

# MODERN CONVERTERS LIMITED

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# **Corporate Information**

## **Board Of Directors**

Kishan Choudhary  
Yash Saraogi  
Renu Sharma  
Binit Agarwal

Executive Director  
Managing Director  
Independent Director  
Independent Director

Chief Financial Officer: Kishan Choudhary

Compliance Officer : Yash Saraogi

Statutory Auditor : M/s Gupta Saharia & Co., Chartered Accountant, (FRN 103446W)

Registrar & Share Transfer Agent : Maheshwari Datamatics Pvt. Ltd.  
Address: 23,R.N. Mukherjee,  
5<sup>th</sup> Floor, Kolkata 700 001  
Tel: 033 22482248  
Email: mdpldc@yahoo.com

Registered Office : 56E, Hemanta Basu Sarani, Old 4 B.B.D Bagh East, Room No 14A, Kolkata – 700001

Stock Exchange : BSE Limited

Email- Id : [info@modernconvertors.com](mailto:info@modernconvertors.com)

Website : [www.modernconvertors.com](http://www.modernconvertors.com)

Contact No. : 033- 6503 5876

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**MODERN CONVERTERS LIMITED**

Regd Office: 56E, Hemanta Basu Sarani, Old 4 BBD Bagh East,  
Room No. 14A, Kolkata - 700001, West Bengal

Tel No: 033-6503 5876, email: [info@modernconvertors.com](mailto:info@modernconvertors.com) Website: [www.modernconvertors.com](http://www.modernconvertors.com)

CIN : L01132WB1946PLC013314

**NOTICE**

NOTICE is hereby given that the 72nd Annual General Meeting of the Members of Modern Converters Limited will be held on Saturday, 29<sup>th</sup> September, 2018 at 11.00 A.M at 56E, Hemanta Basu Sarani, Old 4 BBD Bagh East, Room No. 14A, Kolkata - 700001 to transact the following business:

**ORDINARY BUSINESS:**

1. To receive, consider and adopt the Audited Financial Statements of the Company for the financial year ended on March 31, 2018 together with the Report of the Board of Directors and Auditors thereon.
2. None of the Directors are eligible to be retire by rotation.

**SPECIAL BUSINESS**

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

**“RESOLVED THAT** in accordance with applicable provisions of the Companies Act, 2013 and the Rules made there under (including any statutory modification(s) or re-enactment thereof), and the Articles of Association of the Company, Mr. Kishan Choudhary (DIN: 01515377), who was appointed as an Additional Director of the Company by the Board of Directors at its meeting held on 28.03.2018, pursuant to the Articles of Association of the Company and Section 161 (1) of the Companies Act, 2013, and who holds office upto the date of this Annual General Meeting and in respect of whom a written Notice pursuant to Section 160 of the Companies Act, 2013, has been received from a member signifying his intention to propose Mr. Kishan Choudhary as a candidate for the office of Director of the Company, be and is hereby appointed as an Executive, Non – Independent Director of the Company, whose period of office shall be liable to determination by retirement of Directors by rotation.”

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

**“RESOLVED THAT MR. YASH SARAOGI** (Din 00402101) who was appointed as an Additional Director by the Board of Directors of the Company with effect from 9<sup>th</sup> January, 2018 and who as per the provisions of the Section 161(1) of the Companies Act, 2013 holds office upto the date of this Annual General Meeting and in respect of whom the Company has received a notice in writing under section 160 of the Companies Act, 2013 from a member proposing his candidature for the office of Director be and is hereby appointed as a Director of the Company”.

**"RESOLVED THAT** pursuant to the provisions of Section 196, 197 & 203 of the Companies Act 2013 read with Schedule V of the said Act (including any amendment, modification, variation or re-enactment thereof), and subject to approval of the Central Government, if any, the approval of the members be and is hereby accorded to the appointment of MR. YASH SARAOGI (Din 00402101) as the Managing Director of the Company for a period of five years effective from 9<sup>th</sup> January, 2018 to 8<sup>th</sup> January, 2023 as per terms & conditions including remuneration as set out in the draft agreement to be executed between him and the Company.

**"RESOLVED FURTHER THAT** subject to provision of section 197, 198 & schedule V & other applicable provisions of the companies act, 2013, the managerial remuneration is stated below :

- (i) **Salary:** As per the draft agreement executed between the company and the Managing Director. The Nomination and Remuneration Committee may decide the increments from time to time.
- (ii) **Allowance/ Perquisites:**  
In addition to the salary, MR. YASH SARAOGI will be entitled to:
  - Allowance like leave travel allowance, personal and special allowance.
  - Perquisites such as reimbursement of medical expenses incurred by him and any other perquisites, benefits.
- (iii) **Retirement Benefits:**
  - Encashment of leave as per the rules of the company in force from time to time.
- (iv) **General:**
  - In the event of absence or inadequacy of profits in any financial year, MR. YASH SARAOGI, shall be entitled to such remuneration as may be determined by the Board, which shall not, except with the approval of the Central Government, exceed the limits prescribed under the Companies Act, 2013 and Rules made thereunder or any statutory modification or re-enactment thereof.
  - Perquisites shall be valued in terms of income tax rules or actual expenditure incurred by the Company in providing the benefit or generally accepted practice as is relevant.
  - The aggregate remuneration (including salary allowances, perquisites, incentives/commission and retirement benefits) for any financial year shall be subject to an overall ceiling of 5% of the net profits of the Company for that financial year computed in the manner prescribed under the Companies Act, 2013.
  - MR. YASH SARAOGI will be subject to all other service conditions as applicable to any other employee of the Company.

**"RESOLVED FURTHER THAT** the Board of Directors of the Company be and are hereby authorized to do all acts, deeds and things that may be necessary, proper, expedient or incidental for the purpose of giving effect to the aforesaid Resolution."

**Place: Kolkata**

**Date: 3<sup>rd</sup> September, 2018**

**By Order of the Board  
For Modern Converters Limited**

**Sd/-  
(Yash Saraogi)  
Managing Director**

**NOTES:**

1. **A MEMBER ENTITLED TO ATTEND AND VOTE AT THE ANNUAL GENERAL MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF/HERSELF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY.**
2. **As per section 105 of the Companies Act, 2013 and Rules thereunder, a person can act as proxy on behalf of members not exceeding fifty and holding in the aggregate not more than ten percent of total share capital of the Company carrying voting rights. A member holding more than ten percent of total share capital of the company carrying voting right may appoint a single person as proxy and such proxy shall not act as a proxy for any other person or shareholder.**
3. The instrument appointing a proxy shall be deposited at the Registered Office of the Company not less than 48 hours before the commencement of the meeting. Corporate members intending to send their authorised representatives to attend the Meeting are requested to send to the Company, a certified true copy of the board resolution authorising their representative to attend and vote on their behalf at the Meeting.
4. Pursuant to the provisions of Section 91 of the Companies Act, 2013 the Register of Members and Share Transfer Book of the Company shall remain closed from Sunday, September 23, 2018 to Saturday, September 29, 2018 (both days inclusive)
5. Members are requested to send all communications relating to shares, change of address, etc. to the Registrar and transfer agents at the following address:  
**M/S.Maheswari Datamatics Pvt Ltd,Address: 23 R. N Mukherjee Road, 5<sup>th</sup> Floor, Kolkata- 700 001.**
6. Members holding shares in electronic form are requested to intimate immediately any change in their address or bank mandates to their Depository Participants with whom they are maintaining their demat accounts. Members holding shares in physical form are requested to advise any change in their address or bank mandates immediately to the Company/Registrar and Transfer Agent.
7. Electronic copy of the Notice of this Meeting of the Company inter alia indicating the process and manner of e-voting along with attendance slip and proxy form is being sent to all the members whose e-mail IDs are registered with the Company/ Depository Participant(s) for communication purposes unless any member has requested for a hard copy of the same. For members who have not registered their e-mail address, physical copies of the Notice of the 72ndAnnual General Meeting of the Company inter alia indicating the process and

manner of e-voting along with Attendance Slip and Proxy Form is being sent in the permitted mode. Members may also note that Notice of this Meeting and the Annual Report will also be available on the Company's website [www.modernconvertors.com](http://www.modernconvertors.com) for their download.

8. Members/proxies should bring their attendance slips sent herewith, duly filled in, for attending the Meeting. Members/ proxies attending the AGM are requested to carry their identity proof.
9. A statement containing details of the Directors seeking appointment/reappointment at the forthcoming Annual General Meeting as required under Regulation 36 of the SEBI (LODR) Regulations, 2015 is annexed.
10. All documents referred to in the accompanying Notice shall be open for inspection at the Registered Office of the Company between 11.00 am and 1.00 pm on all working days except Saturdays, till the date of meeting.
11. SEBI and Ministry of Corporate Affairs encourages paperless communication as a contribution to Green environment. Members holding shares in physical mode are requested to register their e-mail address to the RTA for receiving all communications including annual reports, notices, circulars etc. from the company electronically.
12. Distribution of Gifts: In conformity with regulatory requirements, the Company will NOT be distributing any gift, gift coupons or cash in lieu of gifts at the AGM or in connection therewith.
13. 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 details 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 Company's Registrar and Share Transfer Agents.
14. With the aim of curbing fraud and manipulation risk in physical transfer of securities, SEBI has notified the SEBI (Listing Obligations and Disclosure Requirements) (Fourth Amendment) Regulations, 2018 on June 8, 2018 to permit transfer of listed securities only in the dematerialized form with a depository. In view of the above and the inherent benefits of holding shares in electronic form, we urge the shareholders holding shares in physical form to opt for dematerialization.
15. The entire Annual Report is also available on the Company's website [www.modernconvertors.com](http://www.modernconvertors.com).

## **16. Voting Option:**

### **(I) VOTING THROUGH ELECTRONIC MEANS**

Pursuant to Section 108 of the Companies Act, 2013 and Rule 20 of the Companies (Management and Administration) Rules, 2014, Regulation 44 of SEBI (LODR) Regulations, 2015 and Secretarial Standard - 2, the Company has provided e-voting facility to all the members holding shares in physical/electronic form using Central Depository Securities (India) Limited (CDSL) platform. All the business to be transacted at the annual general meeting can be transacted through electronic voting system. The instruction for members for voting electronically is given in a separate sheet.

### **(II) VOTING AT AGM**

The members who have not casted their votes electronically, can exercise their rights at the AGM through ballot form. 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.

#### **Other Instructions**

1. A member can opt for only one mode of voting i.e. either in person or through proxy at the meeting or through e-voting. If a member casts votes by both the modes, then voting done through e-voting shall prevail and voting through other means shall be treated as invalid.
  2. The Company has appointed Ms. Rinku Jain (Practicing Chartered Accountant) (Membership No.ACS - 303262) to act as the Scrutinizer. The Scrutinizer shall within a period not exceeding three (3) working days from the conclusion of the e-voting period unblock the votes in presence of atleast two witnesses (not in the employment of the Company) and make a Scrutinizer's Report of the votes cast in favour or against, if any, forthwith to the Managing Director.
  3. The Results shall be declared at or 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 and on the website of CDSL [www.evotingindia.com](http://www.evotingindia.com) within three (3) days of passing of the resolution at the Annual General Meeting of the Company and the same shall also be communicated to BSE Limited where the shares of the Company are listed.
17. The voting rights of shareholders shall be in proportion to their shares of the paid up equity share capital of the Company as on the cut-off date of 22<sup>nd</sup> September, 2018.
18. The notice of Annual General Meeting will be sent to the members, whose names appear in the register of members / depositories as at closing hours of business, on 10<sup>th</sup> August, 2018.
19. The shareholders shall have one vote per equity share held by them as on the cut-off date of 22<sup>nd</sup> September, 2018. The facility of e-voting would be provided once for every folio / client id, irrespective of the number of joint holders.



20. Investors, who became members of the Company subsequent to the dispatch of the Notice / Email and hold the shares as on the cut-off date i.e. 22<sup>nd</sup> September, 2018 are requested to send the written / email communication to the Company Registrar and Transfer Agents viz., **Maheshwari Datamatics Pvt. Ltd., Mr. S. Rajagopal** (Vice President) 23 R. N Mukherjee Road, 5<sup>th</sup> Floor, Kolkata- 700 001 Contact No.: 033-2248 2248, Fax- 033-2248 4787, E-Mail: mdpldc@yahoo.com. Company by mentioning their Folio No. / DP ID and Client ID to obtain the Login-ID and Password for e-voting.
21. The Register of Directors and Key Managerial Personnel and their shareholding maintained under Section 170 of the Companies Act, 2013, the Register of contracts or arrangements in which the Directors are interested under Section 189 of the Companies Act, 2013 will be available for inspection at the AGM.

**Place: Kolkata**

**Date: 3<sup>rd</sup> September, 2018**

**By Order of the Board  
For Modern Converters Limited**

**Sd/-  
(Yash Saraogi)  
Managing Director**

**The process and manner for remote e-voting are as under:**

- i) The voting period begins on 26.09.2018 from 9.00 A.M and ends on 28.09.2018 till 5.00P.M. During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date (record date) of 22.09.2018, may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter. The facility for voting through ballot paper / polling paper shall be made available at the AGM and the members as on the "cut-off date" i.e. Record date, attending the meetings who have not cast their vote by remote e-voting shall be able to exercise their right to vote at the meeting through ballot paper / polling paper.
- ii) The shareholders should log on to the e-voting website [www.evotingindia.com](http://www.evotingindia.com) during the voting period.
- iii) Click on "Shareholders" tab.
- iv) Now Enter your User ID
  - a. For CDSL: 16 digits beneficiary ID,
  - b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
  - c. Members holding shares in Physical Form should enter Folio Number registered with the Company.
- v) Next enter the Image Verification as displayed and Click on Login.
- vi) If you are holding shares in demat form and had logged on to [www.evotingindia.com](http://www.evotingindia.com) and voted on an earlier voting of any company, then your existing password is to be used.
- vii) If you are a first time user follow the steps given below:

	For Members holding shares in Demat Form and Physical Form
PAN	<p>Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders)</p> <p><input type="checkbox"/> Members who have not updated their PAN with the Company/Depository Participant are requested to use the first two letters of their name and the 8 digits of the sequence number in the PAN field.</p> <p><input type="checkbox"/> In case the sequence number is less than 8 digits enter the applicable number of 0's before the number after the first two characters of the name in CAPITAL letters. Eg. If your name is Ramesh Kumar with sequence number 1 then enter RA00000001 in the PAN field.</p>
DOB	Enter the Date of Birth as recorded in your demat account or in the company records for the said demat account or folio in dd/mm/yyyy format.

Dividend Bank Details	<p>Enter the Dividend Bank Details as recorded in your demat account or in the company records for the said demat account or folio.</p> <p><input type="checkbox"/> Please enter the DOB or Dividend Bank Details in order to login. If the details are not recorded with the depository or company please enter the member id / folio number in the Dividend Bank details field as mentioned in instruction (vii).</p>
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- viii) After entering these details appropriately, click on “SUBMIT” tab.
- ix) Members holding shares in physical form will then directly reach the Company selection screen. However, members holding shares in demat form will now reach ‘Password Creation’ menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- x) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- xi) Click on the EVSN for the relevant **Modern Converters Limited** on which you choose to vote.
- xii) On the voting page, you will see “RESOLUTION DESCRIPTION” and against the same the option “YES/NO” for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
- xiii) Click on the “RESOLUTIONS FILE LINK” if you wish to view the entire Resolution details.
- xiv) After selecting the resolution you have decided to vote on, click on “SUBMIT”. A confirmation box will be displayed. If you wish to confirm your vote, click on “OK”, else to change your vote, click on “CANCEL” and accordingly modify your vote.
- xv) Once you “CONFIRM” your vote on the resolution, you will not be allowed to modify your vote.
- xvi) You can also take out print of the voting done by you by clicking on “Click here to print” option on the Voting page.
- xvii) If Demat account holder has forgotten the same password then enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.

xviii) Note for Institutional Shareholders:

- ☐ Institutional shareholders (i.e. other than Individuals, HUF, NRI etc.) are required to log on to <https://www.evotingindia.com> and register themselves as Corporates.
- ☐ A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).
- ☐ After receiving the login details they have to create a compliance user should be created using the admin login and password. The Compliance user would be able to link the account(s) for which they wish to vote on.
- ☐ The list of accounts should be mailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) and on approval of the accounts they would be able to cast their vote.
- ☐ A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.

xix) In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions (“FAQs”) and e-voting manual available at [www.evotingindia.com](http://www.evotingindia.com) under help section or write an email to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) or contact them at 1800 200 5533.

xx) Shareholders can also cast their vote using CDSL’s mobile app m-Voting available for android based mobiles. The m-Voting app can be downloaded from Google Play Store. iPhone and Windows phone users can download the app from the App Store and the Windows Phone Store respectively on or after 30th June 2016. Please follow the instructions as prompted by the mobile app while voting on your mobile.

**Place: Kolkata**  
**Date: 3<sup>rd</sup> September, 2018**

**By Order of the Board**  
**For Modern Converters Limited**

**Sd/-**  
**(Yash Saraogi)**  
**Managing Director**

### **EXPLANATORY STATEMENT PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013**

The following explanatory statement pursuant to provisions of section 102 of the Companies Act, 2013 (including any statutory modification(s) thereto or re-enactment(s) thereof for the time being in force), sets out all material facts relating to the business item of the accompanying Notice.

#### **ITEM NO. 3:**

Mr. Kishan Choudhary (DIN: 01515377) who was appointed as an additional director by the board of directors of the Company w-e-f 28<sup>th</sup> March 2018. Pursuant to the provisions of Section 161 (1) of the Companies Act, 2013 Mr. Kishan Choudhary will hold office upto the date of ensuing AGM.

The Board considers it advantageous and in the interest of the Company to have Mr. Kishan Choudhary on Board. The matter is being placed before the Members for their consideration and approval.

None of the Directors, Key Managerial Personnel or their relatives are interested in the above said resolution.

#### **ITEM NO. 4:**

The Board of Director of the Company at its meeting held on 9th January, 2018 had discussed on appointment of Mr. YASH SARAOGI as Managing Director of the Company for a period of 5 years w-e-f 9<sup>th</sup> January, 2018 on terms of appointment and remuneration payable to Mr. Yash Saraogi, Managing Director of the Company as are specified in the draft agreement executed between him and the Company, a copy of which (as has duly approved by the Board) was placed before the meeting.

He is having experience of about 10 years in the field of Capital Market, Financial Sector and Business Strategy.

In terms of the provisions of the Companies Act, 2013 consent of the shareholders is required for appointment of Mr. Yash Saraogi as Managing Director of the Company. The Board recommends the resolution for approval of the members as an ordinary resolution. A copy of Board Resolution and the appointment letter issued to Mr. Yash Saraogi, Managing Director will be available inspection at the Registered Office of the Company on all working days except holidays between 11.00AM – 1.00 P.M up to the date of Annual General Meeting.

None of the Directors of the Company except Mr. Yash Saraogi is, in any way, concerned or interested in the proposed resolution.

### Annexure I

#### Details of Directors seeking appointment at 72nd Annual General Meeting to be held on Saturday, September 29, 2018

<b>Name of Director</b>	Mr. Kishan Choudhary
<b>Age</b>	55 years
<b>Date of Appointment</b>	28/03/2018
<b>Expertise in specific field</b>	He is a Graduate. He is having enriched experience of over 20 years in Trading Business and Business Advisory Services.
<b>Chairman/ Member of the committee(s) of the Board of Directors of the Company</b>	<ul style="list-style-type: none"> <li>• Stakeholders Relationship Committee-Member</li> <li>• Nomination and Remuneration Committee-Member</li> </ul>
<b>Directorship of other public company (including foreign company)</b>	NIL
<b>Chairman/ Member of the committee(s) of the Board of Directors of other Companies in which he is a Director</b>	Nil
<b>Shareholding in the Company</b>	NIL

<b>Name of Director</b>	Mr. Yash Saraogi
<b>Age</b>	38 years
<b>Date of Appointment</b>	09/01/2018
<b>Expertise in specific field</b>	He is a Commerce Graduate having more than 10 years experience in the field of Capital Market, Financial Sector and Business Strategy
<b>Chairman/ Member of the committee(s) of the Board of Directors of the Company</b>	Audit Committee- Member
<b>Directorship of other public company (including foreign company)</b>	NIL
<b>Chairman/ Member of the committee(s) of the Board of Directors of other Companies in which he is a Director</b>	Nil
<b>Shareholding in the Company</b>	Nil

**MODERN CONVERTERS LIMITED**

Regd Office: 56E, Hemanta Basu Sarani, Old 4 BBD Bagh East,  
Room No. 14A, Kolkata - 700001, West Bengal

Tel No: 033-6503 5876, email: [info@modernconvertors.com](mailto:info@modernconvertors.com) Website: [www.modernconvertors.com](http://www.modernconvertors.com)  
CIN : L01132WB1946PLC013314

<b>ATTENDANCE SLIP</b>  I/We hereby record my/our presence at the 72nd <b>Annual General Meeting</b> of the Company to be held on Saturday, <b>29<sup>th</sup> September, 2018 at 11.00 A.M.</b> at its registered office at 56E, Hemanta Basu Sarani, Old 4 BBD Bagh East, Room No. 14A, Kolkata - 700001	<b>Folio/DP ID &amp; Client ID No.:</b>
	<b>Name :</b>
	<b>Address :</b>
	<b>Joint holders Name :</b>
	<b>Shares</b>

.....  
**Name of Proxy (in BLOCK LETTERS)**

**Signature of Shareholder/Proxy Present**

**Notes:** Members/Proxy holders who wish to attend the Annual General Meeting (AGM) must bring their Admission Slips to the AGM and hand over the same duly signed at the entrance. Duplicate Admission Slips will not be issued at the venue.

**ELECTRONIC VOTING PARTICULARS**

<b>EVSN</b>  (E-voting Sequence Number)	<b>USER ID</b>	<b>PERMANENT ACCOUNT NUMBER</b>  (PAN)
<b>180905100</b>		

**Please read instructions given in the Notice of the Annual General Meeting carefully before voting electronically.**

**The e-Voting facility will be available during the following voting period:**

Commencement of e-voting: From <Wednesday, 26.09.2018 at 9.00 AM >

End of e-Voting: Up to <Friday, 28.09.2018 at 5.00 PM >

**MODERN CONVERTERS LIMITED**

Regd Office: 56E, Hemanta Basu Sarani, Old 4 BBD Bagh East,

Room No. 14A, Kolkata - 700001, West Bengal

Tel No: 033-6503 5876, email: [info@modernconvertors.com](mailto:info@modernconvertors.com) Website: [www.modernconvertors.com](http://www.modernconvertors.com)

CIN : L01132WB1946PLC013314

**PROXY FORM****MGT-11**

(Pursuant to section 105(6) of the Companies Act, 2013 and rule 19(3) of the Companies (Management and Administration) Rules, 2014)

**Name of the shareholder:****Registered address:****E-mail ID:****Folio No. / Client ID:****DP ID:**

I / we, being the shareholder(s) of ..... shares of the above named company, hereby appoint

Name \_\_\_\_\_ Address \_\_\_\_\_

Email Id \_\_\_\_\_ Signature \_\_\_\_\_ or failing him

Name \_\_\_\_\_ Address \_\_\_\_\_

Email Id \_\_\_\_\_ Signature \_\_\_\_\_ or failing him

Name \_\_\_\_\_ Address \_\_\_\_\_

Email Id \_\_\_\_\_ Signature \_\_\_\_\_

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 72nd Annual General Meeting of the Company, to be held on Saturday, 29<sup>th</sup> September, 2018 at 11.00A.M at its registered office at 56E, Hemanta Basu Sarani, Old 4 BBD Bagh East, Room No. 14A, Kolkata - 700001, West Bengal and at any adjournment thereof in respect of such resolutions as are indicated below:

Resolution No.	Resolutions	Votes (Optional)	
		For	Against
1.	To receive, consider and adopt the audited Balance Sheet of the Company as at March 31, 2018, the Statement of Profit & Loss and the Cash Flow Statements for the year ended on that date and the reports of the Board of Directors' and Auditors' thereon.		
2.	None of the Directors are eligible to be retire by rotation		
3.	To appoint Mr. Kishan Choudhary (DIN: 01515377) as an Executive Director of the Company.		
4.	To approve the appointment of Mr. Yash Saraogi (DIN: 00402101) as Managing Director of the company for a term of five years.		

Signed this .....day of .....2018

Member's Folio /DP ID &amp; Client ID No.....

Signature of Shareholder(s).....

Signature of Proxy holder (s) .....

Affix  
Revenue  
Stamp

- **Note:** This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company, not less than 48 hours before the commencement of the Meeting.
- If you wish to vote for a Resolution, place a tick in the corresponding box under the column marked "For". If you wish to vote against a Resolution, place a tick in the corresponding box under the column marked "Against". If no direction is given, your Proxy may vote or abstain as he/she thinks fit.



## **DIRECTORS' REPORT**

### **For The Financial Year 2017-18**

Dear Members,

The Board of Directors hereby submits the 72<sup>nd</sup> report of the business and operations of the Company, along with the audited financial statements, for the financial year ended March 31, 2018.

#### **1. Results of our operations (Amount in Thousands)**

<b>Particulars</b>	<b>31<sup>st</sup> March, 2018</b>	<b>31<sup>st</sup> March, 2017</b>
Total Revenue	23,416.65	2,119.56
Profit Before Tax	(1,997.06)	983.62
Less: Current Tax/ Deferred tax	-	186.64
Profit After Tax	(1,997.06)	792.97

#### **Dividend**

The Directors have not recommended any dividend for the financial year under reference and no transfer is proposed to be made to Reserves.

#### **Adoption of Indian Accounting Standards**

The Company adopted the Indian Accounting Standards ("IndAS") notified under the Companies (Indian Accounting Standards) Rules, 2015 during the year for preparation and presentation of these Financial Statements. Consequently, the Financial Statements of the previous year have had to be restated to conform to the provisions of IndAS. The corresponding reconciliation and description of the effects of this transition from the provisions of the Companies (Accounting Standards) Rules, 2005 have been provided under Note No 3 of the Notes forming part of Financial Statements.

#### **Particulars of Loans, Guarantees or Investments**

The provisions with respect to Loans, guarantees or Investments as per section 186 of the Companies Act, 2013 are duly complied with.

#### **2. Business**

##### **Brief description of the Company's working during the year/State of Company's affair**

The Company being a trading company is currently engaged in trading and investment in shares & securities.

### **Change in the nature of business, if any**

There has been no change in the nature of the business of the Company during the year.

### **Details of Subsidiary/Joint Ventures/Associate Companies**

The company does not have any subsidiary company, joint venture and associate companies.

### **Share Capital**

- **Issue of equity shares with differential rights**

The Company has not issued any of its securities with differential rights during the year under review.

- **Buy Back of Securities**

The company has not bought back any of its securities during the year under review.

- **Sweat Equity, Bonus Shares & Employee Stock Option Plan**

The company has neither issued sweat equity or bonus shares nor has provided any stock option scheme to the employees.

- **Preferential Issue of Capital**

The company has not issued any equity shares of on preferential basis during the year.

### **Deposits**

The company has neither accepted nor renewed any deposits during the year, covered under Chapter V of the Act.

### **RELATED PARTY TRANSACTIONS**

The company has no material individual transactions with its related parties which are covered under section 188 of the Companies Act, 2013, which are not in the ordinary course of business and not undertaken on an arm's length basis during the financial year 2017-2018, therefore, the Form AOC-2 is not required to be annexed to this Report.

### **Material changes and commitments affecting financial position between the end of the financial year and date of the report**

No material changes and commitments which can affect the financial position of the Company occurred between the end of the financial year of the company and the date of this report.

### **3. Corporate Governance**

Corporate governance is about maximizing shareholder value legally, ethically and sustainably. The goal of corporate governance is to ensure fairness for every stakeholder. We believe sound corporate

governance is critical to enhance and retain investor trust. We always seek to ensure that our performance is driven by integrity. Our Board exercises its fiduciary responsibilities in the widest sense of the term. Our disclosures seek to attain the best practices in international corporate governance. We also endeavor to enhance long-term shareholder value and respect minority rights in all our business decisions.

Our Corporate governance report for fiscal 2018 forms part of this Annual Report.

### **Changes in Directors and Key Managerial Personnel**

During the period under review following changes were made in the composition of the Board of Directors and Key Managerial Personnel:

1. At the Board Meeting held on 9<sup>th</sup> January, 2018, Mr. Soumitra Trivedi resigned from the post of Managing Director and Mr. Yash Saraogi was appointed as an additional director. He was further designated as Managing Director subject to the approval of shareholders at the ensuing AGM.
2. At the Board Meeting held on 28<sup>th</sup> March, 2018 Mr. Ganga Dhar Sail resigned from the post of Director & CFO. Mr. Kishan Choudhary was appointed as an additional director and CFO with immediate effect.

### **Declaration by an Independent Director(s) and re- appointment**

The Company has received necessary declaration from each independent director under Section 149(7) of the Companies Act, 2013, that he / she meets the criteria of independence laid down in Section 149(6) of the Companies Act, 2013 and Regulation 25 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

### **Formal Annual Evaluation**

The Companies Act, 2013 states that a formal annual evaluation needs to be made by the Board of its own performance and that of its committees and individual directors. Schedule IV of the Companies Act, 2013 states that the performance evaluation of independent directors shall be done by the entire Board of Directors, excluding the director being evaluated

The evaluation of all the directors and the Board as a whole was conducted based on the criteria and framework adopted by the Board.

### **Number of meetings of the Board of Directors**

The Board met six times during the financial year 2017-18. Details of Meetings and the attendance of each Director is provided in the Report on Corporate Governance.

### **Managerial Remuneration:**

During the year so the Company has not provided any Managerial Remuneration to the Directors.

### **Familiarization program for independent directors**

In terms of Reg. 25(7) of the SEBI (LODR) Regulations, 2015 the Company is required to conduct the Familiarisation Programme for Independent Directors (IDs) to familiarise them about their roles, rights, responsibilities in the Company, nature of the industry in which the Company operates, business model of the Company, etc., through various initiatives.

### **Details of establishment of vigil mechanism for directors and employees**

The Company has a whistleblower mechanism for directors and employees to report concerns about unethical behavior, actual or suspected fraud, or violation of the Company's code of conduct and ethics.

### **Corporate Social Responsibility (CSR)**

The Company does not meet the criteria specified in Section 135 of the Act requiring constitution of a Corporate Social Responsibility Committee and formulate a policy for this purpose.

### **Risk management and significant orders**

The company does not have any Risk Management Policy as the element of risk threatening the Company's existence is very minimal.

During the year under report, there were no significant and material orders passed by regulators or courts or tribunals. impacting the Company's going concern status and its future operations.

### **Sexual Harassment of Women at Work Place**

The Company has in place the requisite Internal Committee as envisaged in the Sexual Harassment of Women at Workplace [Prevention, Prohibition and Redressal] Act, 2013. No Complaints on the issues covered by the above Act were received during the year.

### **Committees of the Board**

Currently, the Board has three committees: the audit committee, the nomination and remuneration committee, and the stakeholder's relationship committee. A detailed note on the composition of the Board and its committees is provided in the corporate governance report section of this Annual Report.

### **Internal financial control and its adequacy**

The Board has adopted policies and procedures for ensuring the orderly and efficient conduct of its business, including adherence to the 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 disclosures.

### **Extract of annual return**

In accordance with Section 134 of the Companies Act, 2013, an extract of the annual return in the prescribed format is appended as Annexure to the Board's report.

## **Corporate Governance Report and Management Discussion & Analysis Reports**

The Corporate Governance Report and Management Discussion & Analysis Report have been annexed with the report.

### **Directors' Responsibility Statement**

Pursuant to Section 134(5) of the Companies Act, 2013, the Directors confirm that—

- (a) in the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures;
- (b) the directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company at the end of the financial year and of the 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 directors have prepared the annual accounts on a going concern basis;
- (e) the directors, have laid down internal financial controls to be followed by the company and that such internal financial controls are adequate and were operating effectively, and
- (f) the directors have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

## **4. Auditors**

### **Statutory Auditors**

M/s Gupta Saharia & Co., Chartered Accountants, have been appointed as Statutory Auditors of the company till the conclusion of the Annual General Meeting of the company to be held in the year 2019 (subject to ratification of their re- appointment at every AGM) with remuneration shall be decided as per the Audit Committee. The Auditors' Report for fiscal 2018 does not contain any qualification, reservation or adverse remark. The Auditors' Report is enclosed with the financial statements in this Annual Report.

### **Secretarial Audit**

Pursuant to the provisions of Section 204 of the Companies Act, 2013 read with corresponding Rules framed thereunder, Ms. Shruti Agarwal was appointed as the Secretarial Auditors of the Company to carry out the secretarial audit for the year ending 31st March, 2018. There is no qualification, reservation or adverse remark or disclaimer made by the company secretary in the secretarial audit report.

### **Auditors' certificate on corporate governance**

As required by SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the auditors' certificate on corporate governance is enclosed as *Annexure* to the *Board's report*. The auditors' certificate for fiscal year 2018 does not contain any qualification, reservation or adverse remark.

### **Internal Audit**

M/S RathindraNath Ghosh & Co., Chartered Accountants, Internal Auditor has submitted a report based on the internal audit conducted during the year under review.

### **5. Conservation of energy, Technology absorption and Foreign exchange earnings and Outgo**

The provisions of section 134(m) of the Companies Act 2013 regarding the disclosure of particulars of conservation of energy and technology absorption prescribed by the rules are not applicable to our company. The company does not have any Foreign Exchange transactions during the financial year.

### **6. Acknowledgements**

The Directors would like to express their appreciation of the co-operation and assistance received from the shareholders, bankers and other business constituents during the year under review.

**For and on behalf of the Board of Directors**

Sd/-  
**YashSaraogi**  
**Managing Director**  
**(DIN: 00402101)**

sd/-  
**Kishan Choudhary**  
**Director**  
**(DIN: 01515377)**

**Place: Kolkata**  
**Date: 29/05/2018**

**FORM NO. MGT 9**  
**EXTRACT OF ANNUAL RETURN**  
**As on financial year ended on 31.03.2018**

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

<b>I. REGISTRATION &amp; OTHER DETAILS:</b>		
1	CIN	L01132WB1946PLC013314
2	Registration Date	26/02/1946
3	Name of the Company	MODERN CONVERTERS LTD
4	Category/ Sub-category of the Company	Company Limited by shares/ Indian Non Government Company
5	Address of the Registered office & contact details	56E HEMANTA BASU SARANI OLD 4 BBD BAGH EAST, ROOM NO 14A, KOLKATA-700001 Phone No: 033-65035876
6	Whether listed company	Yes
7	Name, Address & contact details of the Registrar & Transfer Agent, if any.	MAHESHWARI DATAMATICS PRIVATE LIMITED 23, R. N MUKHERJEE ROAD, KOLKATA- 700001 Tel: 033-2243-5029/033-2248-2248, Fax: 2248-4787 Email ID: mdpldc@yahoo.com

<b>II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY</b>
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(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	Other financial service activities, except insurance and pension funding	649	100.00%

<b>III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES</b>					
SN	Name and address of the Company	CIN/GLN	Holding/ Subsidiary/ Associate	% of shares held	Applicable Section
N.A					

#### 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 01/Apr/2017]				No of Shares held at the end of the year [As on 31/Mar/2018]				% change during the Year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
<b>A. Promoters</b>									
<b>(1) Indian</b>									
a) Individual/HUF	11250	36461	47711	1.54	30461	17250	47711	1.54	0.00
b) Central Govt									
c) State Govt(s)									
d) Bodies Corp.	4000	15300	19300	0.62	15000	4300	19300	0.62	0.00
e) Banks/Fi									
f) Any other									
<b>Sub-total (A)(1)</b>	15250	51761	67011	2.17	45461	21550	67011	2.17	0.00
<b>(2) Foreign</b>									
a) NRIs - Individuals									
b) Other - Individuals									
c) Bodies Corp.									
d) Banks/FI									
e) Any other									
<b>Sub-total (A)(2)</b>	0	0	0	0.00	0	0	0	0.00	0.00
<b>Total shareholding of Promoter (A)=(A)(1)+(A)(2)</b>	15250	51761	67011	2.17	45461	21550	67011	2.17	0.00
<b>B. Public Shareholding</b>									
<b>1. Institutions</b>									
a) Mutual Funds									
b) Banks/FI									
c) Central Govt									
d) State Govt(s)									
e) Venture Capital Funds									
f) Insurance									



Companies									
g) FIIs									
h) Foreign Venture Capital Funds									
i) Others (specify)									
Alternate Investment Funds									
Foreign Portfolio Investors									
Provident Funds / Pension Funds									
Qualified Foreign Investor									
<b>Sub- total(B)(1):-</b>	0	0	0	0.00	0	0	0	0.00	0.00
<b>2. Non- Institutions</b>									
a) Bodies Corp.									
i) Indian	2850000	0	2850000	92.23	2400000	0	2400000	77.67	-14.56
ii) Overseas									
b) Individuals									
i) Individual shareholders holding nominal share capital upto Rs. 1 lakh	300	22689	22989	0.74	300	22689	22989	0.74	0.00
ii) Individual shareholders holding nominal share capital in excess of Rs. 1 lakh	150000	0	150000	4.85	600000	0	600000	19.42	14.56
c) Others (Specify)									
Non Resident Indians									
Qualified Foreign									

Investor									
Custodian of Enemy Property									
Foreign Nationals									
Clearing Members									
Trusts									
Foreign Bodies-D R									
Foreign Portfolio Investors									
NBFCs registered with RBI									
Employee Trusts									
Domestic Corporate Unclaimed Shares Account									
Investor Education and Protection Fund Authority									
<b>Sub-total(B)(2):-</b>	3000300	22689	3022989	97.83	3000300	22689	3022989	97.83	0.00
<b>Total Public Shareholding (B)=(B)(1)+(B)(2)</b>	3000300	22689	3022989	97.83	3000300	22689	3022989	97.83	0.00
<b>C. Shares held by Custodian for GDRs &amp; ADRs</b>									
<b>Grand Total (A+B+C)</b>	3015550	74450	3090000	100.00	3045761	44239	3090000	100.00	0.00

ii) Shareholding of Promoters-								
		Shareholding at the beginning of the year [As on 01/Apr/2017]			Shareholding at the end of the year [As on 31/Mar/2018]			% change in share holding during the Year
Sl No	Shareholder's Name	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	MANJU DEVI CHIRIMAR	20201	0.6538	0.0000	20201	0.6538	0.0000	0.0000
2	RAJEEV CHIRIMAR	15260	0.4939	0.0000	15260	0.4939	0.0000	0.0000
3	KEMI FIBRE INDUSTRIES P LTD	11000	0.3560	0.0000	11000	0.3560	0.0000	0.0000
4	RAJEEV CHIRIMAR HUF.	4450	0.1440	0.0000	4450	0.1440	0.0000	0.0000
5	DARJEELING ROPEWAY CO LTD	4300	0.1392	0.0000	4300	0.1392	0.0000	0.0000
6	RADIO SUPPLY STORES PVT LTD	4000	0.1294	0.0000	4000	0.1294	0.0000	0.0000
7	SANGITA CHIRIMAR	3300	0.1068	0.0000	3300	0.1068	0.0000	0.0000
8	KESHAV CHIRIMAR	2800	0.0906	0.0000	2800	0.0906	0.0000	0.0000
9	RAGHAV CHIRIMAR	1700	0.0550	0.0000	1700	0.0550	0.0000	0.0000
	TOTAL	67011	2.1686	0.0000	67011	2.1686	0.0000	0.0000

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

Sl No	Name	Shareholding at the beginning [01/Apr/17]/end of the year [31/Mar/18]	% of total shares of the company	Cumulative Shareholding during the year [01/Apr/17 to 31/Mar/18]	% of total shares of the company	PAN
1	DARJEELING ROPEWAY CO LTD					AABCD1807A
	4/1/2017	4300	0.1392			
	3/31/2018	4300	0.1392	4300	0.1392	
2	KEMI FIBRE INDUSTRIES P LTD					AABCK1249B
	4/1/2017	11000	0.3560			
	3/31/2018	11000	0.3560	11000	0.3560	
3	RADIO SUPPLY STORES PVT LTD					AABCR4310G
	4/1/2017	4000	0.1294			
	3/31/2018	4000	0.1294	4000	0.1294	
4	RAJEEV CHIRIMAR HUF .					AACHR7875L
	4/1/2017	4450	0.1440			
	3/31/2018	4450	0.1440	4450	0.1440	

5	SANGITA CHIRIMAR					ACCPC4040Q
	4/1/2017	3300	0.1068			
	3/31/2018	3300	0.1068	3300	0.1068	
6	MANJU DEVI CHIRIMAR					ACDPC5458K
	4/1/2017	20201	0.6538			
	3/31/2018	20201	0.6538	20201	0.6538	
7	RAJEEV CHIRIMAR					ACQPC9187J
	4/1/2017	15260	0.4939			
	3/31/2018	15260	0.4939	15260	0.4939	
8	KESHAV CHIRIMAR					AGPPC9200M
	4/1/2017	2800	0.0906			
	3/31/2018	2800	0.0906	2800	0.0906	
9	RAGHAV CHIRIMAR					AGPPC9217Q
	4/1/2017	1700	0.0550			
	3/31/2018	1700	0.0550	1700	0.0550	

iv) Shareholding Pattern of top ten Shareholders

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

SI No	Name	Shareholding at the beginning [01/Apr/17]/ end of the year [31/Mar/18]	% of total shares of the company	Cumulative Shareholding during the year [01/Apr/17 to 31/Mar/18]	% of total shares of the company	PAN
1	GAGANBASE VINCOM PRIVATE LIMITED *					AAACG9996N
	4/1/2017	0	0.0000			
	30/12/2017 - Transfer	150000	4.8544	150000	4.8544	
	3/31/2018	150000	4.8544	150000	4.8544	
2	S. L. CON-FIN PRIVATE LIMITED #					AADCS5993E
	4/1/2017	150000	4.8544			
	30/12/2017 - Transfer	-150000	4.8544	0	0.0000	
	3/31/2018	0	0.0000	0	0.0000	

3	VACHAN DEALERS & SUPPLIERS					AADCV2768A
	4/1/2017	150000	4.8544			
	3/31/2018	150000	4.8544	150000	4.8544	
4	BRINDAVAN MARKETING PRIVATE LIMITED					AAECB3251H
	4/1/2017	150000	4.8544			
	3/31/2018	150000	4.8544	150000	4.8544	
5	BHAGWAT MARCOM PRIVATE LIMITED #					AAECB9502D
	4/1/2017	150000	4.8544			
	30/12/2017 - Transfer	-150000	4.8544	0	0.0000	
	3/31/2018	0	0.0000	0	0.0000	
6	DURGAPUR CONSTRUCTION PRIVATE LIMITED					AAECD7540B
	4/1/2017	150000	4.8544			
	3/31/2018	150000	4.8544	150000	4.8544	
7	GRANT SUPPLIERS PRIVATE LIMITED					AAECG4006H
	4/1/2017	150000	4.8544			
	3/31/2018	150000	4.8544	150000	4.8544	
8	KAANGDAJI FABRICS TRADERS PRIVATE LIMITED. #					AAECK1892M
	4/1/2017	150000	4.8544			
	30/12/2017 - Transfer	-150000	4.8544	0	0.0000	
	3/31/2018	0	0.0000	0	0.0000	
9	KAMALRAJ HOUSING PVT. LTD. #					AAECK7084M
	4/1/2017	150000	4.8544			
	30/12/2017 - Transfer	-150000	4.8544	0	0.0000	
	3/31/2018	0	0.0000	0	0.0000	
10	UNIFOUR GARMENTS LLP					AAEFU3722H
	4/1/2017	150000	4.8544			
	3/31/2018	150000	4.8544	150000	4.8544	
11	DKC TRADING PRIVATE LIMITED *					AAFGD6813
	4/1/2017	0	0.0000			
	30/12/2017 - Transfer	150000	4.8544	150000	4.8544	
	3/31/2018	150000	4.8544	150000	4.8544	

12	CANOPY FINANCE LIMITED *					AAFCK53170
	4/1/2017	0	0.0000			
	31/03/2018 - Transfer	150000	4.8544	150000	4.8544	
13	PEARS MERCANTILES PVT. LTD					AAFCP82921
	4/1/2017	150000	4.8544			
	3/31/2018	150000	4.8544	150000	4.8544	
14	PUSHPDANT BARTER PRIVATE LIMITED *					AAFCP91211
	4/1/2017	150000	4.8544			
	3/31/2018	150000	4.8544	150000	4.8544	
15	MULTIFOLD PLASTIC MARKETING PRIVATE LIMITED					AAGCM9703
	4/1/2017	150000	4.8544			
	3/31/2018	150000	4.8544	150000	4.8544	

\* Not in the list of Top 10 shareholders as on 01/04/2017 The same has been reflected above since the shareholder was one of the Top 10 shareholders as on 31/03/2018.

# Ceased to be in the list of Top 10 shareholders as on 31/03/2018. The same is reflected above since the shareholder was one of the Top 10 shareholders as on 01/04/2017.

v) Shareholding of Directors and Key Managerial Personnel

		Shareholding at the beginning of the year		Cumulative Shareholding during the year		
Sl No	Name	No. of shares	% of total shares of the company	No. of shares	% of total shares of the company	PAN
<b>The Directors and KMPs are not holding any shares of the Company</b>						

**V. INDEBTEDNESS**

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

(Amt. Rs./Lacs)

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

**VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL**

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

SN.	Particulars of Remuneration	Name of MD/WT/ Manager		Total Amount			
	Name			(Rs/Lac)			
	Designation						
1	Gross salary	There was no remuneration paid to the Managing Director, Whole-time Director and/or Manager.					
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961						
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961						
	(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)	
	Ceiling as per the Act	

#### B. Remuneration to other Directors

SN.	Particulars of Remuneration	Name of Directors			Total Amount
					(Rs/Lac)
1	Independent Directors	There was no remuneration paid to the other Directors i.e Independent Directors and other Non- Executive Directors of the Company.			
	Fee for attending board committee meetings				
	Commission				
	Others, please specify				
	Total (1)				
2	Other Non-Executive Directors				
	Fee for attending board committee meetings				
	Commission				
	Others, please specify				
	Total (2)				
	Total (B)=(1+2)				
	Total Managerial Remuneration				
	Overall Ceiling as per the Act				

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

SN.	Particulars of Remuneration	Name of Key Managerial Personnel			Total Amount
	Name				(Rs)
	Designation	CEO	CFO	CS	
1	Gross salary				
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961				
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961				
	(c) Profits in lieu of salary under section 17(3) Income- tax Act, 1961				
2	Stock Option	NIL	NIL	NIL	NIL
3	Sweat Equity				
4	Commission				
	- as % of profit				
	- others, specify				
5	Others, please specify				
	Total				



**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)
------	------------------------------	-------------------	---	------------------------------	------------------------------------

There was no penalty, punishment and compounding of offences with respect to the company, its Directors and other officers.

**For and on behalf of the Board of Directors**

**Sd/-**

**Yash Saraogi**

**Managing Director**

**Sd/-**

**Kishan Choudhary**

**Director & CFO**

**Place: Kolkata**

**Dated: 29/05/2018**

**Form No. MR-3**  
**Secretarial Audit Report**  
**(For The Financial Year Ended 31st March, 2018)**

[Pursuant to Section 204(1) of the Companies Act, 2013 and Rule 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To,  
The Members,  
**MODERN CONVERTERS LIMITED**  
56E HEMANTA BASU SARANI OLD, 4 BBD BAGH EAST,  
ROOM NO 14A, KOLKATA 700001

I have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by MODERN CONVERTERS 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 my verification of the books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, I hereby report that in my opinion, the Company has, during the audit period ended on 31st March, 2018, 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:

I have examined the books, papers, minute books, forms and returns filed and other records maintained by The Company for the period ended on 31st March, 2018 according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the Rules made thereunder;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the Rules made thereunder;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- (iv) Foreign Exchange Management Act, 1999 and the Rules and Regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act') to the extent applicable to the Company:-
  - a. The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
  - b. The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992;
  - c. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;
  - d. 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;

I have also examined compliance with the applicable clauses of the following: (i) Secretarial Standards issued by The Institute of Company Secretaries of India, (ii) The Listing Agreements entered into by the Company with Stock Exchanges in India.

During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, Listing Agreements etc mentioned above.

**I further report that,** the Board of Directors of the Company is 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 to all Directors, 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.

As per the minutes of the meetings duly recorded and signed by the Chairman the decisions of the Board were unanimous and no dissenting views have been recorded.

**I 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.

**Place: Kolkata**  
**Date: 29.05.2018**

**Sd/-**  
**Shruti Agarwal**  
**CP No. 14602**

## **Management Discussion & Analysis Report**

### **OVERALL REVIEW**

In Fiscal 2017-18, the global economic condition remained weak and uncertain. The macro economic situation was bleak and witnessed inflationary pressure. The Indian rupee witnessed high volatility depreciating against USD and causing substantial economic losses. The slide was mainly caused on account of slowing down of economic decisions. Further the global environment also remained subdued.

### **INDUSTRY OUTLOOK**

The demand is expected to increase in near future and the company is focusing to start its operations once it finalises the product having better growth prospectus in the market.

### **CHALLENGES**

- (i) Good economic environment
- (ii) Freeing of Government regulatory controls with regard to exports

### **RISKS AND CONCERNS**

The continued policies of Government controlling free exports and volatile economic environment have a bearing on the overall performance of the company.

### **OPERATIONAL REVIEW**

Considering the business environment your directors foresee the start up of business operation in the near future

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

The Company has suitable and adequate system of Internal Controls commensurating its size and nature of operations primarily to ensure that the assets are safeguarded against loss from unauthorized use or disposition; the transactions are authorized, recorded and reported correctly and - Code of conduct, Policies and applicable statutes are duly complied with. As a measure of Internal Control System, which has been evolved over the years, the Company has established a methodical system of Annual Budgeting and Management Information System (MIS). In addition, Administrative and HR activities of the Company are also brought within this purview.

The Company is conscious of importance of systems control and so continuously assesses the quality of integrated software package.

Continuous reporting of these systems is made to the Board and Audit Committee for their review to upgrade, revise and to focus on determination of adequacy of the Control Systems. The composition and role of Audit Committee can be found in the Corporate Governance Report in the Annual Report.

### **RISK MANAGEMENT**

Risk is an integral part of the business process. To enhance the risk management process, the company has mapped the risks. Risk arises for achieving business objectives are identified and prioritized. Risk mitigation activity plans are established and executed as and when need arises. Periodical reviews are carried out to assess the risk levels.

## **ENVIRONMENT AND SAFETY**

The Company is conscious of the importance of environmentally clean and safe operations. The Company's policy requires the conduct of all operations in such manner so as to ensure safety of all concerned, compliance of statutory and industrial requirements for environment protection and conservation of natural resources to the extent possible.

## **HUMAN RESOURCES**

Human resources development, in all its aspect like training in safety and social values is under constant focus of the management. Relations between management and the employees at all levels remained healthy and cordial throughout the year. The management and employees are dedicated to achieve the corporate objective and the targets set before the Company.

## **CAUTIONARY STATEMENT**

Readers are cautioned that this discussion and analysis contains forward looking statements that involve risks and uncertainties. When used in this discussion, the words "anticipate," "believe," "estimate," "intend," "will," and "expected" and other similar expressions as they relate to the Company or its business are intended to identify such forward-looking statements. The Company undertakes no obligation to publicly update or revise any forward-looking statements, whether as a result of new information, future events, or otherwise. Actual results, performances or achievements, risks and opportunities could differ materially from those expressed or implied in these forward-looking statements. Readers are cautioned not to place undue reliance on these forward-looking statements as these are relevant at a particular point of time & adequate restraint should be applied in their use for any decision making or formation of an opinion.

**For and on behalf of the Board of Directors**

**Sd/-**  
**Yash Saraogi**  
**Managing Director**  
**(DIN: 00402101)**

**Sd/-**  
**Kishan Choudhary**  
**Director & CFO**  
**(DIN: 01515377)**

**Place: Kolkata**  
**Date: 29/05/2018**

## MD & CFO CERTIFICATION

The Board of Directors

May 29, 2018

**MODERN CONVERTERS LTD,**

56E HEMANTA BASU SARANI OLD 4 BBD BAGH EAST,  
ROOM NO 14A,KOLKATA 700001

We, Yash Saraogi, Managing Director (MD) and Kishan Choudhary, Chief Financial Officer (CFO) of the Company do hereby certify the following:

- a. We have reviewed the financial statements and the cash flow statement for the year ended 31st March, 2018 and that to the best of our knowledge and belief:
  - i) these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
  - ii) these statements together present a true and fair view of the company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
- b. There are, to the best of our knowledge and belief, no transactions entered into by the Company during the year ended 31st March, 2018, which is 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 internal control systems of the listed entity pertaining to financial reporting and they have disclosed to the auditors and the audit committee, deficiencies in the design or operation of such internal controls, if any, of which they are aware and the steps they have taken or propose to take to rectify these deficiencies.
- d. We hereby indicated to the auditors and the Audit committee,
  - i) significant changes in internal control over financial reporting during the year;
  - ii) significant changes in accounting policies during the year and that the same have been disclosed in the notes to the financial statements; and
  - iii) instances of significant fraud of which they have become aware and the involvement therein, if any, of the management or an employee having a significant role in the listed entity's internal control system over financial reporting

Sd/-  
**Yash Saraogi**  
Managing Director

Sd/-  
**Kishan Choudhary**  
Director

## CERTIFICATE ON CORPORATE GOVERNANCE

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To,  
The Members of  
**MODERN CONVERTERS LTD**

We have examined all relevant records of Modern Converters Limited (the Company) for the purpose of certifying compliance of the disclosure requirements and corporate governance norms as specified for the Listed Companies for the financial year ended 31st March, 2018. We have obtained all the information and explanations to the best of our knowledge and belief, which were necessary for the purpose of this certification.

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

In our opinion and to the best of our information and according to the explanations given to us, we certify that the Company has complied with disclosure requirements and corporate governance norms as specified for Listed Companies.

Place: Kolkata

Date: 29/05/2018

For Gupta Saharia & Co  
Chartered Accountants  
FRN:-103446W

Sd/-  
Pawan Gupta  
Partner  
Membership no-071471

# Corporate Governance Report

## **Our corporate governance philosophy**

*Good corporate governance is about maximizing shareholder value on a sustainable basis while ensuring fairness to all stakeholders: customers, vendor, investors, employees, government and society.*

We are committed to defining, following and practicing the highest level of corporate governance across all our business functions. Our corporate governance is a reflection of our value system encompassing our culture, policies, and relationships with our stakeholders. Integrity and transparency are key to our corporate governance practices and performance and ensure that we retain and gain the trust of our stakeholders at all times.

## **Compliance with global guidelines and standards**

We comply with a broad selection of key governance principles and regulations. The Securities and Exchange Board of India (SEBI) has notified SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (LODR) on September 2, 2015, replacing the earlier listing agreement (w.e.f. December 1, 2015) and is aimed to consolidate and streamline the provisions of earlier listing agreements for different segments of the capital market viz. equity, debentures, debt instruments, etc.

## **A. Board composition & Board Meetings**

### **Size and composition of the Board**

We believe that our Board needs to have an appropriate mix of executive and independent directors to maintain its independence, and separate its functions of governance and management. Our Board comprised of 4 members, of whom 2 were Executive and 2 were Non-Executive Directors. Presently there are two Independent Directors, who account for one third of the total Board strength as required under section 149 of the Companies Act, 2013. The Non-Executive Directors are eminent professionals, drawn from amongst persons with experience in business and industry, finance, law and public enterprises.

Six Board Meetings were held during the year and the gap between two meetings did not exceed one hundred and twenty days. The dates on which the said meetings were held:

May 25, 2017; August 9, 2017; November 14, 2017; January 9, 2018; February 8, 2018 and March 28, 2018.

The necessary quorum was present for all the meetings.



The composition of the Board is as under:

Name	Category	Attendance		No. of other Directorships^	No. of Board Committees (other than Modern Converters Ltd )
		Board Meeting	Last AGM		
Soumitra Trivedi*	Managing Director	5	Yes	Nil	Nil
Ganga Dhar Sail**	Executive Director	6	Yes	Nil	Nil
Binit Agarwal	Independent Director	6	Yes	Nil	Nil
Renu Sharma	Independent Director	6	Yes	Nil	Nil
Kishan Choudhary***	Executive Director	-	No	Nil	Nil
Yash Saraogi*	Managing Director	1	No	Nil	Nil

\*Soumitra Trivedi resigned from the post of Managing Director and Mr. Yash Saraogi was appointed as Managing Director w.e.f 9<sup>th</sup> January, 2018.

\*\*Ganga Dhar Sail resigned w-e-f 28<sup>th</sup> March, 2018

\*\*\*Kishan Choudhary was appointed as executive director w-e-f 28<sup>th</sup> March, 2018

^Excluding directorship in unlisted public companies, private companies, foreign companies and companies incorporated under Section 8 of the Companies Act, 2013.

The Company did not have any pecuniary relationship and transaction with any of the Non- Executive Directors during the year under reference.

### Definition of independent directors

The Companies Act, 2013 and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 defines an ‘independent director’ as a person who is not a promoter or employee or one of the key managerial personnel of the Company or its subsidiaries. The laws also state that the person should not have a material pecuniary relationship or transactions with the Company or its subsidiaries, apart from receiving remuneration as an independent director. We abide by these definitions of independent director.

### Selection of new directors

The Board is responsible for the selection of new directors. The Board delegates the screening and selection process to the nomination and remuneration committee.

### Training of Board members

All new non-executive directors inducted to the Board are introduced to our Company culture through orientation sessions. Current executive directors and senior management provide an overview of our operations, and familiarize the new non-executive directors with them. They are also introduced to our organization structure, our services, group structure and subsidiaries, constitution, Board procedures, matters reserved for the Board, and our major risks and risk management strategy.

The Board's policy is to have separate meetings regularly with independent directors which was held on 28.03.2018 to update them on all business-related issues and new initiatives.

### **Materially significant related party transactions**

There have been no materially significant related party transactions, monetary transactions or relationships between the Company and its directors, the Management, or relatives.

### **B. Board Committees**

Currently, the Board has three committees: audit committee, nomination and remuneration committee and stakeholder's relationship committee.

#### **1. Audit Committee**

Our audit committee comprised three directors as on March 31, 2018:

- Binit Agarwal - Chairman, Non-Executive & Independent Director
- Yash Saraogi- Executive & Non Independent Director
- Renu Sharma- Non-Executive & Independent Director

The primary objective of the audit committee is to monitor and provide an effective supervision of the Management's financial reporting process, to ensure accurate and timely disclosures, with the highest levels of transparency, integrity and quality of financial reporting. The audit committee oversees the work carried out in the financial reporting process by the Management, the internal auditors and the independent auditors, and notes the processes and safeguards employed by each of them. The audit committee has the ultimate authority and responsibility to select, evaluate and, where appropriate, replace the independent auditors in accordance with the law.

### **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 for appointment, remuneration and terms of appointment of auditors of the Company;
3. Approval of payment to Statutory Auditors for any other services rendered by the Statutory Auditors;
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 I of sub-section 3 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. Reviewing, with the management, the statement of uses / application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document / prospectus / notice and the report submitted by the monitoring agency monitoring the utilization of proceeds of a public or rights issue, and making appropriate recommendations to the Board to take up steps in this matter;
7. Review and monitor the Auditor's independence and performance, and effectiveness of audit process;
8. Approval or any subsequent modification of transactions of the Company with related parties;
9. Scrutiny of inter-corporate loans and investments;
10. Valuation of undertakings or assets of the Company, wherever it is necessary;
11. Evaluation of Internal Financial Controls and Risk Management Systems;
12. Reviewing, with the management, performance of statutory and internal auditors, adequacy of the internal control systems;
13. 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;
14. Discussion with Internal Auditors of any significant findings and follow up there on;
15. 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;
16. 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;
17. To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors;
18. To review the functioning of the Whistle Blower mechanism;
19. 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 and background, etc. of the candidate;
20. Carrying out any other function as is mentioned in the terms of reference of the Audit Committee.

#### **Audit committee attendance**

The audit committee held four meetings during the year ended March 31, 2018. These were held on May 25, 2017; August 9, 2017; November 14, 2017 and February 8, 2018.

The attendance details of the audit committee meetings are as follows:

Name	No. of Meetings during the year 2017-18	
	Held	Attended
Binit Agarwal	4	4

Soumitra Trivedi*	3	3
Renu Sharma	4	4
Yash Saraogi	1	1

\*Soumitra Trivedi resigned from the post of Managing Director and Mr. Yash Saraogi was appointed as Managing Director w.e.f 9<sup>th</sup> January, 2018.

The Company has established a mechanism for directors and employees to report concerns about unethical behavior, actual or suspected fraud, or violation of our Code of Conduct and Ethics.

#### **Nomination and remuneration committee**

Our nomination and remuneration committee comprised three directors as on March 31, 2018:

- Renu Sharma- Chairman, Non-Executive & Independent Director
- Binit Agarwal- Non-Executive & Independent Director
- Kishan Choudhary- Executive & Non Independent Director

#### **Terms of Reference**

The committee makes recommendations to the Board on candidates for

- Nomination for election or re-election by the shareholders; and
- Any Board vacancies that are to be filled. It may act on its own in identifying potential candidates, inside or outside the Company, or may act upon proposals submitted by the Chairman of the Board.

#### **Nomination and remuneration committee attendance**

The Nomination and remuneration committee held twice meetings during the year ended March 31, 2018. These were held on 09/01/2018 and 28/03/2018.

The attendance details of the Nomination and remuneration committee meetings are as follows:

Name	No. of Meetings during the year 2017-18	
	Held	Attended
Renu Sharma	2	2
Binit Agarwal	2	2
Gangadhar Sail*	1	1
Kishan Choudhary	1	1

\*Ganga Dhar Sail resigned w-e-f 28<sup>th</sup> March, 2018

#### **Stakeholders Relationship committee**

Our Stakeholders Relationship committee comprised three directors as on March 31, 2018:

- Renu Sharma- Chairman, Non-Executive & Independent Director

- Binit Agarwal- Non-Executive & Independent Director
- Kishan Choudhary- Executive & Non Independent Director

### **Terms of Reference**

The stakeholder's relationship committee has the mandate to review and redress shareholder grievances.

### **Stakeholders Relationship committee attendance**

The Stakeholders Relationship committee held four meetings during the year ended March 31, 2017. These were held on May 25, 2017; August 9, 2017; November 14, 2017 and February 8, 2018.

The attendance details of the Stakeholders Relationship committee meetings are as follows:

Name	No. of Meetings during the year 2017-18	
	Held	Attended
Renu Sharma	4	4
Binit Agarwal	4	4
Gangadhar Sail*	4	4
Kishan Choudhary	0	0

\*Ganga Dhar Sail resigned w-e-f 28<sup>th</sup> March, 2018 and Mr. Kishan Choudhary was appointed on the same day.

### **Status Report of Investor Complaints for the year ended March 31, 2018**

No of Complaints Received–Nil

No of Complaints Resolved–Nil

No of Complaints Pending– Nil

### **Details of establishment of vigil mechanism for directors and employees**

The Company has adopted the whistleblower mechanism for directors and employees to report concerns about unethical behavior, actual or suspected fraud, or violation of the Company's code of conduct and ethics. There has been no change to the Whistleblower Policy adopted by the Company during fiscal 2018.

### **Disclosures**

- There was no material individual transaction with related parties such as Promoter, Directors, Key Managerial Personnel, relatives or subsidiary that could have potential conflict of interest with the Company, during the year ended 31st March, 2018. Except from those disclosed in the financial statements for the year ended March 31, 2018.

- ii) The Company follows the mandatory Accounting Standards prescribed by the Institute of Chartered Accountants of India and to the best of its knowledge there are no deviations in the accounting treatments that require specific disclosure.
- iii) The CEO/CFO certificate for the financial year ended March 31, 2018 is annexed hereto.
- iv) There have been no instances of non-compliance on any matter as regards the rules and regulations prescribed by the Securities and Exchange Board of India or any other statutory authority relating to capital markets during the year.
- v) The Company has a specific Whistle blower policy. A certificate from Auditor certifying the compliance by the Company with the provisions of Corporate Governance of the Listing Agreement is annexed hereto.
- vi) A qualified practicing Company Secretary conducted a Reconciliation of Share Capital Audit on quarterly basis reconciling the total Share Capital; all the shares are held in both physical and demat form.
- vii) Pursuant to 40(9) of the SEBI Listing Regulations, 2015 with the Stock Exchange a Company Secretary-in Practice have issued certificates on half yearly basis, confirming due compliance of share transfer formalities by the Company.

### Annual General Meetings

The details of the Annual General Meetings held in the past three years and the special resolutions passed there at are as follows:

Year	Date	Venue	Time	No. of Special Resolution passed
2014-15	30 <sup>th</sup> September, 2015	56E, Hemanta Basu Sarani, 4 BBD Bagh East, Kolkata- 700001	2.00 P.M.	-
2015-16	29 <sup>th</sup> September, 2016	56E, Hemanta Basu Sarani, 4 BBD Bagh East, Kolkata- 700001	11.00 A.M.	-
2016-17	15 <sup>th</sup> September, 2017	56E, Hemanta Basu Sarani, 4 BBD Bagh East, Kolkata- 700001	2.00 P.M.	-

Distribution of Shareholding as on March 31, 2018				
Notional Value of (Rs.)	Shareholders		Equity Shares	
	Number	% of total	Amount (Rs.)	% of total
Upto 5000	511	93.76	2,19,390	0.71
5001 to 10000	4	0.73	30,500	0.10

10001 to 20000	1	0.18	17,000	0.05
20001 to 30000	3	0.55	78,100	0.25
30001 to 40000	1	0.19	40,000	0.13
40001 to 50000	2	0.37	87,500	0.28
Above 100000	23	4.22	30,427,510	98.48
<b>Grand Total</b>	<b>545</b>	<b>100.00</b>	<b>3,09,00,000</b>	<b>100.00</b>

#### Categories of Shareholders as at March 31, 2018

Sr. No	Description	No. of Shares	% to Capital
A.	Promoters & Promoters Group		
	- Individuals	47,711	1.54
	- Body Corporate	19,300	0.63
B.	Public Shareholding		
	<b>-Institutions</b>		
	Financial Institutions/Banks	Nil	Nil
	<b>-Non-institutions</b>		
	Body Corporate	2,400,000	77.67
	Individuals	6,22,989	20.16
	<b>Total</b>	<b>3,090,000</b>	<b>100%</b>

#### Address of Correspondence

Shareholders may address their correspondence at the address mentioned below, on all matters relating to transfer of shares, etc.

Maheshwari Datamatics Pvt. Ltd.

Address: 23, R . N. Mukherjee Road,

5<sup>th</sup> Floor, Kolkata 700 001

Tel: 033 22482248

Email: [mdpldc@yahoo.com](mailto:mdpldc@yahoo.com)

#### Means of Communication

- (i) The Management Discussion and Analysis Report, in accordance with the SEBI (LODR) 2015 is annexed to the Directors' Report and forms part of this Annual Report being sent to all the members of the Company.
- (ii) The quarterly and half yearly results were published in the newspaper. The results are also displayed on the website of the company.

#### General Shareholder Information

<b>Date, time and venue of AGM</b>	Saturday, 29 <sup>th</sup> September, 2018 at 11.00 A.M. at the registered office of the Company situated at 56E, Hemanta Basu Sarani, Old 4 BBD Bagh East, Room No. 14A, Kolkata - 700001
<b>Financial Year</b>	1 <sup>st</sup> April, 2017 to 31 <sup>st</sup> March, 2018
<b>Dates of Book Closure</b>	23 <sup>rd</sup> September, 2018 to 29 <sup>th</sup> September, 2018 (Both the days inclusive)
<b>Dividend Payment Date</b>	Not Applicable
<b>Financial Calendar Period</b>	Board Meeting to approve quarterly financial results (Tentative Schedule)
Quarter ending 30 <sup>th</sup> Jun 2018	-Mid August, 2018
Quarter ending 30 <sup>th</sup> Sep 2018	-Mid November, 2018
Quarter ending 31 <sup>st</sup> Dec 2018	-Mid February, 2019
Quarter ending 31 <sup>st</sup> Mar 2019	-End May, 2019

<b>Listing on Stock Exchanges</b>	BSE Ltd.
<b>Listing Fees</b>	Listing fees paid to the Exchange upto 31 <sup>st</sup> March, 2019
<b>Stock Code</b>	539762
<b>Registered Office</b>	56E, Hemanta Basu Sarani, Old 4 BBD Bagh East, Room No. 14A, Kolkata - 700001
<b>Compliance officer &amp; Contact Address</b>	Yash Saraogi 56E Hemanta Basu Sarani Old, 4 BBD Bagh East, Kolkata- 700001 Tel. No: 033- 6503 5876 Email Id: info@modernconvertors.com



**Declaration**

To,  
The Members of **MODERN CONVERTERS LIMITED**

I, **Yash Saraogi**, Managing Director &CEO of the Company declare that all Board Members and Senior Management of the Company have affirmed compliance with the code of conduct.

**MODERN CONVERTERS LIMITED**

**Sd/-**  
**Yash Saraogi**  
**Managing Director**

**Date: 03/09/2018**  
**Place: Kolkata**

## **INDEPENDENT AUDITOR'S REPORT**

**To the Members of**

**MODERN CONVERTERS LTD**

### **Report on the Standalone Ind AS Financial Statements for the F.Y. 2017-2018**

We have audited the accompanying Standalone Ind AS Financial Statements of Modern Converters Ltd, ("the Company"), which comprise the Balance Sheet as at March 31, 2018, Profit and Loss Account, and the Cash Flow Statement for the year the ended, Statement of Changes in Equity, and a summary of the significant accounting policies and other explanatory information.

### **Management's Responsibility for the Standalone Ind AS Financial Statements**

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation and presentation of these Standalone Ind AS Financial Statements that give a true and fair view of the financial position, financial performance and cash flows including other comprehensive income and changes in equity of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards 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 Standalone Ind AS Financial Statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

### **Auditor's Responsibility**

Our responsibility is to express a reasonable opinion on these Standalone Ind AS Financial Statements based on our audit.

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

We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the Standalone Ind AS Financial Statements are free from material misstatement

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

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Standalone Ind AS Financial Statements.

### **Opinion**

In our opinion and to the best of our information and according to the explanations given to us, the Standalone Ind AS Financial Statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India of the state of affairs of the Company as at 31st March, 2018, and its statement of profit & loss, total comprehensive income, the changes in equity and cash flows for the year ended on that date.

### **Other Matter**

The Financial information of the Company for the year ended March 31, 2017 and the transition date of opening balance sheet as at April 1, 2016 included in these Ind AS Financial Statements, are based on previously issued statutory financial statements for the year ended March 31, 2017 and March 31, 2016 prepared in accordance with the Companies (Accounting Standards) Rules, 2006 (as amended) which were audited by us. The Adjustment to those financial statements for the difference in accounting principles adopted by the Company on transition to the Ind AS have been audited by us.

### **Report on Other Legal and Regulatory Requirements**

1. As required by Companies (Auditors Report) Order 2016 ('the order') issued by Central Government of India in terms of subsection (11) of section 143 of the Act, we enclose in the "Annexure 1" a statement on the matters specified in paragraphs 3 & 4 of the said order, to extent applicable.
2. As required by section 143(3) of the Act, we report that:
  - a) We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;

- b) In our opinion proper books of account as required by law have been kept by the Company so far as appears from our examination of those books
- c) The Balance Sheet, Statement of Profit and Loss, Statement of Cash Flow and Statement of Changes in Equity dealt with by this Report are in agreement with the books of account.
- d) In our opinion, the aforesaid Standalone Ind AS Financial Statements comply with the Indian Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
- e) In our opinion there are no observations or comments on the financial, which may have an adverse effect on the functioning of the company.
- f) On the basis of the written representations received from the directors as on 31st March, 2018 taken on record by the Board of Directors, none of the director is disqualified as on 31st March, 2018 from being appointed as a director in terms of Section 164 (2) of the Act.
- g) With respect to the adequacy of the Internal Financial Controls over financial reporting of the Company and the operating effectiveness of such controls, we give our separate Report in "Annexure2"
- 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 does not have any pending litigations which would impact its financial position.
  - II. The Company does 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.

Place: Kolkata

Date: 29/05/2018

**For Gupta Saharia & Co**  
Chartered Accountants  
FRN:-103446W

Sd/-  
Pawan Gupta  
Partner  
Membership no-071471

## **“ANNEXURE 1” TO THE INDEPENDENT AUDITOR’S REPORT**

In terms of the information and explanations sought by us and given by the company and the books and records examined by us in the normal course of audit and to the best of our knowledge and belief, we state that: -

- (i) a) Based on our scrutiny of the Company’s Book of Account and other records and according to the information and explanations received by us from the management, we are of the opinion that the question of commenting on maintenance of proper records of fixed assets and physical verification of fixed assets does not arise since the company had no fixed assets as on 31st March, 2018 nor at any time during the financial year ended on 31st March, 2018.  
  
b) According to the information and explanations received by us, as the company owns no immovable properties, the requirement on reporting whether title deeds is held in the name of the company or not is not applicable.
- (ii) As explained to us, the inventory has been physically verified at reasonable intervals during the year by the management. In our opinion, the frequency of verification is reasonable. The discrepancies noticed on verification between the physical stocks and the book records were not material.
- (iii) The Company has not granted loans, secured or unsecured to any companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under section 189 of the Companies Act, 2013. Hence the reporting requirement under clause (iii) of the said order does not arise.
- (iv) Based on our scrutiny of the Company’s records and according to the information and explanations received by us from the management, we are of the opinion that in respect of loans and guarantees given, investments made, and securities purchased by the company, the provisions of section 185 and 186 of the Companies Act, 2013 have been complied with.
- (v) In our opinion and according to information and explanations given to us, the Company has not accepted any deposits from the public and hence the reporting requirement under clause (v) of the said order does not arise.
- (vi) According to the information and explanations provided by the management, the company is not engaged in production of any such goods or provision of any such services for which maintenance of cost records has been prescribed by the Central Government under section 148(1). Hence the reporting requirement under clause (iv) of the said order does not arise.
- (vii) a) Based on our scrutiny of the Company’s Book of Account and other records and according to the information and explanations received by us from the management, we are of the opinion that the company is regular in depositing with appropriate authorities undisputed statutory dues applicable to it and no undisputed amounts payable in respect of any statutory dues were outstanding as at

31st March, 2018 for a period of more than six months from the date they became payable.

b) According to the records of the company and the information and explanations received by us from the management, there are no disputed statutory dues outstanding in the name of the company.

- (viii) According to the records of the company, the Company has neither borrowed any amount from any financial institution, bank or government nor issued any debentures till 31st March, 2018. Hence, in our opinion the reporting requirement under clause (viii) of the said order does not arise.
- (ix) According to the records of the company, the company has neither raised any moneys by way of Initial Public Offer or Further Public Offer (including debt instrument) nor has the company raised any term loans. Hence, in our opinion the reporting requirement under clause (ix) of the said order does not arise.
- (x) Based upon the audit procedures performed and information and explanations given by the management, neither any fraud on the company by its officers or employees nor any fraud by the company has been noticed or reported during the course of our audit. Hence, in our opinion the reporting requirement under clause (x) of the said order does not arise.
- (xi) According to the records of the company, no Managerial remuneration has been paid or provided during the year under audit. Hence, in our opinion the reporting requirement under clause (xi) of the said order does not arise.
- (xii) In our opinion and to the best of our information and according to the explanations provided by the management, we are of the opinion that the company is not a Nidhi Company. Hence, in our opinion the reporting requirement under clause (xii) of the said order does not arise.
- (xiii) According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with Sections 177 and 188 of the Act where applicable and details of such transactions have been disclosed in the Standalone Ind AS Financial Statements as required by the applicable Indian Accounting Standards.
- (xiv) Based on our scrutiny of the Company's Book of Account and other records and according to the information and explanations received by us from the management, we are of the opinion that the company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review. Hence, the reporting requirement under clause (xiv) of the said order does not arise.
- (xv) Based on our scrutiny of the Company's Book of Account and other records and according to the information and explanations received by us from the management, we are of the opinion that the company has not entered into any non-cash transactions with its directors or persons connected with him. Hence, the reporting requirement under clause (xv) of the said order does not arise.

- (xvi) In our opinion and to the best of our information and according to the explanations provided by the management, we are of the opinion that the company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934. Hence, the reporting requirement under clause (xvi) of the said order does not arise.

Place: Kolkata

Date: 29/05/2018

**For Gupta Saharia & Co**  
Chartered Accountants  
FRN: - 103446W

Sd/-  
Pawan Gupta  
Partner  
Membership no. 071471

## **“ANNEXURE 2” TO THE INDEPENDENT AUDITOR’S REPORT**

### **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 the Modern Converters Limited, the Company as of 31<sup>st</sup> March, 2018 in conjunction with our audit of the Standalone Ind AS Financial Statement of the Company for the year ended on that date.

#### **Management’s Responsibility for Internal Financial Controls**

The Company’s Board of Director’s 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 (“ICAI”). 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 the respective company’s policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

#### **Auditors’ Responsibility**

Our responsibility is to express an opinion on the Company’s internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the “Guidance Note”) and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was 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 Standalone Ind AS 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 Standalone Ind AS 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 Standalone Ind AS 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 unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the Standalone Ind AS Financial Statements.

### **Inherent Limitations of Internal Financial Controls Over Financial Reporting**

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

### **Opinion**

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31-Mar-2018, 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 issued by the ICAI.

Place: Kolkata

Date: 29/05/2018

**For Gupta Saharia & Co**  
Chartered Accountants  
FRN: - 103446W

Sd/-  
Pawan Gupta  
Partner  
Membership no. 071471

**MODERN CONVERTERS LIMITED**  
**Balance Sheet as at March 31, 2018**

Amount in '000

Particulars	Note No	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
<b>ASSETS</b>				
<b>Non- current Assets</b>				
Financial Assets				
(a) Investments	4	0.02	-	-
(b) Other Assets		-	-	-
<b>Total Non- Current Assets</b>		0.02	-	-
<b>Current Assets</b>				
(a) Inventories	5	2,714.05	637.70	372.05
(b) Financial Assets				
(i) Trade Receivables	6	51.01	32,128.50	39,298.26
(ii) Cash & cash equivalents	7	945.61	3,637.36	99.12
(iii) Loans & Advances	8	31,038.00	574.29	892.38
⊕ Other Assets	9	5.00	5.00	4,954.67
<b>Total Current Assets</b>		34,753.66	36,982.85	45,616.48
<b>TOTAL ASSETS</b>		<b>34,753.68</b>	<b>36,982.85</b>	<b>45,616.48</b>
<b>EQUITY AND LIABILITIES</b>				
Equity				
(a) Share Capital	10	30,900.00	30,900.00	30,900.00
(b) Other Equity	11	3,774.01	5,771.07	4,978.09
<b>Total Equity</b>		34,674.01	36,671.07	35,878.09
<b>Liabilities</b>				
<b>Non- Current Liabilities</b>				
(a) Deferred Tax Liabilities (Net)		-	-	(2.20)
<b>Total Non- Current Liabilities</b>		-	-	(2.20)
<b>Current Liabilities</b>				
(a) Financial Liabilities				
(i) Short Term Borrowings	12	-	-	7,250.00
(ii) Trade Payables	13	-	-	2,400.00
(iii) Other Financial Liabilities	14	79.67	123.34	90.59
(b) Provisions	15	-	188.44	-
(c) Other Liabilities				-
<b>Total Current Liabilities</b>		79.67	311.78	9,740.59
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>34,753.68</b>	<b>36,982.85</b>	<b>45,616.48</b>
<b>NOTES FORMING PART OF THE FINANCIAL STATEMENTS</b>	1-20			

For Gupta Saharia & Co.  
Chartered Accountants  
FRN No. 103446W

For and on behalf of the Board of Directors

sd/-  
Yash Sarasgi  
Managing Director  
(DIN 00402101)

sd/-  
Kishan Choudhary  
Director & CFO  
(DIN 01515377)

Pawan Gupta  
Partner  
Mem No:- 071471

Place: Kolkata  
Dated: 29/05/2018

**MODERN CONVERTERS LIMITED**  
**Statement of Profit and Loss for the years ended March 31, 2018**

Amount in '000

Particulars	Note No	As at March 31, 2018	As at March 31, 2017
I. Revenue from operations	16	21,661.44	288.79
II. Other Operating Income		-	-
II. Other Income	17	1,755.21	1,830.78
<b>IV. Total Revenue(I+ II+ III)</b>		<b>23,416.65</b>	<b>2,119.56</b>
V. Expenses:			
Purchases of stock-in-trade		26,016.39	674.81
Changes in Inventories	18	(2,076.35)	(265.65)
Employee Benefit Expenses	19	167.65	348.92
Other Operating Expenses	20	1,306.02	377.87
<b>VI. Total Expenses</b>		<b>25,413.71</b>	<b>1,135.95</b>
V. Profit before exceptional and extraordinary items and tax		(1,997.06)	983.62
VI. Exceptional Items		-	-
VII. Profit before extraordinary items and tax		(1,997.06)	983.62
VIII. Extraordinary Items		-	-
<b>VII. Profit before tax (IV-VI)</b>		<b>(1,997.06)</b>	<b>983.62</b>
VIII. Tax expense:			
(1) Current tax		-	188.44
(2) Deferred tax		-	2.20
<b>IX. Profit/(Loss) for the period (VII-VIII)</b>		<b>(1,997.06)</b>	<b>792.97</b>
<b>X. OTHER COMPREHENSIVE INCOME/(LOSSES)</b>			
A.i) Items that will be reclassified subsequently to the statement of profit and loss		-	-
ii) Income tax on items that will be reclassified subsequently to statement of profit and loss		-	-
B.i) Items that will not be reclassified subsequently to the statement of profit and loss		-	-
Change in Fair Value of Investments		-	-
ii) Income tax on items that will not be reclassified subsequently to statement of profit and loss		-	-
<b>TOTAL OTHER COMPREHENSIVE INCOME/(LOSSES)</b>		<b>-</b>	<b>-</b>
<b>XI TOTAL COMPREHENSIVE INCOME FOR THE YEAR</b>		<b>(1,997.06)</b>	<b>792.97</b>
XII. Earnings per equity share: Basic & Diluted (Rs)		(0.65)	0.26
Weighted Average number of equity shares		3,090.00	3,090.00
(Face value of Rs 10 each)			
<b>XIII. NOTES FORMING PART OF THE FINANCIAL STATEMENTS</b>	1-20		

For Gupta Saharia & Co.  
Chartered Accountants  
FRN No. 103446W

For and on behalf of the Board of Directors

sd/-  
Yash Saraogi  
Managing Director  
(DIN: 00402101)

sd/-  
Kishan Choudhary  
Director & CFO  
(DIN: 01515377)

Pawan Gupta  
Partner  
Mem No: - 071471

Place: Kolkata  
Dated: 29/05/2018

# MODERN CONVERTERS LIMITED

## CASH FLOW STATEMENT AS AT 31ST MARCH, 2018

(Amount in Rs. '000)

	Particulars	As at March 31, 2018	As at March 31, 2017
A.	<b>CASH FLOW FROM OPERATING ACTIVITIES</b>		
	Net Profit/(Loss) before tax	<b>(1,997.06)</b>	<b>983.62</b>
	Adjustment for :		
	(a) Depreciation	-	-
	(b) Interest Received	(82.26)	(612.77)
	OPERATING PROFIT BEFORE WORKING CAPITAL CHANGES	(2,079.32)	370.84
	Adjustment for :		
	(a) Trade and Other Receivables	32,077.49	7,169.76
	(b) Inventories	(2,076.35)	(265.65)
	(c) Trade Payables	-	(2,400.00)
	(d) Short term Provision	(188.44)	188.44
	(e) Other Current Assets	-	4,949.67
	(f) Short Term Borrowings	-	(7,250.00)
	(g) Other Current Liabilities	(43.67)	32.75
	CASH GENERATED FROM OPERATING ACTIVITIES	27,689.71	2,795.82
	BEFORE EXTRAORDINARY ITEMS		
	Extraordinary/ Prior Period Items		
	(a) Priorperiod Expenses/Income	-	-
	(b) Income Tax		(188.44)
	NET CASH FLOW FROM OPERATING ACTIVITIES	<b>27,689.71</b>	<b>2,607.38</b>
B.	<b>CASH FLOW FROM INVESTING ACTIVITIES</b>		
	(a) Purchase/ sale of Fixed Assets		
	(b) Purchase of Investments	(0.02)	-
	NET CASH FLOW FROM INVESTING ACTIVITIES	<b>(0.02)</b>	-
C.	<b>CASH FLOW FROM FINANCING ACTIVITIES</b>		
	(a) Share Application Money Received	-	-
	(b) Interest (Paid)/Received	82.26	612.77
	(c) Increase/ Decrease in Loans and Advances	(30,463.71)	318.09
		<b>(30,381.45)</b>	<b>930.87</b>
	Net Increase (Decrease) in Cash (A + B + C)	(2,691.75)	3,538.25
	Opening Balance of Cash & Cash Equivalents	3,637.36	99.12
	Closing Balance of Cash & Cash Equivalents	<b>945.61</b>	<b>3,637.36</b>
	NOTES FORMING PART OF THE FINANCIAL STATEMENTS 1-20		

For Gupta Saharia & Co.  
Chartered Accountants  
FRN No. 103446W

For and on behalf of the Board of Directors

sd/-  
Yash Saraogi  
Managing Director  
(DIN: 00402101)

sd/-  
Kishan Choudhary  
Director & CFO  
(DIN: 01515377)

Pawan Gupta  
Partner  
Mem No:- 071471

Place: Kolkata  
Dated: 29/05/2018

**Statement of changes in equity for the years March 31, 2018**

<b>A. Equity Share Capital</b>				Rs. In 000
<b>Particulars</b>				Amount
Balance as at April 1, 2016				30,900
Changes in Equity Share Capital				-
Balance as at March 31, 2017				30,900
Changes in Equity Share Capital				-
<b>Balance as at March 31, 2018</b>				<b>30,900</b>
<b>B. Other Equity (Note 11)</b>				Rs. In 000
<b>Particulars</b>	<b>Capital Redemption Reserve</b>	<b>Retained Earnings</b>	<b>General Reserves</b>	<b>Total Other Equity</b>
<b>Balance as at March 31, 2017</b>	<b>300.00</b>	<b>(2,347.93)</b>	<b>7,819.00</b>	<b>5,771.07</b>
<u>Addition:</u>				
Profit/(Loss) for the year	-	(1,997.06)	-	(1,997.06)
Other Comprehensive Income/(Expense)	-	-	-	-
<b>Total Comprehensive Income for the year</b>	<b>-</b>	<b>(1,997.06)</b>	<b>-</b>	<b>(1,997.06)</b>
Transfer In Equity	-	-	-	-
<b>Balance as at March 31, 2018</b>	<b>300.00</b>	<b>(4,344.99)</b>	<b>7,819.00</b>	<b>3,774.01</b>
<b>Particulars</b>	<b>Securities Premium Reserve</b>	<b>Retained Earnings</b>	<b>General Reserves</b>	<b>Total Other Equity</b>
<b>Balance as at April 1, 2016</b>	<b>300.00</b>	<b>(3,140.91)</b>	<b>7,819.00</b>	<b>4,978.09</b>
<u>Addition:</u>				
Profit/(Loss) for the year	-	792.97	-	792.97
Other Comprehensive Income/(Expense)	-	-	-	-
<b>Total Comprehensive Income for the year</b>	<b>-</b>	<b>792.97</b>	<b>-</b>	<b>792.97</b>
Transfer In Equity	-	-	-	-
<b>Balance as at March 31, 2017</b>	<b>300.00</b>	<b>(2,347.93)</b>	<b>7,819.00</b>	<b>5,771.07</b>

## **MODERN CONVERTERS LIMITED**

### **Note 1: Notes forming part of the financial statements**

#### **Corporate Overview**

MODERN CONVERTERS LTD, incorporated on 26/02/1946, having its registered office at 56E Hemanta Basu Sarani, Old 4 Bbd Bagh East, Room No 14a, Kolkata – 700001 is listed on the Bombay Stock Exchange (BSE) and Calcutta Stock Exchange (CSE). The Directors of the company are Yash Saraogi, Kishan Choudhary, Binit Agarwal and Renu Sharma.

### **Note 2:**

#### **Significant accounting policies**

##### **Basis of Preparation of Financial Statements**

The Company maintains its accounts on accrual basis following the historical cost convention in accordance with generally accepted accounting principles ["GAAP"] in India. GAAP comprises mandatory accounting standards as prescribed under section 133 of Companies Act, 2013 (the Act) read with Rule 7 of Companies (Accounts) Rules, 2014, the provisions of the Act (to the extent notified). Accounting policies have been consistently applied except where a newly-issued accounting standard is initially adopted or a revision to an existing accounting standard requires a change in the accounting policy hitherto in use.

##### **Use of estimates**

The preparation of the financial statements in conformity with Indian GAAP requires the Management to make estimates and assumptions considered in the reported amounts of assets and liabilities (including contingent liabilities) and the reported income and expenses during the year. The Management believes that the estimates used in preparation of the financial statements are prudent and reasonable. Future results could differ due to these estimates and the differences between the actual results and the estimates are recognised in the periods in which the results are known / materialise.

##### **Revenue Recognitions**

Revenue in respect of income is recognized when a reasonable certainty as to its realization exists.

##### **Employee Benefits**

All Employees benefits falling due wholly within twelve month of rendering the services are classified as short term employee benefits which include benefits like salary, wages, short term compensated, absences and performance incentives and are recognized as expense in the period in which the employee renders the related services.

##### **Material events after balance sheet date**

Events which are of material nature after the balance sheet date are accounted for in the accounts.

### **Earnings per share**

Basic earnings per share is computed by dividing the profit / (loss) after tax (including the post tax effect of extraordinary items, if any) by the weighted average number of equity shares outstanding during the year. Diluted earnings per share is computed by dividing the profit / (loss) after tax (including the post tax effect of extraordinary items, if any) as adjusted for dividend, interest and other charges to expense or income relating to the dilutive potential equity shares, by the weighted average number of equity shares considered for deriving basic earnings per share and the weighted average number of equity shares which could have been issued on the conversion of all dilutive potential equity shares. Potential equity shares are deemed to be dilutive only if their conversion to equity shares would decrease the net profit per share from continuing ordinary operations.

### **Cash and Cash equivalents**

Cash and Cash equivalents comprise cash and cash on deposit with banks and corporations. The Company considers all highly liquid investments with a remaining maturity at the date of purchase of three months or less and that are readily convertible to known amounts of cash to be cash equivalents.

### **Cash Flow Statements**

Cash Flow Statement has been prepared in accordance with Accounting Standard 3 issued by Institute of Chartered of India.

### **Note: 3**

#### **Explanation of Transition to Ind AS**

The transition as at April 1, 2017 to Ind AS was carried out from the previous GAAP. The exemptions and exceptions applied by the Company in accordance with Ind AS 101 – First Time Adoption of Indian Accounting Standards, the reconciliation of equity and total comprehensive income in accordance with Previous GAAP to Ind AS are explained below.

#### **Reconciliation between Previous GAAP and Ind AS**

##### **i. Equity Reconciliation**

Particulars	Note	Rs. In 000	
		As at March 31, 2018	As at March 31, 2017
As reported under previous GAAP		34674.01	36671.07
<b>Adjusted Equity under Previous GAAP</b>			
Dividend			
Depreciation			
Change in Fair Value of Investments			
Tax Adjustments			
Others			
<b>Equity under Ind AS</b>		<b>34674.01</b>	<b>36671.07</b>

##### **ii. Total Comprehensive Income Reconciliation**

(Rs. In 000)		
Particulars	Note	2018
Net Profit under previous GAAP		1997.06
Employee Benefits		
Depreciation		
Change in Fair Value of Investments		
Tax Adjustments		
Others		
<b>Net Profit under Ind AS</b>		<b>1997.06</b>
Other Comprehensive Income		
<b>Total Comprehensive Income under Ind AS</b>		<b>1997.06</b>

**iii. Reconciliation of Statement of Cash Flow**

There are no material adjustments to Statement of Cash Flows as reported under the Previous GAAP.

**Note: "Previous Year's figure have been regrouped rearranged wherever considered necessary".**

For Gupta Saharia & Co.  
Chartered Accountants  
FRN No. 103446W

Pawan Gupta  
Partner  
Mem No:- 071471

Place: Kolkata  
Dated: 29/05/2018

**For and on behalf of the Board of Directors**

Sd/-  
**Yash Saraogi**  
Managing Director  
(DIN: 00402101)

Sd/-  
**Kishan Choudhary**  
Director & CFO  
(DIN: 01515377)



**MODERN CONVERTERS LIMITED**

(Rs '000)

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
<b>NOTE NO - 4</b>			
<b><u>INVESTMENTS</u></b>			
Investments consists of the following:			
Investments- Non- Current			
Investments in Mutual fund	0.02	-	-
	0.02	-	-
<b>NOTE NO - 5</b>			
<b><u>INVENTORIES</u></b>			
Inventories consist of the following:			
(a) Raw Materials	-	-	-
(b) Finished goods and work-in-progress	2,714.05	637.70	372.05
(c) Goods-in-transit (Raw Materials)	-	-	-
Inventories are carried at lower of cost and net realisable value	2,714.05	637.70	372.05
(As per inventories taken, valued, and certified by the management)			
<b>NOTE NO - 6</b>			
<b><u>TRADE RECEIVABLES (UNSECURED)</u></b>			
Trade Receivables (unsecured) consists of the following:			
<u>Trade Receivables- (Outstanding Less than 6 Months)</u>			
(a) Considered goods	51.01	32,128.50	39,298.26
(b) Considered doubtful	-	-	-
	51.01	32,128.50	39,298.26
<b>NOTE NO - 7</b>			
<b><u>CASH &amp; CASH EQUIVALENTS</u></b>			
Cash and cash equivalents consist of the following:			
(a) Cash on hand (As certified by the management)	788.67	294.03	3.65
(b) Balances with Schedule Banks			
In Current accounts	124.35	3,310.75	62.65
In deposit accounts (Unpaid Dividends)	32.59	32.59	32.82
	945.61	3,637.36	99.12
<b>NOTE NO - 8</b>			
<b><u>LOANS &amp; ADVANCES</u></b>			
Loans (Unsecured) consists of the following:			
<b>Short Term Loans (Other than Related Parties)</b>			
Considered Goods			
Loans and advances to Body Corporates and individuals	538.00	574.29	892.38
Advance against Property	30,500.00	-	-
(Receivable in cash or in kind or value to be received)	31,038.00	574.29	892.38
<b>NOTE NO - 9</b>			
<b><u>OTHER CURRENT ASSETS</u></b>			
Fixed Deposits	-	-	4,730.00
Security Deposits	5.00	5.00	5.00
Interest receivable	-	-	219.67
	5.00	5.00	4,954.67

NOTE NO-10  
SHARE CAPITAL

Particulars	As at 31st March, 2016		As at 31st March, 2017	
	Number of shares ('000)	Amount (Rs. '000)	Number of shares ('000)	Amount (Rs. '000)
(a) Authorised				
Equity shares of Rs.10/- each	3,120	31,200	3,120	31,200
Preference shares of Rs.10/- each	30	300	30	300
(b) Issued				
Equity shares of Rs.10/- each fully paid up	3,090	30,900	3,090	30,900
(c) Subscribed and fully paid up				
Equity shares of Rs.10/- each with voting rights	3,090	30,900	3,090	30,900
Total	3,090	30,900	3,090	30,900

(i) Reconciliation of number of shares	As at 31st March, 2016		As at 31st March, 2017		
	Number of shares ('000)	Amount (Rs. '000)	Number of shares ('000)	Amount (Rs. '000)	
	Equity Shares				
	Opening balance	3,090	30,900	3,090	30,900
	Issued during the year	-	-	-	-
Closing Balance	3,090	30,900	3,090	30,900	

(ii) Rights, preferences and restrictions attached to Shares  
The Company has only one class of equity shares having a par value of Rs 10 each. Each shareholder is eligible for one vote per share held.

(iii) Details of shares held by each shareholder holding more than 5% shares:

Class of shares / Name of shareholder	As at 31st March, 2016		As at 31st March, 2017	
	Number of shares held	% holding in that class of shares	Number of shares held	% holding in that class of shares
NIL				

(iv) Details of shares held by the holding company, the ultimate holding company, their subsidiaries and associates:

Class of shares / Name of shareholder	As at 31st March, 2016		As at 31st March, 2017	
	Number of shares held	% holding in that class of shares	Number of shares held	% holding in that class of shares
Equity shares with voting rights	-	-	-	-
Equity shares with differential voting rights	-	-	-	-
Compulsorily convertible preference shares	-	-	-	-
Optionally convertible preference shares	-	-	-	-
Redeemable preference shares	-	-	-	-

**MODERN CONVERTERS LIMITED**

(Rs '000)

Particulars		As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
<b>NOTE NO - 12</b>				
<b><u>SHORT TERM BORROWINGS</u></b>				
Short Term Borrowings		-	-	7,250.00
		-	-	7,250.00
<b>NOTE NO - 13</b>				
<b><u>TRADE PAYABLES</u></b>				
Sundry Creditors		-	-	2,400.00
		-	-	2,400.00
<b>NOTE NO - 14</b>				
<b><u>OTHER FINANCIAL LIABILITIES</u></b>				
Other financial liabilities consists of the following:				
Unpaid Dividend		-	-	32.92
Audit Fees Payable		43.00	32.00	21.00
Preference Share Redemption		36.67	36.67	36.67
Unexpired Option Premium		-	54.67	-
		79.67	123.34	90.59
<b>NOTE NO - 15</b>				
<b><u>PROVISIONS</u></b>				
Provision for Income Tax		-	188.44	-
		-	188.44	-

**MODERN CONVERTERS LIMITED**

**(Rs in 000)**

Particulars		As at March 31, 2018	As at March 31, 2017
<b>NOTE NO - 16</b>			
<b><u>REVENUE FROM OPERATIONS</u></b>			
Sale of Services		-	-
Sale of Products		21,661.44	288.79
		21,661.44	288.79
<b>NOTE NO - 17</b>			
<b><u>OTHER INCOME (NET)</u></b>			
Other income(net) consists of the following:			
Interest Income		82.26	612.77
FNO Profit		1,600.33	948.70
Intra Day Profit/(Loss)		(4.71)	
Dividend Income		0.10	4.50
Short Term Capital Gain (Profit on sale of Mutual funds)		77.23	-
Brokerage Reversal		-	264.80
		1,755.21	1,830.78
<b>Interest Income comprise:</b>			
Interest on Bank and Bank deposits		-	138.76
Interest Income on Financial Assets carried at amortised cost		-	-
Interest Income on Financial Assets carried at fair value through OCI		-	-
Other Interest (including interest on income tax refunds)		82.26	474.01
<b>NOTE NO - 18</b>			
<b><u>CHANGES IN INVENTORIES</u></b>			
<b>Opening Stock</b>			
Finished Products		-	-
Traded Goods		637.70	372.05

<b>Less: Closing Stock</b>			
Finished Products		-	-
Traded Goods		2,714.05	637.70
<b>Decrease/(Increase)</b>		(2,076.35)	(265.65)
<b>NOTE NO - 19</b>			
<b><u>EMPLOYEE BENEFIT EXPENSES</u></b>			
Employee Benefit Expenses consists of the following:			
(a) Salary, incentives and allowances		167.65	348.92
(b) Staff welfare expenses		-	-
		167.65	348.92
<b>NOTE NO - 20</b>			
<b><u>OTHER OPERATING EXPENSES</u></b>			
Other operating expenses consists of the following:			
Audit fees		11.00	11.00
Advertising Exp		10.03	10.57
Bad Debts			
Bank Charges		1.27	1.15
Conveyance Exp			
Accounting Charges		96.00	96.00
Commission Paid		500.00	-
Depository Exp		69.98	59.88
Filing & Professional Fee		25.65	13.50
General Exp		59.56	56.91
Income Tax Paid		-	9.81
Listing Fee		468.19	-
Printing & Stationary		15.41	11.05
Share Trading expense		24.40	94.99
Telephone Exp		14.54	13.01
Website Exp		10.00	-
		1,306.02	377.87