent Board Meeting.

The notice and detailed agenda along with the relevant notes and other material information are sent in advance separately to each Director and in exceptional cases tabled at the Meeting with the approval of the Board. This ensures timely and informed decisions by the Board. The Board reviews the performance of the Company vis-à-vis the budgets/targets.

Minimum four Board meetings are held every year (one meeting in every calendar quarter). Additional meetings are held to address specific needs, if any, of the Company. During the financial year 2018-19 the Board of Directors met four times i.e., on May 29, 2018, August 14, 2018, November 14, 2018 and February 14, 2019.

The maximum gap between any two consecutive meetings was less than one hundred and twenty days, as stipulated under Section 173(1) of the Act, and Regulation 17(2) of the Listing Regulations and the Secretarial Standards issued by Institute of Company Secretaries of India.

Attendance of Directors at the Board Meetings and last Annual General Meeting (AGM)

Name of Directors	Attendance of AGM held on 28th Sept. 2018	29 th May, 2018	14 th August, 2018	14 th Nov., 2018	14 th Feb., 2019
Mr. Sachin Ranka	-	✓	✓	✓	✓
Mr. Shreyans Ranka	-	✓	Leave of Absence	Leave of Absence	Leave of Absence
Mr. D.B. Deshpande	-	✓	Leave of Absence	Leave of Absence	✓
Mrs. Meenu Sacheti	-	✓	✓	Leave of Absence	✓
Mr. S.B.L. Jain	✓	✓	✓	✓	✓
Mr. R. Raniwala	✓	✓	✓	✓	✓
Mr. P.K. Rao	-	Leave of Absence	Leave of Absence	Leave of Absence	✓
Mr. T. C. Chejara	✓	✓	✓	✓	✓
Mr. S.K. Sharma	NA	NA	NA	NA	NA

Meetings of Independent Directors

A separate meeting of Independent Directors of the Company was held on 14th February, 2019, 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 Company has adopted Code of Business Conduct & Ethics which is applicable to the Board of Directors and Senior Management Personnel of the Company. The Board of Directors and the members of Senior Management Team of the Company are required to affirm Compliance of

this Code. A declaration signed by the Chairman and Managing Director of the Company to this effect is placed at the end of this report. The Code requires Directors and Employees to act honestly, fairly, ethically and with integrity, conduct themselves in professional, courteous and respectful manner. The Code is displayed on the Company's website www.moderninsulators.com.

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. The Chairman and Managing Director also has a one to one discussion with the newly appointed Director to familiarize him with the Company's operations. Further, on an ongoing basis as a part of Agenda of Board/ Committee Meetings, presentations are regularly made to the Independent Directors on various matters inter-alia covering the Company's and its subsidiaries/associates businesses and operations, industry and regulatory updates, strategy, finance, risk management framework, role, rights, responsibilities of the Independent Directors under various statutes and other relevant matters.

The details of familiarisation programme for Directors have been disclosed on the Company's website, 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.

Insider Trading Code

The Company has adopted an Policy for prohibition of Insider Trading for Regulating, Monitoring and Reporting of Trades by Designated Persons' ("the Code") in accordance with the SEBI (Prohibition of Insider Trading) Regulations, 2015 (The PIT Regulations).

The Code is applicable to Promoters, Member of Promoter's Group, all Directors and such Designated Employees who are expected to have access to unpublished price sensitive information relating to the Company. The Company Secretary is the Compliance Officer for monitoring adherence to the said PIT Regulations. This Policy is displayed on the Company's website viz. www.moderninsulators.com

COMMITTEES OF THE BOARD

The Board of Directors have constituted Board Committees to deal with specific areas and activities which concern the Company and requires a closer review. The Board Committees are formed with approval of the Board and function under their respective Charters. These Committees play an important role in the overall Management of day-to- day affairs and governance of the Company. The Board Committees meet at regular intervals and take necessary steps to perform its duties entrusted by the Board. The Minutes of the Committee Meetings are placed before the Board for noting.

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 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.

As on 31st March, 2019, the Audit Committee comprises of two Independent Directors and one Non-Executive Director. Shri R. Raniwala is the Chairman of the Audit Committee. The Members possess adequate knowledge of Accounts, Audit, Finance, etc. The composition of the Audit Committee meets the requirements as per the Section 177 of the Companies Act, 2013 and Regulation 18(1) of the SEBI (LODR) Regulations. During the year under review, 4 Audit Committee Meetings were held, on 29th May, 2018, 14th August, 2018, 14th November, 2018 and 14th February, 2019.

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

Name of the Member	Position	Category	Number of Meetings	
			Held	Attended
Shri R. Raniwala	Chairman	Independent	4	4
Shri S.B.L. Jain	Member	Independent	4	4
Shri T.C. Chejara	Member	Non-Executive	4	4

1. The Chairman of the Audit Committee was present at the last AGM of the Company held on 28th September, 2018.

2. Shri S.B.L Jain, Independent Director, whose term expires on 31st March, 2019 and has ceased to be associated with the Board from 1st April, 2019.

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.
21. Reviewing the utilization of loans and/ or advances from/investment by the holding company in the subsidiary exceeding rupees 100 crore or 10% of the asset size of the subsidiary, whichever is lower including existing loans / advances / investments existing as on the date of coming into force of this provision.

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.

The purpose of the committee is to screen and review individuals qualified to serve as executive director, non-executive directors and key managerial personnel and independent directors, consistent with the criteria approved by the board and to recommend for approval by the board, nominees for election at the AGM.

As on 31st March, 2019 the Nomination and Remuneration Committee (NRC) comprises of 3 Non-Executive Independent Directors. During the year under review, 2 NRC Meetings were held, on 29th May, 2018, 14th August, 2018, 14th November, 2018 and 14th February 2019.

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

Name of the Member	Position	Category	Number of Meetings	
			Held	Attended
Shri R. Raniwala	Chairman	Independent	4	4
Shri S.B.L. Jain	Member	Independent	4	4
Shri P.K. Rao	Member	Independent	4	1

1. The Chairman of the Nomination & Remuneration Committee was present at the last AGM of the Company held on 28th September, 2018.
2. Shri S.B.L Jain, Independent Director, whose term expires on 31st March, 2019 and has ceased to be associated with the Board from 1st April, 2019.
3. Shri P.K. Rao, Independent Director, resigned from the Board of the Company w.e.f. 1st April, 2019.

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 during the year under review are as under:

(a) Non- Executive Directors

(₹ in lacs)

Name of the Directors	Remuneration	Sitting Fees	No. of Shares Held
Shri R. Raniwala - Independent Director	-	0.51	-
Shri S.B.L. Jain - Independent Director	-	0.46	-
Shri P.K. Rao - Independent Director	-	-	-
Smt. Meenu Sacheti - Independent Director	-	0.13	-
Shri T. C. Chejara - Non-Executive Director	-	-	150

(b) Executive Directors

(₹ in lacs)

Name of Director and Designation	Salary & Allowances	Performance linked incentive	Total	Period of Contract	No. of Shares held
Shri Sachin Ranka - Chairman & Managing Director	73.20	-	73.20	01/04/2017 to 31/03/2022	500
Shri Shreyans Ranka - Whole-Time Director	23.06	-	23.06	01/04/2018 to 31/03/2021	500
Shri D.B. Deshpande - Whole-Time Director	101.21	-	101.21	01/04/2018 to 15/02/2019	-

- Remuneration is within limits specified under section 197 of the Act, as recommended by Nomination and Remuneration Committee and approved by Board.

PERFORMANCE EVALUATION

Pursuant to the provisions of the Companies Act, 2013 and Regulation 17 of the Listing Regulations, the Board has carried out the annual evaluation of its own performance, its Committees and Directors individually. A structured questionnaire was prepared after circulating the draft forms, covering various aspects of the Board's functioning such as adequacy of the composition of the Board and its Committees, Board culture, execution and performance of specific duties, obligations and governance.

The Company Secretary or Board nominee or the consultant will tabulate the Forms. The Tabulated Report would be sent to all Board Members for evaluation and if any director disagrees with the self-evaluated results, he/she will suitably intimate the Chairman of the Board, else the same will be deemed to have been accepted.

The performance evaluation of the Chairman and Managing Director and the Non Independent Directors was carried out by the Independent Directors. The Directors expressed their satisfaction with the evaluation process.

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 Composition of CSR Committee is in accordance with the provisions of Section 135 of the Companies Act, 2013 and the Companies (Corporate Social Responsibility Policy) Rules, 2014.

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 29th May, 2018 and 14th February, 2019.

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

Name of the Member	Position	Category	Number of Meetings	
			Held	Attended
Shri Sachin Ranka	Chairman	Executive	2	2
Shri R. Raniwala	Member	Independent	2	2
Shri T.C. Chejara	Member	Non-Executive	2	2

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:

During the year under review, 4 Stakeholder Relationship Committee Meetings were held, on 29th May, 2018, 14th August, 2018, 14th November, 2018 and 14th February, 2019.

As on 31st March, 2019 the composition of the Committee and the details of the meetings attended by the Members are given below:

Name of the Member	Position	Category	Number of Meetings	
			Held	Attended
Shri R. Raniwala	Chairman	Independent	4	4
Shri SBL Jain	Member	Independent	4	4
Shri T.C. Chejara	Member	Non-Executive	4	4

1. Shri S.B.L Jain, Independent Director, whose term expires on 31st March, 2019 and has ceased to be associated with the Board from 1st April, 2019.

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.
6. Resolving the grievances of the security holders of the listed entity including complaints related to transfer/transmission of shares, non-receipt of annual report, non-receipt of declared dividends, issue of new/duplicate certificates, general meetings etc.
7. Review of measures taken for effective exercise of voting rights by shareholders.
8. Review of adherence to the service standards adopted by the listed entity in respect of various services being rendered by the Registrar & Share Transfer Agent.
9. Review of the various measures and initiatives taken by the listed entity for reducing the quantum of unclaimed dividends and ensuring timely receipt of dividend warrants/annual reports/statutory notices by the shareholders of the company.

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 st April, 2018	1
Complaints received during the period 1 st April, 2018 to 31 st March, 2019	40
Complaints disposed off during the period 1 st April, 2018 to 31 st March, 2019	40
Complaints outstanding as on 31 st March, 2019	1

Name and Designation of the Compliance Officer

Name: Mr. Gaurav Goyal

Designation: Company Secretary & Compliance Officer

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
2015-16 31 st AGM	22 nd September, 2016	11.00 A.M.	A-4, Vijay Path, Tilak Nagar, Jaipur – 302004 (Rajasthan)	3
2016-17 Court Convened Meeting	7 th January, 2017	11.00 A.M.	A-4, Vijay Path, Tilak Nagar, Jaipur – 302004 (Rajasthan)	1
2016-17 32 nd AGM	27 th September, 2017	4.00 P.M.	A-4, Vijay Path, Tilak Nagar, Jaipur – 302004 (Rajasthan)	4
2017-18 33 rd AGM	28 th September, 2018	4.00 P.M.	A-4, Vijay Path, Tilak Nagar, Jaipur – 302004 (Rajasthan)	2

Postal Ballot & E-voting

During the year under review, no resolution was passed through postal ballot.

MEANS OF COMMUNICATION

- Annual report containing Audited Annual Accounts, 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.
- The Un-audited quarterly/ half yearly results are announced within forty-five days of the close of the quarter. The audited annual results are announced within sixty days from the closure of the financial year as per the requirement of the Listing Regulations.
- The approved financial results are forthwith sent to the Stock Exchanges and are published in Indian Express (English newspaper) and Kanchan Kesari (local Language) (Hindi newspaper), within forty-eight hours of approval thereof. Presently the same are not sent to the shareholders separately.
- 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.
- The Company has submitted Annual Secretarial Compliance Report to BSE and the details of compliance is also given in the Secretarial Audit Report annexed with the Annual Report. No penalty or strictures are imposed by SEBI or the Stock Exchanges or any Statutory Authority.
- The Company has adequate risk assessment and minimization system in place including for commodities. The Company does not have material exposure of any commodity and accordingly, no hedging activities for the same are carried out. Therefore, there is no disclosure to offer in terms of SEBI circular no. SEBI/HO/CFD/CMD1/CIR/P/2018/0000000141 dated November 15, 2018.
- The Company has followed Indian Accounting Standards ("Ind AS") in the preparation of the Financial Statements for accounting periods beginning on or after 01.04.2016, as per the roadmap announced by Ministry of Corporate Affairs Companies. The significant accounting policies which are consistently applied have been set out in the notes to the Financial Statements.
- The Company promotes ethical behaviour in all its business activities and has put in place a mechanism for reporting illegal or unethical behaviour. The Company has a Vigil Mechanism and Whistle-blower policy under which the employees are free to report violations of applicable laws and regulations and the Code of Conduct. The reportable matters may be disclosed to the Ethics and Compliance Task Force which operates under the supervision of the Audit Committee. Employees may also report to the Chairman of the Audit Committee. During the year under review, no employee was denied access to the Audit Committee.
- The Certificate of Company Secretary in practice is annexed herewith as a part of the report.
- Details relating to fees paid to the Statutory Auditors are given in Note 32 to the Financial Statements.
- Details in relation to the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 has been disclosed in the Directors' Report

9. Management Discussion and Analysis Report is forming part of the Annual Report and is in accordance with the requirements laid out in the Listing Regulations.
10. There are no pecuniary relationships or transactions of Non-Executive Directors vis-à-vis the Company which has potential conflict with the interests of the Company at large.
11. Details of the Directors seeking appointment/reappointment have been provided in the Notice of the Annual General Meeting.
12. 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.
13. The Independent Directors have confirmed that they meet the criteria of 'Independence' as stipulated under the Companies Act, 2013 and the Listing Regulations.
14. 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:

1. **Shareholders' Rights:** As the quarterly and half yearly financial performance along with significant events were posted on the Company's website, the same were not being sent to the shareholders.
2. **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	:	Friday, 27th September, 2019
Time	:	11.00 a.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 th August, 2019
Second quarterly / Half yearly results	:	On or before 14 th November, 2019
Third quarterly results	:	On or before 14 th Feb, 2020
Annual results for the year ending on 31st March, 2019	:	On or before 30 th May, 2020
Annual General Meeting for the year ending on 31st March, 2020	:	Sept, 2020

3. Dates of Book Closure:

The Register of Members and the Share Transfer Books of the Company shall remain closed from 20th September, 2019 to 27th September, 2019 (both days inclusive)

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

BSE Limited	Calcutta Stock Exchange
Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai- 400 001	7, Lyons Range, Dalhousie, Kolkata
Scrip Code: 515008	Scrip Code : 023461

5. Listing Fees to the Stock Exchanges

The Company has paid listing fees upto financial year 2019-2020 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 31st March, 2019 is as under:

Mode	No. of Shares	%(Percentage)
Physical Form	15356933	32.57
NSDL	31164649	66.11
CDSL	622318	1.32
Total	47143900	100.00

Process of Dematerialization of Shares

Shareholders who continue to hold shares in physical form are requested to dematerialize their shares at the earliest and avail the benefits of dealing in shares in demat form. For convenience of shareholders, the process of getting the shares dematerialized is given hereunder:

- Demat account should be opened with a Depository Participant (DP).
- Shareholders should submit the Dematerialization Request Form (DRF) along with share certificates in original, to their DP.
- DP will process the DRF and will generate a Dematerialization Request Number (DRN).
- DP will submit the DRF and original share certificates to the Registrar and Transfer Agents (RTA), which is Beetal Financial & Computer Services Private Limited.
- RTA will process the DRF and confirm or reject the request to DP/ depositories
- Upon confirmation of request, the shareholder will get credit of the equivalent number of shares in his demat account maintained with the DP

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 2001.

10. Distribution of Shareholding as on 31st March, 2019

Sr. No	No. of Equity Shares	Number of Shares	% of Shareholding	No. of Shareholders
1.	1-5000	7730484	16.39	131471
2.	5001-10000	1006210	2.14	1292
3.	10001-20000	805178	1.71	553
4.	20001-30000	408916	0.87	159
5.	30000-40000	182497	0.39	52
6.	40000-50000	218409	0.46	47
7.	50001-100000	464764	0.98	63
8.	100001 & Above	36327442	77.06	96
	Total	47143900	100.00	133733

11. Category of Shareholders as on 31st March, 2019

Category	No. of shares	% Holding
Promoter & Promoter Group	28372070	60.18
Corporate Bodies	492883	1.05
Mutual Funds	1000821	2.12
Banks/Financial Institutions	4084282	8.66
FII's	146772	0.31
Individuals including NRI	13047072	27.68
Total	47143900	100.00

12. Consolidation of Folios and Avoidance of Multiple Mailing

In order to enable the Company to reduce costs and duplicity of efforts for providing services to investors, members who have more than one folio in the same order of names, are requested to consolidate their holdings under one folio. Members may write to the Registrars & Transfer Agents indicating the folio numbers to be consolidated along with the original shares certificates to be consolidated.

13. 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. Terry Towels Division : Village: Nidrad, Taluka : Sanand- 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, 2019.

Sachin Ranka

Chairman & Managing Director

DIN: 00335534

Place : Abu Road

Date : 30th May, 2019

CEO/CFO CERTIFICATION

The Board of Directors
Modern Insulators Limited

We the undersigned, in our respective capacities as Executive Director and Chief Financial Officer of Modern Insulators Limited ("the Company") to the best of our knowledge and belief certify that:

- a. We have reviewed the Financial Statements and the Cash Flow Statement for the year ended 31st March, 2019 and that to the best of our knowledge and belief, we state that:
 - i. these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
 - 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. We further state that 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 of the Company. We have not come across any reportable deficiencies in the design or operation of internal controls.
- d. We have indicated to the Auditors and the Audit Committee that:
 - i. there are no significant changes in the internal control over financial reporting during the year;
 - ii. the significant changes, if any, in accounting policies during the year and that the same have been disclosed in the notes to the financial statements; and
 - iii. there are no instances of significant fraud of which we have become aware.

For Modern Insulators Limited

Place : Abu Road

Date : 30.05.2019

D.S. Singhvi

Chief Financial Officer

Sachin Ranka

Chairman & Managing Director

DIN: 00335534

CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS

(Pursuant to Regulation 34(3) and Schedule V Para C clause (10) (i) of the SEBI

(Listing Obligations and Disclosure Requirements) Regulations, 2015)

To

The Members of

Modern Insulators Limited

I have examined the relevant registers, records, forms, returns and disclosures received from the Directors of MODERN INSULATORS LIMITED having CIN - L31300RJ1982PLC002460 having registered office at A-4, VIJAY PATH, TILAK NAGAR, JAIPUR 302004, RAJASTHAN (hereinafter referred to as 'the Company'), produced before me by the Company for the purpose of issuing this Certificate, in accordance with Regulation 34(3) read with Schedule V Para-C Sub clause 10(i) of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In my opinion and to the best of my information and according to the verifications (including Directors Identification Number (DIN) status at the portal (www.mca.gov.in) as considered necessary and explanations furnished to me by the Company & its officers, I hereby certify that none of the Directors on the Board of the Company as stated below for the Financial Year ending on 31st March, 2019 have been debarred or disqualified from being appointed or continuing as Directors of companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs, or any such other Statutory Authority.

S. No.	Name of Director	DIN	Date of Appointment in Company	
			At Current Designation	Original date of appointment
1.	Sachin Ranka	00335534	01-04-2014	30-11-1992
2.	Ravindra Raniwala	00506419	21-09-2012	29-06-2012
3.	Meenu Alok Sacheti	02266703	22-09-2015	31-03-2015
4.	Shreyans Sachin Ranka	06470710	01-04-2018	01-04-2018
5.	Tarachand Mohanlal Chejara	07619881	27-09-2017	01-10-2016
6.	Satyabhushan Lal Jain*	00002582	31-03-1998	31-03-1998
7.	Prabhakar Krishna Rao*	00465202	27-09-2014	19-06-2014

*Note:- Satyabhushan Lal Jain and Prabhakar Krishna Rao is not associated with the company w.e.f. 01-04-2019.

Ensuring the eligibility of for the appointment/continuity of every Director on the Board is the responsibility of the management of the Company. Our responsibility is to express an opinion on these based on our verification. This certificate 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 Jyoti Soni & Associates

Practicing Company Secretaries

Jyoti Soni

Proprietor

M. No. 38058

CP No. 19478

Date: 30th May, 2019

Place: Jaipur

INDEPENDENT AUDITORS' REPORT

To the members of **Modern Insulators Limited**
Report on the Audit of the Financial Statements

Qualified Opinion

We have audited the financial statements of Modern Insulators Limited (the 'Company') which comprise the Balance Sheet as at 31 March 2019, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Cash Flows and the Statement of Changes in Equity for the year then ended, and notes to the financial statements, including a summary of the significant accounting policies and other explanatory information.

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" section of our report, the aforesaid financial statements give the information required by the Companies Act, 2013 (the 'Act') in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India including Indian Accounting Standards (Ind AS) specified under section 133 of the Act, of the state of affairs of the Company as at 31 March 2019, its profit (including Other Comprehensive Income), its cash flows and the changes in equity for the year ended on that date.

Basis for Qualified Opinion

Provision for taxation including interest estimated at Rs.1134.51 Lacs for the year ended 31 March, 2019 (Previous Year Rs.475.71 Lacs;

upto the year Rs.1610.22 Lacs) has not been made in accounts in view of the proposed amalgamation under the provisions of Companies Act, 2013. (Refer note no. 34 (iv)).

We conducted our audit in accordance with the Standards on Auditing specified under section 143(10) of the Act. Our responsibilities under those standards are further described in the "Auditor's Responsibilities for the Audit of the Financial Statements" section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India (ICAI) together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the rules made thereunder and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole and in forming our opinion thereon, and we do not provide a separate opinion, on these matters.

In addition to what has been stated in the "Basis for Qualified Opinion" section, we have determined the matters described below to be the key audit matters to be communicated in our report.

S. No.	Key Audit Matters	How our audit addressed the Key Audit Matter
1.	<p>Impairment of Property, Plant & Equipment (PPE)</p> <ul style="list-style-type: none"> • The Company has significant balances of PPE as on 31st March 2019. The Company has a policy to review PPE to assess impairment in the carrying amount of PPE, if any. • Evaluation of impairment involves significant management judgement to estimate recoverable amount of PPE. • Refer note no. 1 Significant Accounting Policies, note no. 1A Significant Accounting Judgements, Estimates & Assumptions and note no. 2 Property, Plant & Equipment. • Given the judgement required to estimate the recoverable amount and impairment of PPE, this is considered as key audit matter. 	<p>Our audit procedure included:</p> <ul style="list-style-type: none"> • Reviewed the PPE schedule and analyzed the management's assessment for impairment in carrying amount of PPE in accordance with Ind AS. • Assessed the reliability of management's judgement, used to estimate recoverable amount of PPE. • On sample basis, physically verified the PPE to assess whether they are operating and are in good condition. • Discussed with the management the future plans for the assets not operating.
2.	<p>Accuracy of Recognition, Measurement, Presentation & Disclosure of Revenue & and other related balances on adoption of Ind AS 115 "Revenue from Contracts with Customers"</p> <ul style="list-style-type: none"> • The application of new Ind AS involves key judgements relating to identification of contract with customer, identification of distinct performance obligations, determination of transaction price w.r.t identified performance obligation, appropriateness of the basis used to measure revenue recognized and when the control of goods and services are being transferred. • Refer note no. 1 Significant Accounting Policies, note no. 1A Significant Accounting Judgements, Estimates & Assumptions and note no. 26 Revenue from Operations. • Given the judgement required to identify contract with customer, distinct performance obligations, transaction price and control of goods and services being transferred, this is considered as key audit matter. 	<p>Our audit procedure included:</p> <ul style="list-style-type: none"> • Reviewed the design of internal control relating to the implementation of new Ind AS. • On sample basis, inspected key customer contracts to identify terms and conditions relating to sales to customers and inspected sales invoices of customers. • Read, analyzed and identified the distinct performance obligation w.r.t contracts with customers. • Considered the terms of the contracts to determine the transaction price. • Performed substantive testing by selecting sample of revenue transactions recorded during the year by verifying the underlying documents. • Performed analytical procedures for reasonableness of revenue disclosed.

Information other than the Financial Statements and Auditor's Report thereon

The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Company's annual report, but does not include the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether such other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

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 Act with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Ind AS specified under section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of 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 financial 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.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so. Those Board of Directors are also responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with Standards on Auditing will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with Standards on Auditing, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for explaining

our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

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, to the extent applicable.

As required by section 143(3) of the Act, we report that:

- a) 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;
- b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
- c) The Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Income, the Statement of Changes in Equity and the Statement of Cash Flows dealt with by this Report are in agreement with the books of account;
- d) Except for the effects of the matter described in the "Basis for Qualified Opinion" section, in our opinion, the aforesaid financial statements comply with the Ind AS specified under section 133 of the Act;
- e) On the basis of written representations received from the directors as on 31 March, 2019 and taken on record by the Board of Directors, none of the directors is disqualified as on 31 March, 2019, from being appointed as a director in terms of section 164(2) of the Act;

- f) 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;
- g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, in our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Company to its directors is in accordance with the provisions of section 197 of the Act.
- h) 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:
- i) The Company has disclosed the impact of pending litigations on its financial position in its financial statements (Refer note no.40).
- ii) The Company did not have any long term contracts including derivative contracts for which there were any material foreseeable losses.
- iii) There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

For **R B Verma & Associates**
 Chartered Accountants
 Firm Registration No.012650C

Rajesh Verma
 Partner

Membership No.404029

Place : Abu Road
 Date : 30th May, 2019

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) According to the information and explanations given to us, most of the fixed assets have been physically verified during the year by the management in accordance with a phased programme of verification at reasonable intervals and no material discrepancies were noticed on such verification.
- (c) According to the information and explanations given to us, the title deeds of immovable properties are held in the name of the Company or its division.
- (ii) According to 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) (a) The Company had granted interest free unsecured loan to a Company covered in the register maintained under section 189 of the Companies Act, 2013 in view of proposed amalgamation under the provisions of Companies Act, 2013. According to the information and explanations given to us, since the amount paid is in connection to proposed amalgamation, 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. 46).
- (b) The Company has also granted unsecured loan to another Company covered in the register maintained under section 189 of the Companies Act, 2013, which is payable on demand. We are informed that the Company has received the amount demanded from the party and thus there is no default during the year. Interest on such loan has been paid / provided during the year. In our opinion, the terms and conditions of grant of such loan are not, prima facie, prejudicial to the interest of the Company. (Refer note no. 12).
- (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 and therefore this clause is not applicable.
- (vi) We have broadly reviewed the books of account maintained by the Company pursuant to the rules made by the central government for the maintenance of cost records under section 148(1) of the Companies Act, 2013 for the products of 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 information and explanations given to us and based on our examination of the records, the company is generally regular in depositing with appropriate authorities undisputed statutory dues including provident fund, employees' state insurance, income tax, goods and service tax, 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 based on our examination of the records, the particulars of dues of sales tax, value added tax, duty of excise and service tax etc., as applicable, as at 31 March 2019, 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	45.76	Various years from 2005-06 to 2010-11	Central Excise and Service Tax Appellate Tribunal, Delhi
		42.56	2012-13 & 2016-17	Commissioner Central Excise (Appeals), Jaipur
		167.66	2004-05 to 2018-19	Departmental authorities at various places

- (viii) According to the information and explanations given to us and based on our examination of the records, 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 and therefore this clause is not applicable.
- (x) According to the information and explanations given to us and based on our examination of the records, 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 fraud 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) The company is not a Nidhi Company and therefore this clause is not applicable.
- (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 as required by the applicable Indian 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 and therefore this clause is not applicable.
- (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) The company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934 and therefore this clause is not applicable.

For **R B Verma & Associates**
 Chartered Accountants
 Firm Registration No.012650C

Rajesh Verma
 Partner

Place : Abu Road
 Date : 30th May, 2019

Membership No.404029

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 31 March, 2019 in conjunction with our audit of the Ind AS 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 (the "**Guidance Note**") 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 issued by the Institute of Chartered Accountants of India and Standards on Auditing prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial control. 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 and to the best of our information and according to the explanations given to us, 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 31 March, 2019, 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 **R B Verma & Associates**
 Chartered Accountants
 Firm Registration No.012650C

Rajesh Verma
 Partner

Place : Abu Road
 Date : 30th May, 2019

Membership No.404029

BALANCE SHEET AS AT 31ST MARCH, 2019

(₹ in Lacs)

Particulars	Note No.	As at	
		31st March, 2019	31st March, 2018
ASSETS			
Non-current assets			
(a) Property, plant & equipment	2	18930.85	19514.93
(b) Capital work-in-progress	2	–	4.25
(c) Intangible assets	2	81.31	13.08
(d) Financial assets			
(i) Investments	3	29.14	26.33
(ii) Loans	4	4681.00	3964.00
(iii) Other financial assets	5	498.17	331.90
(e) Other non-current assets	6	45.15	54.38
Total Non-current assets		<u>24265.62</u>	<u>23908.87</u>
Current assets			
(a) Inventories	7	9253.70	7858.66
(b) Financial assets			
(i) Trade receivables	8	9116.92	10199.93
(ii) Cash and cash equivalents	9	1459.17	52.12
(iii) Bank balance other than cash and cash equivalents	10	215.20	187.22
(iv) Investments	11	183.32	–
(v) Loans	12	1236.63	1016.67
(vi) Other financial assets	13	938.06	1098.72
(c) Other current assets	14	1553.42	1326.68
Total Current assets		<u>23956.42</u>	<u>21740.00</u>
TOTAL ASSETS		<u>48222.04</u>	<u>45648.87</u>
EQUITY AND LIABILITIES			
Equity			
(a) Equity share capital	15	4714.39	4714.39
(b) Other equity	16	23599.19	21113.02
Total Equity		<u>28313.58</u>	<u>25827.41</u>
Liabilities			
Non-current liabilities			
(a) Financial liabilities			
(i) Borrowings	17	90.10	32.96
(b) Provisions	18	1894.30	1628.90
(c) Deferred tax liabilities (Net)	19	3122.84	3360.31
(d) Other non-current liabilities	20	56.23	66.42
Total Non-current liabilities		<u>5163.47</u>	<u>5088.59</u>
Current Liabilities			
(a) Financial Liabilities			
(i) Borrowings	21	9195.82	8339.11
(ii) Trade payables			
- Total outstanding dues of micro enterprises and small enterprises	22	41.84	–
- Total outstanding dues of creditors other than micro enterprises and small enterprises	22	2654.42	3329.50
(iii) Other financial liabilities	23	1804.54	1920.23
(b) Provisions	24	270.09	274.08
(c) Other current liabilities	25	778.28	869.95
Total Current liabilities		<u>14744.99</u>	<u>14732.87</u>
TOTAL EQUITY AND LIABILITIES		<u>48222.04</u>	<u>45648.87</u>
Significant accounting policies	1		
Other notes on financial statements	34 to 48		

The accompanying notes form an integral part of the financial statements.

As per our report of even date attached

For and on behalf of the Board

For R B Verma & Associates
 Chartered Accountants
 Firm Registration No. 012650C

Sachin Ranka	– Chairman & Managing Director	(DIN : 00335534)
Shreyans Ranka	– Whole Time Director	(DIN : 06470710)
R. Raniwala	– Independent Director	(DIN : 00506419)
S.K. Sharma	– Additional Director	(DIN : 01378040)
T.C. Chejara	– Non-Executive Director	(DIN : 07619881)
D.S. Singhvi	– Chief Financial Officer	
Gaurav Goyal	– Company Secretary	

Rajesh Verma
 Partner
 Membership No. 404029

 Place : Abu Road
 Date : 30th May, 2019

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH, 2019

(₹ in Lacs)

Particulars	Note No.	Year ended 31st March, 2019	Year ended 31st March, 2018
Income			
Revenue from Operations	26	44004.67	40893.49
Other Income	27	829.51	705.22
Total Income		44834.18	41598.71
Expenses			
Cost of materials consumed	28	13023.98	11073.38
Purchase of stock-in-trade		4.65	38.14
Changes in inventories of finished goods, Stock-in-trade & stock-in-process	29	(1344.50)	53.30
Excise duty		-	574.72
Employee benefits expense	30	6247.57	5626.74
Finance costs	31	1105.22	1173.59
Depreciation and amortization expense	2	1005.83	1000.56
Other expenses	32	22440.86	20275.01
Total Expenses		42483.61	39815.44
Profit before exceptional items & tax		2350.57	1783.27
Exceptional items			
		-	-
Profit before tax		2350.57	1783.27
Tax Expense			
Current tax		-	-
Deferred tax		(201.88)	120.26
Total tax expenses		(201.88)	120.26
Profit for the year		2552.45	1663.01
Other comprehensive income			
Items that will not be reclassified to profit or loss:			
Actuarial gain/(loss) on defined benefit plan		(101.87)	34.28
Income tax relating to above		35.59	(11.86)
Total other comprehensive income for the year (net of tax)		(66.28)	22.42
Total comprehensive income for the year		2486.17	1685.43
Earnings per equity share (face value ₹ 10 per share)			
Basic (₹)	33	5.41	3.53
Diluted (₹)		5.41	3.53

Significant accounting policies

1

Other notes on financial statements

34 to 48

The accompanying notes form an integral part of the financial statements.

As per our report of even date attached

For and on behalf of the Board

For R B Verma & Associates

Chartered Accountants

Firm Registration No. 012650C

Rajesh Verma

Partner

Membership No. 404029

Place : Abu Road

Date : 30th May, 2019

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

Shreyans Ranka – Whole Time Director (DIN : 06470710)

R. Raniwala – Independent Director (DIN : 00506419)

S.K. Sharma – Additional Director (DIN : 01378040)

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

D.S. Singhvi – Chief Financial Officer

Gaurav Goyal – Company Secretary

STATEMENT OF CASH FLOW FOR THE YEAR ENDED 31ST MARCH, 2019

(₹ in Lacs)

PARTICULARS	Year ended 31st March, 2019	Year ended 31st March, 2018
A. Cash Flow from Operating Activities		
Profit before tax	2350.57	1783.27
Adjustments for:		
-Depreciation and amortisation expenses	1005.83	1000.56
-Provisions	159.54	193.58
-Foreign exchange	(13.56)	98.77
-Profit on disposal of property, plant and equipment	(0.64)	(3.26)
-Finance costs	1105.22	1173.59
-Loss on fair valuation of investment carried at FVTPL	115.15	-
-Interest income	(202.54)	(16.67)
Operating profit before working capital changes	4519.57	4229.84
Adjustment for		
-Trade and other receivables	836.24	288.59
-Inventories	(1395.03)	(657.66)
-Trade and other Payables	(867.32)	300.83
Net Cash from Operating Activities (A)	3093.46	3584.42
B. Cash Flow from Investing Activities		
-Proceeds from sale of property, plant and equipment	32.25	24.33
-Purchase of property, plant and equipment (including capital work-in progress)	(510.93)	(347.38)
-Loans and advances given	(936.96)	(2709.12)
-Interest Income	202.54	16.67
-Investment in Equity shares	(298.47)	-
Net Cash used in Investing Activities (B)	(1511.57)	(3015.50)
C. Cash Flow from Financing Activities		
-Repayment of Long term borrowings (net)	73.67	(7.66)
-Proceeds from Short term borrowings	856.71	640.65
-Interest Paid	(1105.22)	(1173.59)
Net cash used in Financing Activities (C)	(174.84)	(540.60)
Net increase in cash and cash equivalents(A+B+C)	1407.05	28.31
Cash and cash equivalents at the beginning of the year	52.12	23.81
Cash and cash equivalents at the close of the year	1459.17	52.12
Cash and Cash Equivalent includes:-		
Particulars	As at 31.03.2019	As at 31.03.2018
Cash on hand	4.32	5.85
With Banks		
- In current accounts	454.85	46.27
- In deposit accounts maturing within 3 months	1000.00	-
Total	1459.17	52.12

The accompanying notes form an integral part of the financial statements.

Note: The above Statement of Cash Flow has been prepared under the 'Indirect Method' as set out in Ind AS 7, 'Statement of Cash Flows'.

As per our report of even date attached

For and on behalf of the Board

For R B Verma & Associates
 Chartered Accountants
 Firm Registration No. 012650C

Rajesh Verma
 Partner
 Membership No. 404029

Place : Abu Road
 Date : 30th May, 2019

Sachin Ranka – Chairman & Managing Director (DIN : 00335534)
 Shreyans Ranka – Whole Time Director (DIN : 06470710)
 R. Raniwala – Independent Director (DIN : 00506419)
 S.K. Sharma – Additional Director (DIN : 01378040)
 T.C. Chejara – Non-Executive Director (DIN : 07619881)
 D.S. Singhvi – Chief Financial Officer
 Gaurav Goyal – Company Secretary

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31ST MARCH, 2019

A. Equity Share Capital

(₹ in Lacs)

As at 1st April, 2017	4714.39
Changes in Equity Share Capital	-
As at 31st March, 2018	4714.39
Changes in Equity Share Capital	-
As at 31st March, 2019	4714.39

B. Other Equity

(₹ in Lacs)

Particulars	Reserves and Surplus			Total
	Securities Premium Reserve	Capital Reserve	Retained Earnings	
Balance as at 1st April, 2017	2911.45	1285.87	15230.27	19427.59
Profit for the year	-	-	1663.01	1663.01
Other comprehensive income	-	-	22.42	22.42
Total Comprehensive Income for the Year	-	-	1685.43	1685.43
Balance as at 31st March, 2018	2911.45	1285.87	16915.70	21113.02
Balance as at 1st April, 2018	2911.45	1285.87	16915.70	21113.02
Profit for the year	-	-	2552.45	2552.45
Other comprehensive income	-	-	(66.28)	(66.28)
Total Comprehensive Income for the Year	-	-	2486.17	2486.17
Balance as at 31st March, 2019	2911.45	1285.87	19401.87	23599.19

The accompanying notes form an integral part of the financial statements.

As per our report of even date attached

For R B Verma & Associates
 Chartered Accountants
 Firm Registration No. 012650C

Rajesh Verma
 Partner
 Membership No. 404029
 Place : Abu Road
 Date : 30th May, 2019

For and on behalf of the Board

Sachin Ranka – Chairman & Managing Director (DIN : 00335534)
 Shreyans Ranka – Whole Time Director (DIN : 06470710)
 R. Raniwala – Independent Director (DIN : 00506419)
 S.K. Sharma – Additional Director (DIN : 01378040)
 T.C. Chejara – Non-Executive Director (DIN : 07619881)
 D.S. Singhvi – Chief Financial Officer
 Gaurav Goyal – Company Secretary

Notes forming part of financial statements

CORPORATE INFORMATION

Modern Insulators Limited (the Company) is a public limited company incorporated in India under the provisions of the Companies Act, 1956 (the Act) having its registered office at Jaipur, Rajasthan, India. The Company is primarily engaged in the business of manufacturing insulators and terry towels.

Note No. 1 : SIGNIFICANT ACCOUNTING POLICIES

(a) Basis of preparation

- (i) The Financial Statements have been prepared in accordance with the Indian Accounting Standards (Ind AS) as specified under section 133 of the Companies Act, 2013 read with the Companies (Indian Accounting Standards) Rules, 2015 as amended and other relevant provisions of the Act. The accounting policies are applied consistently to all the periods in the Financial Statements.
- (ii) The Financial Statements are prepared on accrual basis under the historical cost convention except financial assets and liabilities (including derivatives instruments) that are measured at fair value as required by relevant Ind AS. The methods used to measure fair values are discussed in notes to financial statements.
- (iii) The preparation of financial statements requires judgments, estimates and assumptions that affect the reported amount of assets and liabilities, disclosure of contingent liabilities on the date of the financial statements and the reported amount of revenues and expenses during the reporting period. Actual results could differ from those estimated. Difference between the actual results and estimates are recognized in the period in which the results are known/ materialized. Major estimates are discussed in Note No. 1A.

(b) Functional and presentation currency

These financial statements are presented in Indian Rupees, which is the functional currency of the company and the currency of the primary economic environment in which the Company operates.

(c) Classification of assets and liabilities into current and non-current

The Company has ascertained its operating cycle as twelve months for the purpose of Current and Non-Current classification of its Assets and Liabilities. Classification is done in accordance with Schedule III Division II of the Companies Act, 2013.

For the purpose of Balance Sheet, an asset is classified as current when:

- (i) It is expected to be realised or intended to be sold or consumed in the normal operating cycle; or
- (ii) It is held primarily for the purpose of trading; or
- (iii) It is expected to be realised within twelve months after the reporting period; or
- (iv) It is cash or cash equivalent unless it is restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as non-current.

Similarly, a liability is classified as current when:

- (i) It is expected to be settled in the normal operating cycle; or
- (ii) It is held primarily for the purpose of trading; or
- (iii) It is due to be settled within twelve months after the reporting period; or
- (iv) The Company does not have an unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

All other liabilities are classified as non-current.

Deferred tax assets/liabilities are classified as non-current assets/liabilities.

(d) Property, plant & equipment (PPE)

The Company had applied for the one time transition exemption of considering the fair value as on the date of transition i.e. 01st April, 2016 as the deemed cost under Ind AS. Hence regarded thereafter as historical cost.

Freehold land is carried at Cost. All other items of Property, plant and equipment (PPE) are stated at acquisition or construction cost less

accumulated depreciation / amortisation and impairment loss. Cost comprises the purchase price and any directly attributable cost of bringing the asset to its location and working condition for its intended use, including relevant borrowing costs..

If significant parts of an item of PPE have different useful lives, then they are accounted for as separate items (major components) of PPE.

The cost of an item of PPE is recognised as an asset if, and only if, it is probable that the economic benefits associated with the item will flow to the Company in future periods and the cost of the item can be measured reliably. Expenditure incurred after the PPE have been put into operations, such as repairs and maintenance expenses are charged to the Statement of Profit and Loss during the period in which they are incurred.

Subsequent expenditure incurred after the PPE have been put into operations is recognized as an increase in the carrying amount of the asset when it is probable that future economic benefits deriving from the cost incurred will flow to the enterprise and the cost of the item can be measured reliably.

Items such as spare parts, standby equipments and servicing equipments are recognised as PPE when it is held for use in the production or supply of goods or services or for administrative purpose and are expected to be used for more than one year. Otherwise such items are classified as inventory.

An item of PPE is de-recognised upon disposal or when no future economic benefits are expected to arise from the continued use of the assets. Any gain or loss arising on the disposal or retirement of an item of PPE, is determined as the difference between the net sales proceeds and the carrying amount of the asset and is recognised in the Statement of Profit and Loss.

(e) Expenditure during construction period

Expenditure, net of income earned, during construction (including financing cost related to borrowed funds for construction or acquisition of qualifying PPE) period is included under capital work-in-progress and the same is allocated to the respective PPE on the completion of construction. Advances given towards acquisition or construction of PPE outstanding at each reporting date are disclosed as Capital Advances under "Other Non Current Assets"

(f) Depreciation

Depreciation is the systematic allocation of the depreciable amount of PPE over its useful life and is provided on a straight-line basis over the useful lives as prescribed in Schedule II to the Act or as per technical evaluation. Leasehold lands are amortised over the lease term unless it is reasonably certain that the Company will obtain ownership by the end of lease term.

Depreciable amount for PPE is the cost of PPE less its estimated residual value. The useful life of PPE is the period over which PPE is expected to be available for use by the Company or the number of production or similar units expected to be obtained from the asset by the Company.

In case of certain classes of PPE, the Company uses different useful lives than those prescribed in Schedule II to the Act. The useful lives have been assessed based on technical evaluation, taking into consideration the nature of the PPE and the estimated usage of the asset on the basis of management's best estimation of obtaining economic benefits from those classes of assets.

The useful life considered for calculation of depreciation / amortisation for various Asset class are as under:

S. No.	Asset class	Useful life
1.	Leasehold Assets	Lease period
2.	Factory Building	4-30 Years
3.	Non- factory building	4-60 Years
4.	Plant & Machinery	1-30 Years
5.	Furniture & Fixtures	2-10 Years
6.	Office equipments	0-5 Years
7.	Vehicles	2-10 Years

Based on technical evaluation, management believes that the useful life as given above best represent the period over which the management expects to use these assets.

Depreciation on additions is provided on a pro-rata basis from the date of installation or acquisition and in case of Projects from the date of commencement of commercial production.

Depreciation on deductions/disposals is provided on a pro-rata basis up to the date of deduction/disposal.

(g) Intangible assets and amortization

Internally generated intangible assets

Expenditure incurred on development is capitalised if such expenditure leads to creation of any intangible asset, otherwise, such expenditure is charged to the Statement of Profit and Loss. PPE procured for research and development activities are capitalised.

Intangible assets acquired separately

Intangible assets acquired separately are carried at cost less accumulated amortisation and accumulated impairment loss, if any. The Company determines the amortisation period as the period over which the future economic benefits will flow to the Company after taking into account all relevant facts and circumstances. The estimated useful life and amortisation method are reviewed periodically, with the effect of any changes in estimate being accounted for on a prospective basis.

An item of intangible asset is de-recognised upon disposal or when no future economic benefits are expected to arise from the continued use of the assets. Any gain or loss arising on the disposal or retirement of an item of intangible asset, is determined as the difference between the net sales proceeds and the carrying amount of the asset and is recognised in the Statement of Profit and Loss.

The useful life considered for calculation of depreciation / amortisation for various Asset class are as under:

Asset class	Useful life
Computer Software	1-3 Years

Based on technical evaluation, management believes that the useful life as given above best represent the period over which the management expects to use these assets.

Intangible asset having definite life are amortised on systematic basis over their useful life. If life of any intangible asset is indefinite then it is not amortised but tested for impairment loss at the end of each reporting date.

(h) Borrowing Costs

Borrowing costs that are directly attributable to the acquisition, construction, development or erection of a qualifying asset are capitalized as part of the cost of such asset till such time the asset is ready for its intended use and borrowing cost are being incurred. A qualifying asset is an asset that necessarily takes a substantial period of time to get ready for its intended use. All other borrowing costs are recognized as an expense in the period in which they are incurred.

(i) Inventories

Inventories are valued at the lower of cost and net realisable value.

Raw material, stores and spare parts and packing materials are considered to be realisable at cost, if the finished products, in which they will be used, are expected to be sold at or above cost. The cost is computed on weighted average basis.

Cost of finished goods and work- in- progress includes cost of conversion based on normal capacity and other costs incurred in bringing the inventories to their present location and condition. Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale.

Spare parts, other than those capitalised as PPE are carried as inventories.

The diminution in the value of obsolete, unserviceable and surplus stores & spares is ascertained after review and if found material, suitable provision is made / written down based on technical evaluation, its

recoverable value and management's best estimate.

(j) Cash and cash equivalents

Cash and cash equivalents in the balance sheet comprise cash at banks, cash in hand and short-term deposits with an original maturity of three months or less, which are subject to insignificant risk of change in value.

(k) Government grants

Government grants are recognized when there is reasonable assurance that the grant will be received and all associated conditions will be complied with. When the grant relates to an expense item, it is recognized as income on a systematic basis over the periods that the related costs, for which it is intended to compensate, are expensed. When the grant relates to an asset, it is recognized as income on a systematic basis over the expected useful life of the related asset.

(l) Provisions, contingent liabilities and contingent assets

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event and it is probable that an outflow of resources, that can be reliably estimated, will be required to settle such an obligation.

If the effect of the time value of money is material, provisions are determined by discounting the expected future cash flows to net present value using an appropriate pre-tax discount rate that reflects current market assessments of the time value of money and, where appropriate, the risks specific to the liability. Unwinding of the discount is recognised in the Statement of Profit and Loss as a finance cost.

The amount recognized as a provision is the best estimate of the consideration required to settle the present obligation at reporting date, taking into account the risks and uncertainties surrounding the obligations. Provisions are reviewed at each reporting date and are adjusted to reflect the management's best estimate.

A present obligation that arises from past events where it is either not probable that an outflow of resources will be required to settle or a reliable estimate of the amount cannot be made, is disclosed as a contingent liability. Contingent liabilities are also disclosed when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non -occurrence of one or more uncertain future events not wholly within the control of the Company. These are reviewed at each balance sheet date and are adjusted to reflect the current management estimate.

Claims against the Company where the possibility of any outflow of resources in settlement is remote, are not disclosed as contingent liabilities.

Contingent assets are not recognised in financial statements since this may result in the recognition of income that may never be realised. However, when the realisation of income is virtually certain, then the related asset is not a contingent asset and is recognised.

(m) Foreign currency transactions and translations

Transactions in foreign currencies, other than the Company's functional currency are recognised at the exchange rates prevailing at the dates of the transactions. At the end of each reporting period, monetary assets and liabilities denominated in foreign currencies are translated at the rate prevailing at that date. Non-monetary items that are measured in terms of historical cost in a foreign currency are not translated.

Exchange differences on monetary items are recognised in the statement of profit and loss in the period in which these arise.

(n) Revenue recognition

Effective 01 April 2018, the Company has adopted Indian Accounting Standard 115 (Ind AS 115) - Revenue from contracts with customers'. The impact of the adoption of Ind-AS 115 on the financial statements of the Company is insignificant.

Revenue is recognized on satisfaction of performance obligation upon transfer of control of promised goods or services to customers in an amount that reflects the consideration the Company expects to receive in exchange for those goods or services.

The Company satisfies a performance obligation and recognizes revenue over time, if one of the following criteria is met:

- (i) The customer simultaneously receives and consumes the benefits provided by the Company's performance; or
- (ii) The Company's performance creates or enhances an asset that the customer controls as the asset is created or enhanced; or
- (iii) The Company's performance does not create an asset with an alternative use to the Company and an entity has an enforceable right to payment for performance completed to date.

For performance obligations where one of the above conditions is not met, revenue is recognized at the point in time at which the performance obligation is satisfied.

If the Company has any contract wherein the period between transfer of the promised goods or services to the customer and payment by the customer exceeds one year, transaction price is adjusted for the time value of money.

(o) Other operating revenues / other income

- (i) Income from services is recognized (net of service tax / GST as applicable) based on the services rendered in accordance with the terms of contracts.
- (ii) For all financial instruments measured at amortized cost, interest income is recorded using the effective interest rate (EIR), which is the rate that exactly discounts the estimated future cash receipts over the expected life of the financial instrument to the gross carrying amount of the financial asset.
- (iii) Interest income for all financial instruments measured at fair value through other comprehensive income is recognized in the statement of profit and loss.
- (iv) Dividend income is accounted for when the right to receive the income is established.
- (v) Export incentives under various schemes are recognized in the year of export.

(p) Employee Benefits

Short term employee benefits

Short-term employee benefit obligations are recognized as an expense on accrual basis.

Defined contribution plans

Defined contribution plans are those plans in which an entity pays fixed contribution into separate entities and will have no legal or constructive obligation to pay further amounts. Provident fund and employee state insurance are defined contribution plans in which company pays a fixed contribution and will have no further obligation.

Defined benefit plans

A defined benefit plan is a post-employment benefit plan other than a defined contribution plan.

Company pays Gratuity as per provisions of the Payment of Gratuity Act, 1972. The Company's net obligation in respect of defined benefit plans is calculated separately for each plan by estimating the amount of future benefits that employees have earned in return for their services in the current and prior periods; that benefit is discounted to determine its present value. Any unrecognized past service costs and the fair value of any plan assets are deducted. The discount rate is based on the prevailing market yields of Indian government securities as at the reporting date that have maturity dates approximating the terms of the Company's obligations and that are denominated in the same currency in which the benefits are expected to be paid.

The calculation is performed annually by a qualified actuary using the projected unit credit method. When the calculation results in a liability to the company, the present value of liability is recognized as provision for employee benefit. Any actuarial gains or losses are recognized in Other Comprehensive Income in the period in which they arise.

Other long-term employee benefits

Benefits under the Company's leave encashment constitute other long term employee benefits.

The Company's net obligation in respect of leave encashment is the amount of future benefits that employees have earned in return for their service in the current and prior periods, that benefit is discounted to determine its present value and the fair value of any related assets is deducted. The discount rate is based on the prevailing market yields of Indian government securities as at the reporting date that have maturity dates approximating the terms of the Company's obligations. The calculation is performed using the projected unit credit method. Any actuarial gains or losses are recognized in the Statement of profit and loss in the period in which they arise.

(q) Research and development expenditure

Revenue expenditure on research and development is charged as an expense in the year in which it is incurred under the respective heads of accounts. Expenditure which results in the creation of capital assets is capitalised and depreciation is provided on such assets as applicable.

(r) Income taxes

Income Tax expenses comprise current tax and deferred tax charge or credit.

Current Tax is measured on the basis of estimated taxable income for the current accounting period in accordance with the applicable tax rates and the provisions of the Income-tax Act, 1961 and other applicable tax laws.

Deferred tax is provided, on all temporary differences at the reporting date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes. Deferred tax assets and liabilities are measured at the tax rates that are expected to be applied to the temporary differences when they reverse, based on the laws that have been enacted or substantively enacted at the reporting date.

Deferred tax assets and liabilities are offset, if there is a legally enforceable right to offset current tax liabilities and assets and they relate to income taxes levied by the same tax authority.

A deferred tax asset is recognized to the extent that it is probable that future taxable profits will be available against which the temporary differences can be utilised. Deferred tax assets are reviewed at each reporting date and are reduced to the extent it is no longer probable.

Income tax expenses relating to items recognised directly in equity or OCI is recognised in equity or OCI and not in the Statement Profit and Loss.

(s) Leases

Leases are classified as finance leases, when the terms of the lease, transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as Operating Leases.

Operating Lease: Lease rentals are charged or recognised in the statement of profit and loss on a straight-line basis over the lease term.

Finance Lease: Assets held under finance leases are recognised as assets of the Company at their fair value at the inception of the lease or, if lower, at the present value of the minimum lease payments. Lease payments are apportioned between finance charges and reduction of the lease obligation. Finance charges are charged to the Statement of Profit and Loss, unless they are directly attributable to qualifying assets, in which case they are capitalised in accordance with the Company's policy on borrowing costs.

(t) Impairment of non-financial assets

At the end of each reporting period, the Company reviews the carrying amounts of non-financial assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). When it is not possible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Recoverable amount is the higher of fair value less costs of disposal and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money

and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in Statement of Profit and Loss, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

When an impairment loss subsequently reverses, the carrying amount of the asset (or a cash-generating unit) is increased to the revised estimate of its recoverable amount, but to the extent that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in the Statement of Profit and Loss, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

(u) Segment reporting

Identification of Segments

Operating Segments are identified based on monitoring of operating results by the Board of Directors separately for the purpose of making decision about resource allocation and performance assessment. Segment performance is evaluated based on profit or loss and is measured consistently with profit or loss of the Company.

Operating Segments are identified based on the nature of products and services, the different risks and returns and the internal business reporting system.

Segment Policies

The Company prepares its segment information in conformity with the accounting policies adopted for preparing and presenting the financial statements of the Company as a whole.

(v) Material prior period errors

Material prior period errors are corrected retrospectively by restating the comparative amounts for the prior periods presented in which the error occurred. If the error occurred before the earliest prior period presented, the opening balances of assets, liabilities and equity for the earliest prior period presented, are restated.

(w) Earnings Per Share (EPS)

The basic EPS is computed by dividing the profit after tax for the year attributable to the equity shareholders by the weighted average number of equity shares outstanding during the year.

For the purpose of calculating diluted EPS, profit after tax for the year attributable to the equity shareholders and the weighted average number of equity shares outstanding during the year are adjusted for the effects of all dilutive potential equity shares.

(x) Fair value Measurement

The company measures financial instruments, such as investments and derivatives at fair value at each reporting date.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability, or
- in the absence of a principal market, in the most advantageous market for the asset or liability.

A fair value measurement of a non financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The company uses valuation technique that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs.

Fair values are categorized into different levels in the hierarchy as under:

- Level 1: Quoted (unadjusted) market prices in active markets for identical assets or liabilities
- Level 2: Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable.
- Level 3: Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

(y) Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity. Financial assets and financial liabilities are recognized when a Company becomes a party to the contractual provisions of the instruments.

i) Initial Recognition: Financial assets and Financial liabilities

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss and ancillary costs related to borrowings) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in statement of profit and loss.

ii) Classification and Subsequent Measurement: Financial Assets

The Company classifies financial assets as subsequently measured at amortised cost, fair value through other comprehensive income ("FVOCI") or fair value through profit or loss ("FVTPL") on the basis of following:

- the entity's business model for managing the financial assets and
- the contractual cash flow characteristics of the financial asset.

At amortised cost:

A financial asset shall be classified and measured at amortised cost if both of the following conditions are met:

- the financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

After initial recognition, such financial assets are subsequently measured at amortised cost using expected interest rate (EIR) method. In case of financial assets at amortised costs, interest income, foreign exchange gain or loss and impairment are recognized in Statement of profit and loss.

At fair value through OCI:

A financial asset shall be classified and measured at fair value through OCI if both of the following conditions are met:

- the financial asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Where the Company has elected to present the fair value gain on equity instruments in other comprehensive income, there is no subsequent classification of fair value gain or losses to profit and loss account. Dividend from such instruments is recognized in profit and loss account as other income where right to receive is established.

At fair value through Profit or Loss:

A financial asset shall be classified and measured at fair value through profit or loss other than those measured at amortised cost or at fair value through OCI.

All recognised financial assets are subsequently measured in their entirety at either amortised cost or fair value, depending on the classification of the financial assets.

Impairment of financial assets:

Financial assets, other than those at FVTPL, are assessed for indicators of impairment at the end of each reporting period. In case of trade receivables, the Company follows the simplified approach permitted by Ind AS 109 - Financial Instruments for recognition of impairment loss allowance. The Company recognises a loss allowance for expected credit losses on financial asset. The Company's trade receivables do not contain significant financing component and loss allowance on trade receivables is measured at an amount equal to life time credit expected losses. The Company calculates the expected credit losses on trade receivables using a provision matrix on the basis of its historical credit loss experience.

Derecognition of financial assets:

The Company derecognises a financial asset when the contractual rights to receive the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another party. If the Company neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Company recognises its retained interest in the asset and an associated liability for amounts it may have to pay. If the Company retains substantially all the risks and rewards of ownership of a transferred financial asset, the Company continues to recognise the financial asset and also recognises associated liabilities.

On derecognition of a financial asset, other than investments classified as FVOCI, in its entirety, the difference between the asset's carrying amount and the sum of the consideration received and receivable and the cumulative gain or loss that had been recognised in other comprehensive income and accumulated in equity is recognised in profit or loss if such gain or loss would have otherwise been recognised in profit or loss on disposal of that financial asset.

iii) Classification and Subsequent Measurement: Financial liabilities

Financial liabilities are classified as either financial liabilities at FVTPL or 'other financial liabilities'

Financial Liabilities at FVTPL:

Financial liabilities are classified as at FVTPL when the financial liability is held for trading or are designated upon initial recognition as FVTPL. Gains or losses on liabilities held for trading are recognised in the statement of profit and loss.

Other Financial Liabilities:

Other financial liabilities (including borrowings and trade and other payables) are subsequently measured at amortised cost using the effective interest method.

Derecognition of Financial Liabilities:

The Company derecognises a financial liability when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms or the terms of an existing liability are substantially modified, such exchange or modification is treated as derecognition of the original liability and the recognition of a new financial liability. The difference in the respective carrying amounts is recognised in the statement of profit or loss.

The difference between the carrying amount of financial liability derecognized and consideration paid and payable is recognized in the statement of profit and loss.

On derecognition of equity investments classified as FVOCI, accumulated gains or loss recognised in OCI is transferred to retained earnings.

(z) Financial liabilities and equity instruments

- Classification as debt or equity

Debt and equity instruments issued by the Company are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

- Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by a Company are recognised at the proceeds received.

(aa) Derivative financial instruments

The Company enters into derivative financial instruments viz. foreign exchange forward contracts to manage foreign exchange risks. The Company does not hold derivative financial instruments for speculative purposes.

Derivatives are initially recognised at fair value on the date derivative contracts are entered into and are subsequently remeasured at their fair value at the end of each reporting period. The resulting gain or loss is recognised in statement of profit and loss.

Note no. 1A. Significant Accounting Judgements, Estimates and Assumptions

The preparation of the Company's financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets, liabilities, the accompanying disclosures and the disclosure of contingent liabilities. Continuous evaluation is done on estimates and judgments based on historical experience and other factors, including expectation of future events that are believed to be reasonable. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods.

Estimates made in preparing Financial Statements:

(a) Useful life of Property, plant and equipment and intangible assets

The Company uses its technical expertise along with historical and industry trends for determining the economic life of an asset/component of an asset. The useful lives are reviewed by management periodically and revised, if appropriate. In case of a revision, the unamortized depreciable amount is charged over the remaining useful life of the assets.

(b) Post-employment benefit plans

Employees benefit obligations are measured on the basis of actuarial assumptions which include mortality and withdrawal rates as well as assumptions concerning future developments in discount rates, the rate of salary increases and the inflation rate. The Company considers that the assumptions used to measure its obligations are appropriate and documented. However, any changes in these assumptions may have a material impact on the resulting calculations.

(c) Provisions and contingencies

The assessments undertaken in recognizing provisions and contingencies have been made in accordance with Ind AS 37, 'Provisions, Contingent Liabilities and Contingent Assets'. The evaluation of the likelihood of the contingent events requires best judgment by the management regarding the probability of exposure to potential loss. If circumstances change following unforeseeable developments, this likelihood could alter.

(d) Impairment of assets

The company has used certain judgments and estimation to estimate future projection and discount rate to compute value in used of assets/ cash generating units and to assess impairment.

(e) Revenue recognition

The company recognised the revenue from contract with customers based on 5 steps model as per Ind AS- 115 which involve judgments relating to identification of contracts with customers, identification of distinct performance obligation, determination of transaction price with respect to identified performance obligation, appropriateness of the basis used to recognise revenue and when the control of goods and services are being transferred.

Notes forming part of financial statements
Note No. 2 : PROPERTY, PLANT & EQUIPMENT, CAPITAL WORK IN PROGRESS AND INTANGIBLE ASSETS

As at 31st March 2019

(₹ in Lacs)

Particulars	Gross Block				Depreciation/Amortization				Net Block	
	As at 01.04.2018	Additions	Deductions/ Adjustments	As at 31.03.2019	As at 01.04.2018	Depreciation for the year	Deductions/ Adjustments	As at 31.03.2019	As at 31.03.2019	As at 31.03.2018
A. Property, Plant & Equipment										
Leasehold Land	3644.49	-	-	3644.49	107.20	53.59	-	160.79	3483.70	3537.29
Freehold Land	3792.50	-	-	3792.50	-	-	-	-	3792.50	3792.50
Building	4438.41	54.38	-	4492.79	325.43	165.89	-	491.32	4001.47	4112.98
Plant & Machinery	9136.17	219.90	0.92	9355.15	1379.25	704.64	0.34	2083.55	7271.60	7756.92
Furniture & Fixtures	160.50	19.00	6.25	173.25	40.57	19.16	2.24	57.49	115.76	119.93
Office Equipments	81.70	21.77	1.26	102.21	34.30	21.56	1.27	54.59	47.62	47.40
Vehicles	203.05	126.49	40.40	289.14	55.14	29.16	13.36	70.94	218.20	147.91
Total (A)	21456.82	441.54	48.83	21849.53	1941.89	994.00	17.21	2918.68	18930.85	19514.93
B. Intangible assets										
Computer Software	29.25	80.06	-	109.31	16.17	11.83	-	28.00	81.31	13.08
Total (B)	29.25	80.06	-	109.31	16.17	11.83	-	28.00	81.31	13.08
Total (A+B)	21486.07	521.60	48.83	21958.84	1958.06	1005.83	17.21	2946.68	19012.16	19528.01
Capital work-in-progress										4.25

As at 31st March 2018

(₹ in Lacs)

Particulars	Gross Block				Depreciation/Amortization				Net Block	
	As at 01.04.2017	Additions	Deductions/ Adjustments	As at 31.03.2018	As at 01.04.2017	Depreciation for the year	Deductions/ Adjustments	As at 31.03.2018	As at 31.03.2018	As at 31.03.2017
A. Property, Plant & Equipment										
Leasehold Land	3644.49	-	-	3644.49	53.60	53.60	-	107.20	3537.29	3590.89
Freehold Land	3792.50	-	-	3792.50	-	-	-	-	3792.50	3792.50
Building	4401.08	37.33	-	4438.41	161.19	164.24	-	325.43	4112.98	4239.89
Plant & Machinery	8893.35	242.95	0.13	9136.17	677.54	701.73	0.02	1379.25	7756.92	8215.81
Furniture & Fixtures	147.84	18.88	6.22	160.50	20.55	21.22	1.20	40.57	119.93	127.29
Office Equipments	62.48	19.22	-	81.70	14.80	19.50	-	34.30	47.40	47.68
Vehicles	210.22	13.89	21.06	203.05	29.38	30.87	5.11	55.14	147.91	180.84
Total (A)	21151.96	332.27	27.41	21456.82	957.06	991.16	6.33	1941.89	19514.93	20194.90
B. Intangible assets										
Computer Software	21.35	7.90	-	29.25	6.77	9.40	-	16.17	13.08	14.58
Total (B)	21.35	7.90	-	29.25	6.77	9.40	-	16.17	13.08	14.58
Total (A+B)	21173.31	340.17	27.41	21486.07	963.83	1000.56	6.33	1958.06	19528.01	20209.48
Capital work-in-progress									4.25	-

- 2.1 Leasehold land classified as finance lease is recognised under PPE as substantially all the significant risk and rewards incidental to the ownership of the land under lease have been transferred to the company.
- 2.2 In accordance with the Indian accounting standard (Ind AS 36) Impairment of assets, management has during the year carried out exercise of identifying assets that may have been impaired. On the basis of review carried out by management there was no impairment loss on PPE during the year.

Notes forming part of financial statements
Note No. 3 : NON CURRENT INVESTMENTS
(₹ in Lacs)

PARTICULARS	As at 31st March, 2019	As at 31st March, 2018
Trade Investments (Unquoted)		
Investment in Govt. securities (carried at cost)		
National Saving Certificates (Deposited with Govt. department)	0.01	0.01
Investment in shares of VS Lignite Power Pvt. Ltd.*		
Preference shares (carried at FVTOCI)		
742814 Class 'A'- 0.01% Cumulative Redeemable Preference shares of ₹ 10/- each, fully paid up; (31st March, 2018- 742814 Class 'A'- 0.01% Cumulative Redeemable Preference shares of ₹ 10/- each, fully paid up)	29.13	26.32
*Lying with said company under lien.		
Total	29.14	26.33
3.1 Aggregate amount of unquoted investments	29.14	26.33
3.2 Aggregate amount of impairment in the value of investments	-	-

Note No. 4 : NON CURRENT LOANS
(₹ in Lacs)

PARTICULARS	As at 31st March, 2019	As at 31st March, 2018
(unsecured, considered good)		
Loans and advances to related party (Refer note no. 46)	4681.00	3964.00
Total	4681.00	3964.00
Break-up :		
Loans considered good- Secured	-	-
Loans considered good- Unsecured	4681.00	3964.00
Loans which have significant increase in credit risk	-	-
Loans- credit impaired	-	-
Total	4681.00	3964.00
Less: Allowance for doubtful loans	-	-
Total Loans	4681.00	3964.00

Note No. 5 : OTHER NON CURRENT FINANCIAL ASSETS
(₹ in Lacs)

PARTICULARS	As at 31st March, 2019	As at 31st March, 2018
(Unsecured, considered goods)		
Fixed Deposits with banks	37.02	51.17
Security Deposits	461.15	280.73
Total	498.17	331.90

5.1 Fixed deposits are kept towards margin against non fund based limits availed from the banks.

5.2 Fixed deposits with banks are those having maturity period more than 12 months.

5.3 Security deposits includes balances with electricity board and telephone department and have been given for business purpose.

Note No. 6 : OTHER NON CURRENT ASSETS
(₹ in Lacs)

PARTICULARS	As at 31st March, 2019	As at 31st March, 2018
Deferred assets towards investment in preference shares	45.15	47.96
Capital advances	-	6.42
Total	45.15	54.38

Notes forming part of financial statements
Note No. 7 : INVENTORIES

(₹ in Lacs)

PARTICULARS	As at 31st March, 2019	As at 31st March, 2018
(valued at lower of cost or net realisable value)		
Raw materials (Including in transit 31.03.19- ₹ 68.72 Lacs; 31.03.2018- ₹ 174.96 Lacs)	2068.39	1978.03
Stock in process	2442.89	2341.33
Finished stock	3888.65	2646.30
Stock-in-trade (Traded goods)	23.81	23.22
Fuel	70.26	88.61
Packing Material	140.51	182.70
Stores & spares (Including in transit 31.03.19- ₹ 64.00 Lacs, 31.03.2018- ₹ 22.30 Lacs)	619.19	598.47
Total	9253.70	7858.66

7.1 Inventory write downs are accounted, considering the value of inventory ageing and net realisable value. Write downs of inventory during the year amounted to ₹ 11.52 Lacs (Previous year ₹ Nil). These write downs were recognised as an expense in the statement of Profit & Loss. The reversal on account of above during the year amounted to ₹ Nil (Previous year ₹ Nil)

Note No. 8 : TRADE RECEIVABLES

(₹ in Lacs)

PARTICULARS	As at 31st March, 2019	As at 31st March, 2018
Trade receivables	9327.45	10496.20
Trade receivables which have significant increase in credit risk	-	-
Trade receivables - Credit Impaired	-	-
Less: Allowance for doubtful trade receivables	210.53	296.27
Total receivables	9116.92	10199.93
Current portion	9116.92	10199.93
Non-current portion	-	-
Break up of security details:		
Secured, considered good	-	-
Unsecured, considered good	9116.92	10199.93
Doubtful	210.53	296.27
Total	9327.45	10496.20
Allowance for doubtful trade receivables	(210.53)	(296.27)
Total trade receivables	9116.92	10199.93

8.1 Balance of trade receivables are subject to reconciliations, confirmation and consequential adjustment, if any.

8.2 Includes ₹ 87.34 Lacs (31st March, 2018- ₹ 59.01 Lacs under litigation for which adequate provision has been made.

Note No. 9 : CASH AND CASH EQUIVALENTS

(₹ in Lacs)

PARTICULARS	As at 31st March, 2019	As at 31st March, 2018
Cash on Hand	4.32	5.85
Balances with Banks		
In Current accounts	454.85	46.27
In Deposit account (Original maturity upto 3 months)	1000.00	-
Total	1459.17	52.12

Note No. 10 : BANK BALANCES OTHER THAN CASH AND CASH EQUIVALENTS

(₹ in Lacs)

PARTICULARS	As at 31st March, 2019	As at 31st March, 2018
Bank deposits (With maturity more than 3 months but less than 12 months)	215.20	187.22
Total	215.20	187.22

10.1 Bank deposits are kept towards margin against non fund based limits availed from the banks.

Note No. 11 : CURRENT INVESTMENTS

(₹ in Lacs)

PARTICULARS	As at 31st March, 2019	As at 31st March, 2018
Investment in Equity Instruments (Quoted) (Carried at FVTPL)		
Centrum Capital Limited (567555 Equity Shares of ₹10/- each fully paid up)	183.32	-
Total	183.32	-
11.1 Aggregate amount of quoted investments and market value thereof	183.32	-

Notes forming part of financial statements
Note No. 12 : CURRENT LOANS

(₹ in Lacs)

PARTICULARS	As at 31st	As at 31st
	March, 2019	March, 2018
(Unsecured, considered goods)		
Loan to related party	713.98	1016.67
Other Loans	522.65	-
Total	1236.63	1016.67

12.1 Disclosure as per the requirements of Section 186 of the Companies Act, 2013.

Name of the Company	Terms of Loan	Maximum balance outstanding during the year		Amount Outstanding	
		Current Year	Previous Year	Current Year	Previous Year
Jumbo Finance Limited	- Payable on demand - Interest rate- 11% p.a.	2190.00	1025.00	713.98	1016.67

12.2 Break-up:

Loans considered good-Secured	-	-
Loans considered good-Unsecured	1236.63	1016.67
Loans which have significant increase in credit risk	-	-
Loans-credit impaired	-	-
Total	1236.63	1016.67
Less : Allowance for doubtful loans	-	-
Total Loans	1236.63	1016.67

Note No. 13 : OTHER CURRENT FINANCIAL ASSETS

(₹ in Lacs)

PARTICULARS	As at 31st	As at 31st
	March, 2019	March, 2018
(Unsecured, considered good)		
Deposits	623.32	641.88
Advances to employees	35.12	53.94
Export benefits receivables	251.08	369.06
Accrued interest	25.41	22.79
Others	3.13	11.05
Total	938.06	1098.72

Note No. 14 : OTHER CURRENT ASSETS

(₹ in Lacs)

PARTICULARS	As at 31st	As at 31st
	March, 2019	March, 2018
Prepaid expenses	65.67	76.06
Advances to suppliers for goods & services	250.73	182.90
Balance with Govt. authorities	391.73	286.02
Income Tax advance	456.01	456.01
Tax Deducted at Source	358.24	315.72
Others	31.04	9.97
Total	1553.42	1326.68

14.1 Advances to suppliers for goods & services include advances against purchases & services which are receivable in kind in next 12 Months & are for business purpose.

Note No. 15 : EQUITY SHARE CAPITAL

(₹ in Lacs)

PARTICULARS	As at 31st	As at 31st
	March, 2019	March, 2018
Authorised		
9,00,00,000 (31st March, 2018- 9,00,00,000) equity shares of ₹ 10/- each	9000.00	9000.00
5,00,000 (31st March, 2018- 5,00,000) Preference shares of ₹ 100/- each	500.00	500.00
Total	9500.00	9500.00
Issued, Subscribed and Paid-up		
4,71,43,900 (31st March, 2018- 4,71,43,900) Equity shares of ₹ 10/- each fully paid-up	4714.39	4714.39
Total	4714.39	4714.39

15.1 Reconciliation of the number of shares and amount outstanding at the beginning and at the end of the year :-

Particulars	As at 31st March, 2019		As at 31st March, 2018	
	Number of Shares	₹ in Lacs	Number of Shares	₹ in Lacs
Balance as at the beginning of the year	47143900	4714.39	47143900	4714.39
Add : Issued during the year	-	-	-	-
Balance as at the end of the year	47143900	4714.39	47143900	4714.39

Notes forming part of financial statements
15.2 Terms/rights attached to equity shares

The company has only one class of equity shares having a par value of Rs.10/- per share. Each Holder of equity shares is entitled to one vote per share.

15.3 Details of Shareholders holding more than 5% of Shares of the Company:-

Particulars	As at 31st March, 2019		As at 31st March, 2018	
	No. of Shares	% of Shareholding	No. of Shares	% of Shareholding
Vijay Beneficiary Trust	16244047	34.46	-	-
Jay Beneficiary Trust	6530886	13.85	-	-
Trishul Traders Pvt. Ltd.	251684	0.53	13729065	29.12
Ajaymeru Trading & Investments Pvt. Ltd	-	-	6530886	13.85
Pride Mercantiles Pvt. Ltd	5343453	11.33	5343453	11.33

15.4 Aggregate 25400400 equity shares of Rs. 10/- each issued as fully paid during the period of five years immediately preceding the reporting date without payment being received in cash pursuant to the scheme of amalgamation of Modern Terry Towels Limited (MTTL) with the company.

Note No. 16 : OTHER EQUITY

(₹ in Lacs)

PARTICULARS	Reserves and Surplus			Total
	Securities Premium Reserve	Capital Reserve	Retained Earnings	
Balance as at 1st April, 2017	2911.45	1285.87	15230.27	19427.59
Profit for the year	-	-	1663.01	1663.01
Other comprehensive income	-	-	22.42	22.42
Balance as at 31st March, 2018	2911.45	1,285.87	16915.70	21113.02
Balance as at 1st April, 2018	2911.45	1285.87	16915.70	21113.02
Profit for the year	-	-	2552.45	2552.45
Other comprehensive income	-	-	(66.28)	(66.28)
Balance as at 31st March, 2019	2911.45	1285.87	19401.87	23599.19

16.1 The description of the nature and purpose of each reserve within equity is as follows:

A. Capital Reserve: Capital Reserve is created mainly due to amalgamation of MTTL with the Company. This reserve is utilised in accordance with the provisions of the Act.

B. Securities Premium Reserve: Securities premium is created due to premium on issue of shares. These reserves is utilised in accordance with the provisions of the Act.

Note No. 17 : NON CURRENT BORROWINGS

(₹ in Lacs)

PARTICULARS	As at 31st March, 2019	As at 31st March, 2018
Secured Term Loans		
From Banks	90.10	32.96
Total	90.10	32.96

17.1 Term loans from banks are secured against hypothecation of the specific vehicles.

17.2 Term loans from bank (for vehicles) are repayable as per various payment schedules. Last installment due in February 2024. Rate of Interest varies from 8.90% to 9.15% p.a. (31st March, 2018- 8.90% to 9.90% p.a.)

17.3 Breakup of amount due within 12 months (current) and after 12 months (non-current) is as under:

(₹ in Lacs)

Particulars	As at 31st March, 2019		As at 31st March, 2018	
	Non-Current	Current*	Non-Current	Current*
From Banks	90.10	30.00	32.96	13.47
Sub Total	90.10	30.00	32.96	13.47

*Considered in Other current financial liability (Note no. 23).

Note No. 18 : NON CURRENT PROVISIONS

(₹ in Lacs)

PARTICULARS	As at 31st March, 2019	As at 31st March, 2018
Provision for Employee Benefits (Refer Note No. 35)		
For Gratuity	1584.16	1359.80
For Leave Encashment	310.14	269.10
Total	1894.30	1628.90

Notes forming part of financial statements
Note No. 19 : DEFERRED TAX LIABILITES (NET)
(₹ in Lacs)

PARTICULARS	As at 31st March, 2019	As at 31st March, 2018
Deferred Tax Liability		
Depreciation	4000.00	4174.98
Deferred Tax Asset		
Provisions allowable for Tax purpose on payment basis	803.59	711.14
Others	73.57	103.53
Net Deferred Tax Liability	3122.84	3360.31

Note No. 20 : OTHER NON CURRENT LIABILITIES
(₹ in Lacs)

PARTICULARS	As at 31st March, 2019	As at 31st March, 2018
Other non current liabilities	56.23	66.42
Total	56.23	66.42

Note No. 21 : CURRENT BORROWINGS
(₹ in Lacs)

PARTICULARS	As at 31st March, 2019	As at 31st March, 2018
Secured		
Bank borrowings for working capital	9195.82	8339.11
Total	9195.82	8339.11

21.1 Bank borrowings for working capital are repayable on demand.

21.2 Bank 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.

Note No. 22 : TRADE PAYABLES
(₹ in Lacs)

PARTICULARS	As at 31st March, 2019	As at 31st March, 2018
Trade Payables		
Outstanding dues of micro enterprises and small enterprises	41.84	-
Outstanding dues of creditors other than micro enterprises and small enterprises	2654.42	3329.50
Total	2696.26	3329.50

22.1 Balances of trade payables are subject to reconciliation, confirmation and consequential adjustments, if any.

22.2 Dues to Micro, Small and Medium Enterprises

The Company has certain dues to suppliers registered under Micro, Small and Medium Enterprises Development Act, 2006 (MSMED Act). The disclosures pursuant to the said MSMED Act are as follows:

PARTICULARS	As at 31st March, 2019	As at 31st March, 2018
a. The Principal amount remaining unpaid to any supplier as at the end of the year	41.84	-
b. Interest due remaining unpaid to any supplier at the end of the year	-	-
c. Amount of interest paid by the Company in terms of section 16 of MSMED Act	-	-
d. Amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under the MSMED Act, 2006.	-	-
e. Amount of interest accrued and remaining unpaid at the end of accounting year	-	-
f. The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues above are actually paid to the small enterprise for the purpose of disallowance of a deductible expenditure under section 23 of MSMED Act, 2006	-	-

Disclosure of payable to vendors as defined under the "Micro, Small and Medium Enterprise Development Act, 2006" is based on the information available with the Company regarding the status of registration of such vendors under the said Act, as per the intimation received from them. There are no overdue principal amounts / interest payable amounts for delayed payments to such vendors at the Balance Sheet date. There are no delays in payment made to such suppliers during the year or for any earlier years and accordingly there is no interest paid or outstanding interest in this regard in respect of payment made during the year or on balance brought forward from previous year.

Note No. 23 : OTHER CURRENT FINANCIAL LIABILITIES
(₹ in Lacs)

PARTICULARS	As at 31st March, 2019	As at 31st March, 2018
Current maturities of long-term borrowings (Refer note no. 17)	30.00	13.47
Sundry deposits	51.92	46.94
Payable towards capital goods	43.10	75.42
Foreign exchange forward contract	-	9.01
Other payables	1679.52	1775.39
Total	1804.54	1920.23

23.1 Other payables include employees' dues and liability for expenses etc.

Notes forming part of financial statements
Note No. 24 : CURRENT PROVISIONS

(₹ in Lacs)

PARTICULARS	As at 31st March, 2019	As at 31st March, 2018
Provision for Employee Benefits (Refer Note No. 35)		
For Gratuity	198.76	206.66
For Leave Encashment	71.33	67.42
Total	270.09	274.08

Note No. 25 : OTHER CURRENT LIABILITIES

(₹ in Lacs)

PARTICULARS	As at 31st March, 2019	As at 31st March, 2018
Advances received from customers	554.33	635.22
Statutory Dues	223.95	234.73
Total	778.28	869.95

Note No. 26 : REVENUE FROM OPERATIONS

(₹ in Lacs)

PARTICULARS	Year Ended 31st March, 2019	Year Ended 31st March, 2018
Sale of products (including excise duty)	43287.45	40290.82
Sale of services	26.47	19.24
Sale of traded goods	8.57	19.67
Other operating revenues	682.18	563.76
Total	44004.67	40893.49
26.1 Particulars of sale of products		
Insulators & metal fitting	38581.87	35968.81
Towels & fabric	4668.81	4282.05
Yarn & waste	36.77	39.96
	43287.45	40290.82
26.2 Particulars of sale of services		
Job work Income	8.96	19.24
Testing charges	17.51	-
	26.47	19.24
26.3 Particulars of traded goods		
Sanitaryware items	8.57	19.67
	8.57	19.67
26.4 Particulars of other operating revenue		
Export incentives	508.68	448.53
Scrap sales	173.50	115.23
	682.18	563.76

Note No. 27 : OTHER INCOME

(₹ in Lacs)

PARTICULARS	Year Ended 31st March, 2019	Year Ended 31st March, 2018
Foreign exchange fluctuation (net)	135.45	173.80
Liabilities and sundry balances written back (net)	98.66	151.20
Interest income	237.48	52.99
Profit/(Loss) on sale of Property, plant & equipment (net)	0.64	3.26
Miscellaneous income	357.28	323.97
Total	829.51	705.22

Note No. 28 : COST OF MATERIALS CONSUMED

(₹ in Lacs)

PARTICULARS	Year Ended 31st March, 2019	Year Ended 31st March, 2018
Raw materials at the beginning of the year	1978.03	1363.19
Add: Purchases	13114.34	11688.22
Less: Raw material at the end of the year	2068.39	1978.03
Cost of materials consumed	13023.98	11073.38

Notes forming part of financial statements
Note No. 29 : CHANGES IN INVENTORIES OF FINISHED GOODS, STOCK IN TRADE & STOCK IN PROCESS

(₹ in Lacs)

PARTICULARS	Year Ended	Year Ended
	31st March, 2019	31st March, 2018
Inventories at the beginning of the year		
Finished goods	2646.30	2745.73
Stock-in-trade	23.22	-
Stock in process	2341.33	2318.42
	5010.85	5064.15
Inventories at the end of the year		
Finished goods	3888.65	2646.30
Stock-in-trade	23.81	23.22
Stock in process	2442.89	2341.33
	6355.35	5010.85
Total changes in inventories	(1344.50)	53.30

Note No. 30 : EMPLOYEE BENEFITS EXPENSE

(₹ in Lacs)

PARTICULARS	Year Ended	Year Ended
	31st March, 2019	31st March, 2018
Salaries, wages, gratuity, bonus and allowances	5617.39	5051.96
Contribution to provident fund and other Funds (Refer Note No. 35)	566.93	515.17
Staff & labour welfare	63.25	59.61
Total	6247.57	5626.74

Note No. 31: FINANCE COSTS

(₹ in Lacs)

PARTICULARS	Year Ended	Year Ended
	31st March, 2019	31st March, 2018
Interest Expenses	915.87	960.35
Other Borrowing Cost	189.35	213.24
Total	1105.22	1173.59

Note No. 32 : OTHER EXPENSES

(₹ in Lacs)

PARTICULARS	Year Ended	Year Ended
	31st March, 2019	31st March, 2018
Manufacturing Expenses		
Power consumption	4527.11	4143.16
Fuel consumption	5633.23	4610.08
Stores & Spares Consumption	3683.97	3344.65
Packing	2190.85	2284.79
Job Charges	1451.26	1310.36
Excise duty on increase/decrease in Finished Stock	-	(4.64)
Making up Expenses	150.63	106.07
Repairs & Maintenance:		
Plant & Machinery	843.50	869.51
Buildings	641.06	832.70
Others	47.41	37.14
Other expenses	558.66	452.25
	19727.68	17986.07
Administrative Expenses		
Rent	74.60	66.28
Insurance (Net)	34.41	35.25
Rates & Taxes	15.57	12.96
Travelling & Conveyance	320.82	222.80
Legal & Professional Expenses	198.24	249.60
Telecommunication Expenses	9.39	11.63
Directors fees and Expenses	1.10	0.63
Corporate social responsibility(CSR) activities (Refer Note No. 45)	41.32	38.32
Payment to Auditors		
for Audit fee	3.15	3.15
for Limited review	1.40	1.40
for Tax audit fee	1.15	1.15
for Expenses	2.20	4.14
Other expenses	477.22	403.39
	1180.57	1050.70

Notes forming part of financial statements
Selling Expenses

Commission, rebates etc.		118.19		101.81
Carriage outward (Net)		876.70		869.69
Bad debts written off	220.34		10.21	
Less: Provision for doubtful debts	176.28	44.06	3.01	7.20
Provision for doubtful debts		90.54		32.02
Sales Promotion & Advertisement		58.26		39.93
Insulators testing charges		185.63		146.02
Other expenses		44.01		41.50
		1417.39		1238.17

Other Expenses

Lease rent on land		0.07		0.07
Loss on fair valuation of investment carried at FVTPL		115.15		-
		115.22		0.07
Total		22440.86		20275.01

Note No. 33 : EARNINGS PER SHARE

(₹ in Lacs except EPS)

PARTICULARS	Unit	Year Ended 31st March, 2019	Year Ended 31st March, 2018
Net profit for the year attributable to equity shareholders (Basic & diluted earnings per share)	₹ In Lacs	2552.45	1663.01
Weighted average number of equity shares outstanding	Nos.	47,143,900	47,143,900
Nominal value per share	₹	10	10
Earnings Per Share:			
- Basic	₹	5.41	3.53
- Diluted	₹	5.41	3.53

Note No. 34 : Income Tax
i) Tax expense recognised in Statement of Profit and Loss

(₹ in Lacs)

PARTICULARS	31st March, 2019	31st March, 2018
(a) Statement of Profit and Loss		
Current tax for the year	-	-
Deferred tax for the year	(201.88)	120.26
Income tax expense recognised in Statement of Profit and Loss	(201.88)	120.26
(b) Other Comprehensive Income		
Income tax on actuarial gain/loss on defined benefit plan	35.59	(11.86)
Income tax charged to other comprehensive income	35.59	(11.86)

ii) Reconciliation of effective tax rate

(₹ in Lacs)

PARTICULARS	31st March, 2019	31st March, 2018
Profit before tax	2350.57	1783.27
Enacted tax rate in India	34.944%	34.608%
Current tax expenses on profit before tax at the enacted income tax rate in India	821.38	617.15
Tax effect of:		
Expenses disallowed under Income Tax Act, 1961	14.95	13.86
Weighted deduction under section 35(2AB) of Income Tax Act, 1961	(67.15)	(74.11)
Income set off from brought forward losses pursuant to proposed amalgamation	(983.52)	(475.71)
Others	12.46	39.08
Total tax expenses in the statement of profit and loss account	(201.88)	120.26
Effective Tax rate	(8.59)	6.74

Other notes on financial statements
iii) The movement in deferred tax assets and liabilities during the year ended 31st March, 2019
During the year ended 31st March, 2019
(₹ in Lacs)

Particulars	As at 1st April, 2018	Recognised in Profit and Loss	Recognised in OCI	As at 31st March, 2019
Depreciation	4174.98	(174.98)	-	4000.00
Expenses allowable on payment basis	(711.14)	(56.86)	(35.59)	(803.59)
Others	(103.53)	29.96	-	(73.57)
Net Deferred Tax Liability	3360.31	(201.88)	(35.59)	3122.84

During the year ended 31st March, 2018
(₹ in Lacs)

Particulars	As at 1st April, 2017	Recognised in Profit and Loss	Recognised in OCI	As at 31st March, 2018
Depreciation	4267.28	(92.30)	-	4174.98
Expenses allowable on payment basis	(741.75)	18.76	11.86	(711.14)
Unabsorbed depreciation	(204.83)	204.83	-	-
Others	(92.50)	(11.03)	-	(103.53)
Net Deferred Tax Liability	3228.20	120.26	11.86	3360.31

iv) Provision for taxation including interest estimated ₹ 1134.51 lacs for the year ended 31st March, 2019 (Previous year ₹ 475.71 Lacs; upto the year ₹ 1610.22 lacs) has not been made in accounts in view of the proposed amalgamation under the provisions of Companies Act, 2013.

v) Income tax department had completed assessments for A.Y. 2008-09 to 2016-17 wherein assessments on substantive basis were done with NIL liability by allowing losses of MTTL (the amalgamated entity) and simultaneously assessments on protective basis were also done (except for A.Y. 2014-15 & 2016-17) presuming that no amalgamation had taken place. Since amalgamation scheme have been sanctioned by the Hon'ble BIFR vide its order dated 28.07.2016, protective assessment orders passed by the department have become ineffective and substantive assessment orders are prevailed. However, effect of BIFR order is yet to be given by the department for which company is taking necessary steps. There is no recoverable demand as on date.

Note No. 35 : Employee Benefit
i) Defined contribution plan
During the year company has recognised the following amounts in the statement of profit and loss account.
(₹ in Lacs)

PARTICULARS	2018-19	2017-18
Benefits (Contributed to)		
Provident Fund	397.24	345.23
Employee State Insurance	98.90	98.93
National Pension Scheme	61.30	48.12
Group Insurance Scheme/DLI Contribution	9.49	22.89
Total	566.93	515.17

ii) Defined benefits plan
Gratuity

The Company provides gratuity for employees as per the Payment of Gratuity Act, 1972. Employees who are in continuous service for a period of 5 years are eligible for gratuity. The amount of gratuity payable on retirement/termination is the employees last drawn basic salary per month computed proportionately for 15 days salary multiplied for the number of years of service.

Reconciliation of opening and closing balances of the present value of the defined benefit obligation :
(₹ in Lacs)

PARTICULARS	31st March, 2019	31st March, 2018
Present Value of obligation as at the beginning of the year	1566.46	1423.57
Current service cost	126.00	108.27
Interest cost	121.17	105.27
Past Service Cost	0.00	40.22
Actuarial (gain)/loss	101.87	(34.28)
Benefit paid	(132.58)	(76.59)
Present value of obligation as at the end of the year	1782.92	1566.46

Other notes on financial statements

Amount recognized in the balance sheet:			(₹ in Lacs)
PARTICULARS	31st March, 2019	31st March, 2018	
Present value of defined benefit obligation	1782.92	1566.46	
Fair value of plan assets	-	-	
Net liability	1782.92	1566.46	
Amounts shown in the balance sheet			
Current Liabilities	198.76	206.66	
Non-current liabilities	1584.16	1359.80	
Net liability	1782.92	1566.46	
Amount recognized in Profit and Loss:			(₹ in Lacs)
PARTICULARS	31st March, 2019	31st March, 2018	
Current service cost	126.00	108.27	
Past service cost	-	40.22	
Interest cost	121.17	105.27	
Total amount recognized in Profit and Loss:	247.17	253.76	
Amount recognized in other comprehensive income:			(₹ in Lacs)
PARTICULARS	31st March, 2019	31st March, 2018	
Actuarial (Gain)/Loss on Obligation	101.87	(34.28)	
Return on plan assets less interest on plan assets	-	-	
Total Actuarial (Gain)/Loss recognised in other comprehensive income	101.87	(34.28)	
Actuarial (Gain)/Loss on obligation consists:			(₹ in Lacs)
PARTICULARS	31st March, 2019	31st March, 2018	
Actuarial (gain)/loss arising from change in demographic assumption	-	-	
Actuarial (gain)/loss arising from change in financial assumption	10.09	(43.90)	
Actuarial (gain)/loss arising from change in experience adjustment on plan liabilities	91.78	9.62	
Total Actuarial (Gain)/Loss on obligation	101.87	(34.28)	
Information for funded plans with a defined benefit obligation less than plan assets:			(₹ in Lacs)
PARTICULARS	31st March, 2019	31st March, 2018	
Defined benefit obligation	1782.92	1566.46	
Fair value of plan assets	-	-	
Net Liability/(Assets)	1782.92	1566.46	
Reconciliation of the present value of defined benefit obligation and the fair value of the plan assets:			(₹ in Lacs)
PARTICULARS	31st March, 2019	31st March, 2018	
Present value of obligation at year end	1782.92	1566.46	
Fair value of plan assets at year end	-	-	
Funded status excess of actual over estimated.	(1782.92)	(1566.46)	
Assets/(Liabilities) recognized in the Balance Sheet	(1782.92)	(1566.46)	

Other notes on financial statements

iii) Defined benefit obligation

a) Actuarial assumption

The following were the principal actuarial assumptions at the reporting date.

(₹ in Lacs)

PARTICULARS	31st March, 2019	31st March, 2018
Discount rate*	7.66% & 7.61%	7.73% & 7.31%
Expected return on plan assets		
Gratuity	NA	NA
Leave encashment	NA	NA
Salary escalation rate**	5.50% & 6.50%	5.50% & 6.50%
Mortality rate inclusive of provision for disability	100% of IALM (2006-08)	

* The discount rate assumed is determined by reference to market yield at the balance sheet date on government bonds.

** The estimates of future salary increase considered in actuarial valuation, taking account of inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market.

b) Sensitivity analysis

Reasonable possible change at the reporting date to one of the relevant actuarial assumption, holding other assumption constant, would have affected the defined benefit obligation by the amount shown below.

PARTICULARS	31st March, 2019		31st March, 2018	
	Increase	Decrease	Increase	Decrease
Discount rate (0.5% movement)	(63.68)	68.10	(56.40)	60.32
Salary escalation rate (0.5% movement)	68.91	(64.99)	61.09	(57.77)

c) Expected Maturity analysis of the defined benefits plan in future years

(₹ in Lacs)

PARTICULARS	First Year	Second Year	Third to fifth year	More than 5 years
Gratuity	198.76	90.38	174.65	1319.13

d) Risk exposure

Valuations are based on certain assumptions, which are dynamic in nature and vary over time. As such company is exposed to various risks as follow -

- Salary Increase- Actual salary increase will increase the plan's liability. Increase in salary increase rate assumption in future valuations which also increase the liability.
- Investment Risk – If Plan is funded then assets liabilities mismatch & actual investment return on assets lower than the discount rate assumed at the last valuation date can impact the liability.
- Discount Rate : Reduction in discount rate in subsequent valuations can increase the plan's liability.
- Mortality & disability – Actual deaths & disability cases proving lower or higher than assumed in the valuation can impact the liabilities.
- Withdrawals – Actual withdrawals proving higher or lower than assumed withdrawals and change of withdrawal rates at subsequent valuations can impact liability.

iv) Long term employee benefit

Leave encashment

The company has a policy to pay leave encashment. Every employee is entitled to claim leave encashment after his/her retirement/termination which is calculated based upon no. of leaves earned. The company has a total provision for leave encashment as on 31st March, 2019 ₹ 381.47 Lacs and as on 31st March, 2018 ₹ 336.52 Lacs. Total expenses provided during the year 2018-19 is ₹ 116.85 Lacs and for the year 2017-18 ₹ 59.33 Lacs. This includes Current Service cost of ₹ 126 Lacs for the year 2018-19 and ₹ 108.27 Lacs for the year 2017-18 based on actuarial valuation.

Note No. 36 : Research and Development Expenditure

Research and development expenditure debited to the statement of profit and loss by charge to relevant heads of account amounting to ₹ 384.35 lacs (previous year ₹ 428.30 lacs).

Note No. 37 : Goods and Service Tax

Effective from 1st July, 2017, revenue from operations are recorded net of GST whereas earlier it was recorded gross of excise duty which formed part of expenses. Hence revenue from operations for the year ended 31st March, 2019 are not comparable with the previous year corresponding figures.

Note No. 38 : Segment information

A. Primary segment reporting (by business segment)

The two identified segments are:

- (i) Insulators
- (ii) Terry Towels

Other notes on financial statements

	31st March, 2019			31st March, 2018		
	Insulators	Terry Towels	Total	Insulators	Terry Towels	Total
1. Segment Revenue						
Revenue from operations	39250.69	4753.98	44004.67	36540.19	4353.30	40893.49
2. Segment results						
Profit before financial expenses	4298.56	(842.77)	3455.79	3929.14	(972.28)	2956.86
Less: financial expenses	1105.22	-	1105.22	1173.59	-	1173.59
Profit before tax	3193.34	(842.77)	2350.57	2755.55	(972.28)	1783.27
3. Capital employed						
Segment assets	39177.88	9044.16	48222.04	37443.46	8205.41	45648.87
Segment liabilities	19012.01	896.45	19908.46	18969.00	852.46	19821.46
Capital employed	20165.87	8147.70	28313.58	18474.46	7352.95	25827.41

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.

Revenue by geographical market

	31st March, 2019			31st March, 2018		
	Insulator	Terry Towels	Total	Insulators	Terry Towels	Total
In India	29366.92	4458.84	33825.76	27393.29	4142.22	31535.51
Other than India	9883.77	295.14	10178.91	9146.90	211.08	9357.98
	39250.69	4753.98	44004.67	36540.19	4353.30	40893.49

Carrying amount of segment assets (Trade receivables)

	31st March, 2019			31st March, 2018		
	Insulator	Terry Towels	Total	Insulators	Terry Towels	Total
In India	5926.06	664.06	6590.12	6291.65	387.39	6679.04
Other than India	2481.47	45.33	2526.80	3520.89	-	3520.89
	8407.53	709.39	9116.92	9812.54	387.39	10199.93

Note No. 39 : Related party disclosures as per Ind AS 24
i) Name of related parties and description of relationship

- a) **Company which exercises significant influence**
Modern Denim Limited
- b) **Key Management Personnel**
Shri Sachin Ranka - Chairman & Managing Director
Shri Shreyans Ranka - Whole Time Director
Shri D.B. Deshpande - (Executive Director upto 14.02.2019)
- c) **Relatives of the Key Management Personnel & their enterprises**
Shubham Corporate Advisory Services Pvt. Ltd.
Jumbo Finance Limited
H.S. Ranka Foundation
Meena Ranka Foundation
Acharya Shri Nanesh Samta Vikas Trust
Smt. Smriti Ranka
Smt. Aditi Ranka
- d) **Independent director/Non Executive director**
Shri T. C. Chejara - Non- Executive Director
Shri R. Raniwala - Independent Director
Shri SBL Jain - Independent Director (upto 31.03.2019)
Shri P.K. Rao - Independent Director (upto 31.03.2019)
Shri S. K. Sharma - Independent Director (w.e.f. 01.04.2019)
Smt. Meenu Sacheti - Independent Director

Other notes on financial statements

 ii) The following transactions were carried out with the related parties during the year : (₹ in Lacs)

Description of the nature of the transactions	Name	Volume of transactions		Balance Outstanding	
		Year ended 31st March, 2019	Year ended 31st March, 2018	As at 31st March, 2019	As at 31st March, 2018
a) Company which exercises significant influence					
Purchase of goods	Modern Denim Ltd.	19.30	8.69	-	-
Loans & advances given	Modern Denim Ltd.	717.00	2507.00	4681.00	3964.00
Purchase Returns	Modern Denim Ltd.	-	188.46	-	-
Sale of goods	Modern Denim Ltd.	1.71	11.47	-	-
Job charges received	Modern Denim Ltd.	9.21	19.04	-	-
Reimbursement of expenses	Modern Denim Ltd.	1.81	0.31	-	-
b) Key Managerial Personnel					
Remuneration*	Shri Sachin Ranka	73.20	73.20	-	-
	Shri D. B. Deshpande	101.21	81.87	-	-
	Shri Shreyans Ranka	23.06	23.13	-	-
c) Relatives of the key managerial personnel & their enterprises					
Loan given	Jumbo Finance Limited	(335.00)	1025.00	665.00	1000.00
Interest income	Jumbo Finance Limited	177.37	16.67	48.98	16.67
Rent paid	Shubham Corporate Advisory Services Pvt. Ltd.	15.58	15.48	-	-
	Smt. Smriti Ranka	14.40	14.94	-	-
Remuneration*	Smt. Aditi Ranka	5.77	-	-	-
Contribution towards CSR activities	Acharya Shri Nanesh Samta Vikas Trust	5.00	5.00	-	-
	H.S. Ranka Foundation	-	30.00	-	-
	Meena Ranka Foundation	25.00	-	-	-
d) Independent Directors/ Non Executive Directors					
Professional fees	Shri T.C. Chejara	25.20	19.74	-	-
Sitting fees paid to Independent Directors	Shri S.B.L Jain	0.46	0.28	-	-
	Shri R. Raniwala	0.51	0.31	-	-
	Smt. Meenu Sacheti	0.13	0.04	-	-

Terms and conditions:

Related party relationships are as identified by the management and relied upon by the auditor.

All the transactions with related parties were made on normal commercial terms and conditions and at market rates. The above transactions are as per the approval of audit committee.

Decision relating to remuneration to key management personnel were taken based on the recommendation of Nomination and Remuneration committee

*Expenses towards gratuity and leave encashment are determined actuarially on overall company basis at the end of each year and accordingly have not been considered in remuneration.

Note No. 40 : Contingent Liabilities
Contingent liabilities to the extent not provided for in respect of
(₹ in Lacs)

PARTICULARS	31st March, 2019	31st March, 2018
Guarantees given by bankers on behalf of the Company	1157.99	1341.13
Outstanding Letters of Credit	331.11	152.25
Disputed liabilities, not acknowledged as debts	497.42	512.73
Disputed Income Tax demand (Deposited under protest ₹ 7.50 Lacs, 31st March, 2018- ₹ 7.50 Lacs)	7.50	7.50
Disputed Land Tax demand (Deposited under protest ₹ 15.70 Lacs, 31st March, 2018- ₹ 15.70 Lacs)	15.70	15.70
Disputed Excise duty /Service Tax demand	255.98	371.22

(Deposited under protest ₹ 12.75 Lacs, 31st March, 2018- ₹ 24.70 Lacs)

The company, in respect of contingent liability, has assessed that it is not probable that outflow of economic resources will be required and hence not provided by the Company.

Note No. 41 : Capital Commitments

Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances) ₹ Nil (31st March, 2018- ₹ 16.58 Lacs).

Other notes on financial statements

Note No. 42 : Capital Management

For the purpose of Company's Capital Management, capital includes issued equity share capital and other equity reserves attributable to equity holders. The primary objective of Company's Capital Management is to maximize shareholder's wealth. The company manages its capital structure and makes adjustments in the light of changes in economic environment and the requirements of financial covenants.

The Company manages its capital so as to safeguard its ability to continue as a going concern and to optimise returns to shareholder. The capital structure of the Company is based on management's judgement of its strategic and day-to-day needs with a focus on total equity so as to maintain investors, creditors and market confidence. The management and the Board of Directors monitors the return on capital. The Company may take appropriate steps in order to maintain, or if necessary adjust, its capital structure.

Note No. 43 : Financial Risk Management

The Company's Financial Risk Management is an integral part of how to plan and execute its business strategies. The Company's financial risk management is set by the Managing Board. The Company's principal financial liabilities comprise loans and borrowings, trade payables and other payables. The main purpose of these financial liabilities is to finance the company's operations. The company's principal financial assets include trade & other receivables and cash and short term deposits.

i) Credit risk

Credit risk arises from the possibility that counter party may not be able to settle their obligations as agreed. To manage this, the Company periodically assesses the financial reliability of customers and other counter parties, taking into account financial conditions, current economic trends and analysis of historical bad debts and ageing of financial assets. Individual risk limits are set and periodically reviewed on the basis of such information.

Financial assets are written off when there is no reasonable expectations of recovery, such as a debtor failing to engage in a repayment plan with the Company. Where loans or receivables have been written off, the Company continues to engage in enforcement activity to attempt to recover the receivable due. Where recoveries are made, these are recognized as income in the statement of profit and loss.

(a) Provision for Expected Credit Loss

- Financial assets for which loss allowance is measured using 12 month expected credit losses:

The Company has assets where the counter-parties have sufficient capacity to meet the obligations and where the risk of default is very low.

Accordingly, no loss allowance for impairment has been recognised.

- Financial assets for which loss allowance is measured using life time expected credit losses:

The Company provides loss allowance on trade receivables using life time expected credit loss and as per simplified approach.

(b) Ageing of trade receivables

The Ageing of trade receivables is as below:

Particulars	(₹ in Laacs)	
	31st March, 2019	31st March 2018
Not due	7275.62	8806.70
0-6 months	1563.15	923.09
6 months to 12 months	78.53	138.02
1 year to 3 year	219.52	266.01
beyond 3 years	190.63	362.38
	9327.45	10496.20
Less Allowance for doubtful debts	210.53	296.27
Total	9116.92	10199.93

Financial assets are considered to be good quality and there is no significant increase in credit risk.

(c) Movement in allowance for doubtful debts

Particulars	(₹ in Laacs)	
	31st March, 2019	31st March 2018
Opening Balance	296.27	267.27
Allowances made	90.54	32.02
Trade receivables written off out of allowance	(176.28)	(3.01)
Closing Balance	210.53	296.27

ii) Liquidity Risk

Liquidity risk is defined as the risk that the Company will not be able to settle or meet its obligations on time or at a reasonable price. The Company's treasury department is responsible for liquidity, funding as well as settlement management. In addition, processes and policies related to such risks are overseen by senior management. Management monitors the Company's net liquidity position through rolling forecasts on the basis of expected cash flows.

Other notes on financial statements

Maturity pattern of borrowings & other financial liabilities

As at 31st March, 2019

(₹ in Lacs)

Particulars	12 months or less	1-2 years	2-5 years	More than 5 years	Total
Borrowing	9195.82	10.20	79.90	-	9285.92
Trade payable	2696.26	-	-	-	2696.26
Other financial liabilities	1804.54	-	-	-	1804.54
Total	13696.62	10.20	79.90	-	13786.72

As at 31st March, 2018

(₹ in Lacs)

Particulars	12 months or less	1-2 years	2-5 years	More than 5 years	Total
Borrowing	8339.11	32.96	-	-	8372.07
Trade payable	3329.50	-	-	-	3329.50
Other financial liabilities	1920.23	-	-	-	1920.23
Total	13588.84	32.96	-	-	13621.80

iii) Market Risk

Market risk is the risk of loss of future earnings, fair values or future cash flows that may result from a change in the price of a financial instrument. The value of a financial instrument may change as a result of changes in the interest rates, foreign currency exchange rates, equity prices and other market changes that affect market risk sensitive instruments. Market risk is attributable to all market risk sensitive financial instruments including investments and deposits, foreign currency receivables, payables and loans and borrowings.

a) Foreign currency risk

The company operates internationally and portion of the business is transacted in several currencies and consequently the company is exposed to foreign exchange risk through its sales in overseas and purchase from overseas suppliers in various foreign currencies.

The company evaluate exchange rate exposure arising from foreign currency transaction and the company follow established risk management policies, including the use of derivative like foreign exchange forward contracts to hedge exposure to foreign risk.

Foreign currency derivatives and exposures not hedged

A. Foreign currency derivatives outstanding

(In Lacs)

Name of Instrument	As at 31st March, 2019		As at 31st March, 2018	
	Foreign Currency	INR	Foreign Currency(USD)	INR
Forward Contract	-	-	3.34	266.05

B. Foreign currency exposure not hedged

As at 31st March, 2019

(Foreign currency in Lacs)

	As at 31st March, 2019		
	USD	EURO	GBP
Trade receivable	21.61	7.53	1.35
Trade payable	2.50	1.22	-

As at 31st March, 2018

	As at 31st March, 2018		
	USD	EURO	GBP
Trade receivable	27.49	5.28	0.89
Trade payable	2.43	1.00	-

Foreign currency sensitivity

1% increase or decrease in foreign exchanges rates will have the following impact on profit before tax

(₹ in Lacs)

Particulars	2018-19		2017-18	
	1% increase	1% decrease	1% increase	1% decrease
USD	13.10	(13.10)	16.23	(16.23)
EURO	4.82	(4.82)	3.40	(3.40)
GBP	1.21	(1.21)	0.81	(0.81)

b) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rate. In order to optimize the Company's position with regards to interest income and interest expenses and to manage the interest rate risk, treasury performs a comprehensive corporate interest rate risk management by balancing the proportion of fixed rate and floating rate financial instruments in its total portfolio.

Other notes on financial statements

Exposure to interest rate risk			(₹ in Lacs)
Particulars	31st March, 2019	31st March, 2018	

Borrowings bearing floating rate of interest	9195.82	8339.11	
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Interest rate sensitivity			(₹ in Lacs)
Particulars	208-19	2017-18	

100 bps increase which decrease the profit before tax by	(91.96)	(83.39)	
100 bps decrease which increase the profit before tax by	91.96	83.39	

Interest rate sensitivity has been calculated assuming the borrowings outstanding at the reporting date have been outstanding for the entire reporting period.

Note No 44. Fair value measurement

i) Financial Instruments by category

As at 31st March, 2019 (₹ in Lacs)

Particulars	FVTPL	FVTOCI	Amortized Cost
Financial Assets:			
Investments			
- Equity Share	183.32	-	-
- Preference Share	-	29.13	-
- National saving certificate	-	-	0.01
Trade receivables	-	-	9116.92
Cash and cash equivalents	-	-	1459.17
Other bank balances	-	-	215.20
Other non current financial assets	-	-	498.17
Loans	-	-	5917.63
Other financial assets	-	-	938.06
Total financial assets	183.32	29.13	18145.16
Financial Liability:			
Borrowings			
Trade payables	-	-	9285.92
Other financial liabilities	-	-	2654.42
Total financial liabilities	-	-	1804.55
	-	-	13744.89

As at 31st March, 2018 (₹ in Lacs)

Particulars	FVTPL	FVTOCI	Amortized Cost
Financial Assets:			
Investments			
- Equity Share	-	-	-
- Preference Share	-	26.32	-
- National saving certificate	-	-	0.01
Trade receivables	-	-	10199.93
Cash and cash equivalents	-	-	52.12
Other bank balances	-	-	187.22
Other non current financial assets	-	-	331.90
Loans	-	-	4980.67
Other financial assets	-	-	1098.72
Total financial assets	-	26.32	16850.57
Financial Liability:			
Borrowings			
Trade payables	-	-	8372.07
Other financial liabilities	-	-	3329.50
Total financial liabilities	9.01	-	1911.22
	9.01	-	13612.79

Other notes on financial statements
ii) Fair value hierarchy

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows:

Level 1- Quoted (unadjusted) market prices in active markets for identical assets or liabilities

Level 2- Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable

Level 3- Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

Valuation process to determine fair value

Specific valuation technique is used to determine the fair value of the financial instruments which include:

-Investment in unquoted equity shares- Lowest level input that is significant to the fair value measurement is unobservable.

Financial instrument measured at fair value
As at 31st March 2019

(₹ in Lacs)

Particulars	Level 1	Level 2	Level 3	Total
Financial Assets				
Derivative Financial Liabilities	-	-	-	-
Total	-	-	-	-

As at 31st March 2018

(₹ in Lacs)

Particulars	Level 1	Level 2	Level 3	Total
Financial Assets				
Derivative Financial Instruments	-	9.01	-	9.01
Total	-	9.01	-	9.01

Fair Value of Financial instrument measured at Amortised Cost

The carrying amount of short term borrowings, trade payables, trade receivables, cash & cash equivalents and other financial assets and liabilities are considered to be the same as their Fair values, due to their short term nature.

Note No. 45 : Corporate Social Responsibility (CSR) expenditure

(i) As per section 135 of Companies Act, 2013 gross amount required to be spent by the Company during the year 2018-19 - ₹ 40.64 Lacs (Year 2017-18 ₹ 36.68 Lacs)

(ii) Amount spent

(₹ in Lacs)

CSR Activities	2018-19			2017-18		
	In Cash	Yet to be paid in cash	Total	In Cash	Yet to be paid in cash	Total
i) Construction/Acquisition of any assets	-	-	-	-	-	-
ii) Purposes other than (i) above	41.32	-	41.32	38.32	-	38.32

Note No. 46 : Non current loans

Non current loans include interest free unsecured loan of ₹ 4681 Lacs (previous year ₹ 3964 Lacs) (maximum amount outstanding at any time during the year ₹ 4681 lacs; 31 March 2018- ₹ 4164 lacs); paid to a company covered under section 189 of the Companies Act, 2013 in view of proposed amalgamation under the provisions of the Companies Act, 2013. Since the amount paid is in connection to proposed amalgamation, no terms have been specified for repayment of loans and interest. In view of likely advantage to the company on such amalgamation, granting of such loan is not prejudicial to interest of the company.

Note No. 47 : The Company has a process whereby periodically all long term contracts (including derivative contract) are assessed for material foreseeable losses. At the year end, the Company has reviewed and ensured that adequate provision as required under any law/accounting standards for material foreseeable losses on such long term contracts (including derivative contracts) has been made in the books of accounts.

Note No. 48 : Figures for previous years have been regrouped/rearranged/restated wherever considered necessary to make them comparable with the figures for the current year.

As per our report of even date attached

For and on behalf of the Board

For R B Verma & Associates
 Chartered Accountants
 Firm Registration No. 012650C

Sachin Ranka	- Chairman & Managing Director	(DIN : 00335534)
Shreyans Ranka	- Whole Time Director	(DIN : 06470710)
R. Raniwala	- Independent Director	(DIN : 00506419)
S.K. Sharma	- Additional Director	(DIN : 01378040)
T.C. Chejara	- Non-Executive Director	(DIN : 07619881)
D.S. Singhvi	- Chief Financial Officer	
Gaurav Goyal	- Company Secretary	

Rajesh Verma

 Partner
 Membership No. 404029

Place : Abu Road

Date : 30th May, 2019

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)
34th Annual General Meeting-27th September, 2019

I hereby record my presence at the THIRTY FOUR ANNUAL GENERAL MEETING of the Company held at Registered Office of the Company at A-4, Vijay Path, Tilak Nagar, Jaipur-302 004 on Friday the 27th September, 2019 at 11:00 A.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 34th Annual General Meeting of the Company, to be held on Friday, the 27th September, 2019 at 11:00 A.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

Signed this day of 2019.

Signature of Shareholder :

Signature of Proxy Holder(s) :

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.

Affix Re 1/- Revenue Stamp

**Book Post
(Printed Matter)**



Route Map to the venue of AGM



If undelivered please return to :

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