

# ***Florence Investech Limited***

**(Formerly JK Agri Genetics Limited)**

**Regd. Office :** 7, Council House Street, Kolkata, West Bengal - 700 001

**Telephone :** 033-22486181 / 22487084, **Fax :** 033-22481641

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## **Through BSE Listing Centre**

FIL/SECTL/SE/18  
17<sup>th</sup> September, 2018

BSE Limited  
25<sup>th</sup> Floor, P.J. Towers,  
Dalal Street,  
Mumbai – 400 001

Security Code No. **532518**

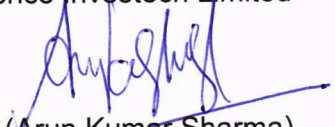
Dear Sir,

### **Re: Annual Report for the Financial Year 2017-18**

1. Pursuant to Regulation 34 (1) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015, we submit herewith Annual Report for the Financial Year 2017-18 ending 31<sup>st</sup> March 2018, as approved and adopted by the Shareholders of the Company at the 24<sup>th</sup> Annual General Meeting held on 5<sup>th</sup> September, 2018.
2. Kindly take the above on record.

Thanking you and assuring you of our best cooperation at all times.

Yours faithfully  
For Florence Investech Limited

  
(Arun Kumar Sharma)  
Company Secretary

Encl: a.a.

# **Florence Investech Limited**

**24<sup>th</sup> ANNUAL REPORT  
2017-18**

# FLORENCE INVESTECH LIMITED

<b>BOARD OF DIRECTORS</b>	:	ASHOK KUMAR KINRA SURENDRA MALHOTRA AMAR SINGH MEHTA PRADEEP SINGH LODHA POONAM SINGH
<b>MANAGER &amp; CHIEF FINANCIAL OFFICER</b>	:	KAILASH CHAND JAIN
<b>COMPANY SECRETARY</b>	:	ARUN KUMAR SHARMA
<b>REGISTERED OFFICE</b>	:	7, COUNCIL HOUSE STREET, KOLKATA, WEST BENGAL-700 001
<b>ADMINISTRATIVE OFFICE</b>	:	PATRIOT HOUSE 3, BAHADUR SHAH ZAFAR MARG, NEW DELHI - 110 002
<b>BANKERS</b>	:	CENTRAL BANK OF INDIA
<b>AUDITORS</b>	:	SINGHI & CO. CHARTERED ACCOUNTANTS
<b>REGISTRAR &amp; SHARE TRANSFER AGENT</b>	:	ALANKIT ASSIGNMENTS LTD. ALANKIT HOUSE IE/13, JHANDEWALAN EXTENSION, NEW DELHI-110 055 (INDIA)
<b>COMPANY WEBSITE</b>	:	<a href="http://www.florenceinvestech.co.in">www.florenceinvestech.co.in</a>
<b>CIN</b>	:	L24211WB1993PLC221608
<b>E-Mail</b>	:	arun.sharma1@jkmil.com

# **Directors' Report and Management Discussion & Analysis**

## **TO THE MEMBERS**

Your Directors have pleasure in presenting the 24<sup>th</sup> Annual Report together with the Audited Financial Statement for the financial year ended 31<sup>st</sup> March, 2018.

## **OPERATIONS AND OUTLOOK**

The main operations of the Company are that of an Investment Company, and majority of the investments of the Company are in the nature of strategic investment in Group Companies. The investment pattern of the Company complies with the requirement for the Company to qualify as a Core Investment Company - Non-Banking Financial Company (CIC-NBFC). However, the Company is exempted from registration as CIC as per applicable Reserve Bank of India guidelines. The source of income for the Company is in the form of dividends.

The year witnessed several landmark policy and structural reforms. The implementation of GST and recapitalization of Public Sector Banks and proactive steps undertaken for resolution of Non Performing Loans are some of the key initiatives which shall strengthen the Indian Economy. It is heartening that the International Credit Rating Agencies have upgraded India's Credit Rating after 13 years. The Indian Economy is expected to grow over 7.75% in the current fiscal. This should have a positive impact on the working of the investee companies and the capital market leading to better valuations.

## **DIVIDEND**

Your Directors have recommended the Interim Dividend of ₹ 30/- per Equity Share (300%) for the financial year ended 31<sup>st</sup> March, 2018, as Final Dividend for the financial year 2017-18.

## **FINANCIAL RESULTS**

The financial results of the Company for the financial year ended 31<sup>st</sup> March, 2018 are as under:

	<u>2017-18</u>	<u>2016-17</u>
	₹/Lacs	
Profit after Tax for the year	1,350.15	1,343.49
Add: Balance brought forward	5,073.28	3,729.79
Amount available for appropriation	<u>6,423.43</u>	<u>5,073.28</u>

## **SCHEME OF ARRANGEMENT**

The Scheme of Arrangement between Florence Investech Limited ("Florence"), BMF Investments Limited, J.K. Fenner (India) Limited ("JK Fenner") and Bengal & Assam Company Limited ("The Transferee Company") and their respective shareholders, approved by the Board of Directors and BSE Limited is pending for approval of the Shareholders of the Transferee Company, Florence, JK Fenner and the National Company Law Tribunal, Kolkata and Chennai. On sanction of the Scheme and the Scheme becoming effective, the Company will be amalgamated into and with Bengal & Assam Company Limited ("The Transferee Company"), in consideration of issue of shares by the Transferee Company to the shareholders of the Company, in terms of the Scheme.

## **EXTRACT OF ANNUAL RETURN**

An extract of the Annual Return as on 31<sup>st</sup> March, 2018 in the prescribed form MGT -9 is attached as Annexure - 1, to this Report and forms part of it.

## **LOANS, GUARANTEES AND INVESTMENT**

The Company being a Core Investment Company - Non-Banking Financial Company (CIC-NBFC), Section 186 of the Companies Act, 2013 is not applicable to it. The particulars of loans, guarantees or investments have been disclosed in the financial statements.

## **RELATED PARTY TRANSACTIONS**

During the financial year ended 31<sup>st</sup> March, 2018, all the contracts or arrangements or transactions entered into by the Company with the Related Parties were in the ordinary course of business and on arms' length basis and were in compliance with the applicable provisions of the Companies Act, 2013 and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

Further, the Company has not entered into any contract or arrangement or transaction with the related parties which could be considered material in accordance with the policy of the Company on materiality of the Related Party Transactions. In view of the above, disclosure in Form AOC-2 is not applicable.

The Related Party Transactions Policy as approved by the Board is available on the website of the Company.

## **DIRECTORS AND KEY MANAGERIAL PERSONNEL**

Shri Ashok Kumar Kinra retires by rotation and being eligible offers himself for re-appointment at the ensuing AGM.

## **CONSOLIDATED FINANCIAL STATEMENTS**

During the Financial Year under review, no company has become or ceased to be Company's subsidiary. In terms of the provisions of the Companies Act, 2013, JK Agri Genetics Limited and CliniRx Research Private Limited continues to be associate of the Company.

The Consolidated Financial Statements have been prepared by the Company in accordance with the applicable Accounting Standards. The Audited Consolidated Financial Statements together with Auditors' Report forms part of the Annual Report. A report on the performance and financial position of each of the associates, included in the Consolidated Financial Statements, is presented in separate section in this Annual Report. Please refer AOC-1 annexed to the Financial Statements.

## **DEPOSITS**

The Company qualifies to be a Core Investment Company - Non-Banking Financial Company (CIC-NBFC) and does not accept public deposits and as required by the Reserve Bank of India (RBI), the Board of Directors have also passed necessary resolution not to accept public deposits during the financial year 2017-18 without prior approval of RBI.

## **AUDITORS**

### **(a) Statutory Auditors and their Report**

M/s Singhi & Co., Chartered Accountants have been appointed as Statutory Auditors of the Company by the Members at the 23<sup>rd</sup> Annual General Meeting (AGM) held on 25<sup>th</sup> August, 2017, for a term of 5 (five) consecutive years from the conclusion of the 23<sup>rd</sup> AGM until the conclusion of the 28<sup>th</sup> AGM, subject to ratification of the appointment by the Members at the respective Annual General Meetings. However, pursuant to the Companies (Amendment) Act, 2017, the requirement of ratification of appointment of the Auditors on yearly basis has been dispensed with. The observations of the Auditors in their Report on Accounts and the financial statements, read with relevant notes are self-explanatory.

### **(b) Secretarial Auditor and Secretarial Audit Report**

Pursuant to the provisions of Section 204 of the Companies Act, 2013, the Board of Directors appointed Shri Namu Narain Agarwal, Company Secretary in Practice as Secretarial Auditor to carry out Secretarial Audit of the Company for the financial year 2017-18. The Report given by him for the said financial year in the prescribed format is annexed to this Report as Annexure - 2. The Secretarial Audit Report does not contain any qualification, reservation or adverse remark.

## **SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS OR COURTS OR TRIBUNALS**

During the financial year under review, there were no significant and material orders passed by the Regulators or Courts or Tribunals which would impact the going concern status of the Company and its future operations.

## **PARTICULARS OF REMUNERATION**

Disclosure of the ratio of the remuneration of each Director to the median employee's remuneration and other requisite details pursuant to section 197 (12) of the Companies Act, 2013 ("Act") read with Rule 5 (1) of Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 as amended, is annexed to this Report as Annexure - 3. Further, particulars of Employees pursuant to Rule 5(2) & (3) of the above Rules, forms part of this Report. However, as per the provisions of Section 136 of the said Act, the Report and Accounts are being sent to all the Members of the Company and others entitled thereto, excluding the aforesaid information. Any Member interested in obtaining such particulars may write to the Company Secretary at the Registered Office of the Company. The said information is available for inspection at the Registered Office of the Company during working hours.

## **INTERNAL FINANCIAL CONTROLS**

The Company has in place adequate internal financial controls with reference to financial statements and no material reportable weakness was observed in the system. Further, the Company has in place adequate internal financial controls commensurate with the size and nature of its operations. The Company also has robust Budgetary Control System and Management Information System which are backbone of the Company for ensuring that your Company's assets and interests are safeguarded.

## **DIRECTORS' RESPONSIBILITY STATEMENT**

As required under Section 134(3)(c) of the Companies Act, 2013, your Directors state that:-

- (a) in the preparation of the annual accounts, the applicable accounting standards have been followed along with proper explanation relating to material departures, if any;
- (b) the accounting policies have been selected and applied consistently and judgments and estimates made 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 profit and loss of the Company for that period;
- (c) proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the said Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- (d) the annual accounts have been prepared on a going concern basis;
- (e) the internal financial controls to be followed by the Company have been laid down and that such internal financial controls are adequate and were operating effectively; and
- (f) the proper systems to ensure compliance with the provisions of all applicable laws have been devised and that such systems were adequate and operating effectively.

**CORPORATE GOVERNANCE** - including details pertaining to Board Meetings, Nomination and Remuneration Policy, Performance Evaluation, Risk Management, Audit Committee and Vigil Mechanism.

Your Company reaffirms its commitment to the highest standards of corporate governance practices. Pursuant to the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, a Management Discussion and Analysis, Corporate Governance Report and Auditors Certificate regarding compliance of conditions of Corporate Governance are made a part of this Report.

The Corporate Governance Report which forms part of this Report, also covers the following:

- a) Particulars of the five Board Meetings held during the financial year under review.
- b) Policy on Nomination and Remuneration of Directors, Key Managerial Personnel and Senior Management including, *inter alia*, the criteria for performance evaluation of Directors.
- c) The manner in which formal annual evaluation has been made by the Board of its own performance and that of its Committees and individual Directors.
- d) The details with respect to composition of Audit Committee and establishment of Vigil Mechanism.
- e) Details regarding Risk Management.

## **RISK AND CONCERNS**

The Company is mainly exposed to capital market risks in the form of change in value of its investments. The Company is also exposed to the fluctuations of economy and industry cycles.

## **CAUTIONARY STATEMENT**

The statement in this Management Discussion and Analysis Report, describing the Company's outlook, projections, estimates, expectations may be "Forward-looking Statements" within the meaning of applicable securities laws or regulations. Actual results could differ materially from those expressed or implied.

## **CORPORATE SOCIAL RESPONSIBILITY**

The requirement of Corporate Social Responsibility (CSR) in terms of Section 135 of the Companies Act, 2013 and the rules made thereunder is not applicable to the Company, since the Company's main source of income is dividend from CSR compliant companies.

## **CONSERVATION OF ENERGY ETC.**

As required under Section 134(3)(m) read with the Companies (Accounts) Rules, 2014 the requirement of furnishing particulars of energy conservation, technology absorption, etc. is not applicable to the Company. Further, particulars of Foreign Exchange Earning and Outgo are as under:-

- |                            |   |              |
|----------------------------|---|--------------|
| i) Foreign Exchange earned | : | NIL          |
| ii) Foreign Exchange Outgo | : | ₹ 87.10 Lacs |

## **ACKNOWLEDGEMENTS**

Your Directors wish to place on record and acknowledge their appreciation for the continued support and co-operation received from the Government Authorities, Lending Institutions and the esteemed shareholders of the Company. The Directors also record their appreciation for the total dedication of the employees.

On behalf of the Board

Place: New Delhi  
Date: 15<sup>th</sup> May, 2018

Ashok Kumar Kinra  
Pradeep Singh Lodha  
Directors

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With a view to avoid duplication between the Directors' Report and Management Discussion and Analysis, a Combined Report has been presented.

**FORM NO. MGT-9  
EXTRACT OF ANNUAL RETURN**

As on the financial year ended on 31<sup>st</sup> March, 2018

[Pursuant to Section 92(3) of the Companies Act, 2013 and Rule 12(1) of the Companies  
(Management and Administration) Rules, 2014]

**I. REGISTRATION AND OTHER DETAILS:**

- (i) CIN : L24211WB1993PLC221608
- (ii) Registration Date : 25<sup>th</sup> May, 1993
- (iii) Name of the Company : Florence Investech Limited
- (iv) Category/Sub-Category of the Company : Public Company/Limited by Shares
- (v) Address of the Registered Office and Contact Details- : 7, Council House Street, Kolkata,  
West Bengal - 700 001  
Ph. No. : 033 - 22486181  
Fax No. : 033 - 22481641  
E-mail : arun.sharma1@jkm.com  
Website : www.florenceinvestech.co.in
- (vi) Whether Listed Company Yes/ No : Yes
- (vii) Name, Address and Contact Details of Registrar and Transfer Agent, if any- : Alankit Assignments Ltd.  
CIN: U74210DL1991PLC042569  
Alankit Heights,1E/13  
Jhandewalan Extension,  
New Delhi- 110 055  
Ph. No. : 91-11-42541234, 23541234  
Fax No. : 91-11-41543474  
Email id : [rta@alankit.com](mailto:rta@alankit.com)  
Website : www.alankit.com

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

All the business activities contributing 10% or more of the total turnover of the Company:-

Sl. No.	Name and Description of main products/ services	NIC Code of the Product/ Service *	% to total turnover of the Company
1.	Investment in Shares and Securities	642	99.83

\* As per National Industrial Classification (2008)– Ministry of Statistics and Programme Implementation.



### III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES-

S. No	Name and Address of the Company	CIN/GLN	Holding/ Subsidiary/ Associate	% of Shares held	Applicable Section
1	Hari Shankar Singhania Holdings Private Limited Nehru House, 3 <sup>rd</sup> Floor, 4, Bahadur Shah Zafar Marg, New Delhi-110002	U67120DL2004PTC126956	Holding	74.09	2(46)
2	JK Agri Genetics Ltd. 7, Council House Street Kolkata, West Bengal - 700 001	L01400WB2000PLC091286	Associate	41.62	2(6)
3	CliniRx Research Pvt. Ltd. 7, Council House Street Kolkata, West Bengal - 700 001	U85110WB2004PTC098498	Associate	40.70	2(6)

### IV. SHARE HOLDING PATTERN (Equity Share Capital Break-up 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 1 <sup>st</sup> April, 2017)				No. of Shares held at the end of the year (as on 31 <sup>st</sup> March, 2018)				% change during the year
		Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
<b>A.</b>	<b>Promoters **</b>									
<b>(1)</b>	<b>Indian</b>									
a)	Individual/HUF	30,107	-	30,107	0.90	30,107	-	30,107	0.90	-
b)	Central Govt.	-	-	-	-	-	-	-	-	-
c)	State Govt(s)	-	-	-	-	-	-	-	-	-
d)	Bodies Corp.	24,66,259	-	24,66,259	74.09	24,66,259	-	24,66,259	74.09	-
e)	Banks/FI	-	-	-	-	-	-	-	-	-
f)	Any other	-	-	-	-	-	-	-	-	-
	<b>Sub-Total (A) (1):-</b>	<b>24,96,366</b>	<b>-</b>	<b>24,96,366</b>	<b>74.99</b>	<b>24,96,366</b>	<b>-</b>	<b>24,96,366</b>	<b>74.99</b>	
<b>(2)</b>	<b>Foreign</b>									
a)	NRIs -Individuals	-	-	-	-	-	-	-	-	-
b)	Other- Individuals	-	-	-	-	-	-	-	-	-
c)	Bodies Corp.	-	-	-	-	-	-	-	-	-
d)	Banks/ FI	-	-	-	-	-	-	-	-	-
e)	Any other	-	-	-	-	-	-	-	-	-
	<b>Sub-Total (A) (2):-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
	<b>Total Share holding of Promoter (A)= (A)(1)+(A)(2)**</b>	<b>24,96,366</b>	<b>-</b>	<b>24,96,366</b>	<b>74.99</b>	<b>24,96,366</b>	<b>-</b>	<b>24,96,366</b>	<b>74.99</b>	
<b>B.</b>	<b>Public Share holding</b>									
<b>1.</b>	<b>Institutions</b>									
a)	Mutual Funds	138	24	162	0.00	138	24	162	0.00	-
b)	Banks/FI	59	120	179	0.01	59	120	179	0.01	-
c)	Central Govt.	-	-	-	-	-	-	-	-	-

	Category of Shareholders	No. of Shares held at the beginning of the year (as on 1 <sup>st</sup> April, 2017)				No. of Shares held at the end of the year (as on 31 <sup>st</sup> March, 2018)				% change during the year
		Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
d)	State Govt. (s)	-	-	-	-	-	-	-	-	-
e)	Venture Capital Funds	-	-	-	-	-	-	-	-	-
f)	Insurance Companies	10	10	20	0.00	10	10	20	0.00	-
g)	FIs	-	-	-	-	-	-	-	-	-
h)	Foreign Venture Capital Funds	-	-	-	-	-	-	-	-	-
i)	Others	-	-	-	-	-	-	-	-	-
<b>Sub-Total (B)(1):-</b>		<b>207</b>	<b>154</b>	<b>361</b>	<b>0.01</b>	<b>207</b>	<b>154</b>	<b>361</b>	<b>0.01</b>	<b>-</b>
<b>2.</b>	<b>Non-Institutions</b>									
a)	Bodies Corp.									
i)	Indian	2,75,724	216	2,75,940	8.29	2,43,476	216	2,43,692	7.32	(0.97)
ii)	Overseas	-	-	-	-	-	-	-	-	-
b)	Individuals									
i)	Individual Shareholders holding nominal share capital upto ₹ 1 lakh	2,23,278	17,140	2,40,418	7.22	2,16,106	16,342	2,32,442	6.98	(0.3)
ii)	Individual Shareholders holding nominal share capital in excess of ₹ 1 lakh	1,60,299	-	1,60,299	4.82	2,01,277	-	2,01,277	6.05	1.23
c)	Others (specify)									
i)	Clearing Members	-	-	-	-	-	-	-	-	-
ii)	Directors & Relatives (other than Promoters)	-	-	-	-	-	-	-	-	-
iii)	Non-Resident Indians/OCB	1,55,431	95	1,55,526	4.67	1,54,693	95	1,54,788	4.65	(0.02)
iv)	Trust/ Custodian	34	-	34	0.00	12	-	12	0.00	(0.00)
<b>Sub-Total (B)(2):-</b>		<b>8,14,766</b>	<b>17,451</b>	<b>8,32,217</b>	<b>25.00</b>	<b>8,15,564</b>	<b>16,653</b>	<b>8,32,211</b>	<b>25.00</b>	<b>-</b>
<b>Total Public shareholding (B)= (B)(1)+(B)(2)</b>		<b>814973</b>	<b>17605</b>	<b>8,32,578</b>	<b>25.01</b>	<b>8,15,771</b>	<b>16,807</b>	<b>8,32,572</b>	<b>25.01</b>	<b>-</b>
C.		-	-	-	-	-	-	-	-	-
<b>Grand Total (A+B+C)</b>		<b>33,11,339</b>	<b>17,605</b>	<b>33,28,944</b>	<b>100.00</b>	<b>33,12,137</b>	<b>16,807</b>	<b>33,28,944</b>	<b>100.00</b>	<b>-</b>

\*\* There is no change in the shareholding of Promoters' at (A) above during the period from 1<sup>st</sup> April, 2017 to 31<sup>st</sup> March, 2018. The total shareholding of Promotor at (A) above i.e. 24,96,366 Equity Shares (74.99%) as on 31<sup>st</sup> March, 2018, pertaining to the constituents of the Promoter Group as per SEBI (Issue of Capital & Disclosure Requirements) Regulations, 2009. The same does not form part of the Promoter as defined in the Companies Act, 2013.

**(ii) Shareholding of Promoters**

Bengal & Assam Company Limited, the promoter, does not hold any shares of the Company.

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

Bengal & Assam Company Limited, the promoter, does not hold any shares of the Company, hence not applicable.

**(IV) Shareholding Pattern of top ten Shareholders (Other than Directors, Promoters and Holders of GDRs and ADRs)**

Sl. No.	For each of the top ten shareholders	Shareholding at the beginning of the year (as on 1 <sup>st</sup> April, 2017)		Cumulative shareholding at the end of the year (as on 31 <sup>st</sup> March, 2018)	
		No. of Shares	% of total shares of the Company	No. of Shares	% of total shares of the Company
1	Hari Shankar Singhania Holdings Pvt. Ltd.	24,66,259	74.09	24,66,259	74.09
2	Edgefield Securities Limited	1,45,166	4.36	1,45,166	4.36
3	Bahubalibhai Shantilal Shah	77,018	2.31	77,018	2.31
4	Alchemist Capital Limited	70,000	2.10	70,000	2.10
5	Alchemist Holdings Limited	69,985	2.09	69,985	2.09
6	Dhirendra Bhupendra Sanghavi	-	-	37,443	1.12
7	Anmol Sekhri	21,921	0.66	20,147	0.61
8	Sanjiv Dhiresbhai Shah	18,860	0.57	24,432	0.73
9	Bhavini Dhirendra Sanghavi	-	-	18,830	0.57
10	Krishnagopal Motilal Chandak	51,534	1.55	26,039	0.78
11	Aamara Capital Pvt. Ltd.	-	-	13,573	0.41
12	Anmol Sekhri Consultants Pvt. Ltd.	15,860	0.48	13,485	0.40
13	Ennar Star Trade Limited	3,217	0.1	12,441	0.27
14	Ultima Finvest Limited	6,045	0.18	6,045	0.18

Note: More than 99% of shares are held in dematerialized form and are traded on a daily basis and hence the date wise increase/decrease in shareholding is not indicated.

**(V) Shareholding of Directors and Key Managerial Personnel:**

Shri Ashok Kumar Kinra, Shri Surendra Malhotra, Shri Amar Singh Mehta, Shri Pradeep Singh Lodha, and Ms. Poonam Singh, Directors of the Company; Shri Kailash Chand Jain, Manager & Chief Financial Officer and Shri Arun Kumar Sharma, Company Secretary & Compliance Officer do not hold any equity shares of the Company.

## V. INDEBTEDNESS

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

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
<b>Indebtedness at the beginning of the financial year (As on 1<sup>st</sup> April, 2017)</b>				
i) Principal Amount		NIL		NIL
ii) Interest due but not paid		NIL		NIL
iii) Interest accrued but not due		NIL		NIL
<b>Total (i+ii+iii)</b>		NIL		NIL
<b>Change in Indebtedness during the financial year</b>				
• Addition		NIL		NIL
• Reduction		NIL		NIL
<b>Net Change</b>				
<b>Indebtedness at the end of the financial year (As on 31<sup>st</sup> March, 2018)</b>				
i) Principal Amount		NIL		NIL
ii) Interest due but not paid		NIL		NIL
iii) Interest accrued but not due		NIL		NIL
<b>Total (i+ii+iii)</b>		NIL		NIL

## VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

### A. Remuneration to Managing Director, Whole-time Directors and/or Manager (₹ in Lacs)

Sl. No.	Particulars of Remuneration*	Name of MD/WTD/Manager	Total Amount
		Shri Kailash Chand Jain (Manager & Chief Financial Officer)	
1.	Gross Salary		
(a)	Salary as per provisions contained in Section 17(1) of the Income-tax Act, 1961	4.05	4.05
(b)	Value of perquisites under Section 17(2) of the Income-tax Act, 1961	7.04	7.04
(c)	Profits in lieu of Salary under Section 17(3) of the Income-tax Act, 1961	-	-
2.	Others		
	<b>Total (A)</b>	<b>11.09</b>	<b>11.09</b>
	Ceiling as per the Act	₹ 128.44 Lacs (being 10% of the net profits of the Company calculated as per Section 198 of the Companies Act, 2013)	

\* The Company does not have Sweat Equity/ Stock Option Scheme. Commission - Not Applicable.

**B. Remuneration to other Directors****(in ₹)**

Sl. No	Particulars of Remuneration	Name of Directors					Total Amount
		Shri Ashok Kumar Kinra	Shri Surendra Malhotra	Shri Amar Singh Mehta	Shri Pradeep Singh Lodha	Ms. Poonam Singh	
1.	Independent Directors						
	• Fee for attending Board/ Committee Meetings	-	54,500	34,000	56,000	17,500	1,62,000
	Total (1)	-	54,500	34,000	56,000	17,500	1,62,000
2	Other Non-executive Directors						
	• Fee for attending Board/ Committee Meetings	64,000	-	-	-	-	64,000
	<b>Total (2)</b>	<b>64,000</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>64,000</b>
	<b>Total(B)= (1+2)</b>	<b>64,000</b>	<b>54,500</b>	<b>34,000</b>	<b>56,000</b>	<b>17,500</b>	<b>2,26,000</b>
	<b>Total Managerial Remuneration</b>						<b>2,26,000</b>
	Overall Ceiling as per the Act	₹ 1.41 Crores (being 11% of the net profits of the Company calculated as per Section 198 of the Companies Act, 2013)					

\* Commission - NIL

\*\* Total Remuneration to Non-Executive Directors, Independent Directors and Manager (being Total of A and B), includes sitting fee of ₹ 2.26 Lacs

**C. Remuneration to Key Managerial Personnel Other than MD/Manager/WTD:****(₹ in Lacs)**

Sl. No.	Particulars of Remuneration*	Key Managerial Personnel	Total Amount
		Shri Arun Kumar Sharma (Company Secretary & Compliance Officer)	
1.	Gross Salary		
(a)	Salary as per provisions contained in Section 17(1) of the Income-tax Act, 1961	1.87	1.87
(b)	Value of perquisites under Section 17(2) of the Income-tax Act, 1961	3.17	3.17
(c)	Profits in lieu of Salary under Section 17(3) of the Income-tax Act, 1961	-	-
2.	Others		
	<b>Total</b>	<b>5.04</b>	<b>5.04</b>

\* The Company does not have Sweat Equity/ Stock Option Scheme. Commission - Not Applicable.

**VII PENALTIES/PUNISHMENT/COMPOUNDING OF OFFENCES:**There were no penalties, punishment or compounding of offences during the year ended 31<sup>st</sup> March, 2018.Place: New Delhi  
Date: 15<sup>th</sup> May, 2018Ashok Kumar Kinra  
Pradeep Singh Lodha  
Directors

**SECRETARIAL AUDIT REPORT  
FOR THE FINANCIAL YEAR ENDED 31<sup>ST</sup> MARCH, 2018**

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

To,  
The Members,  
Florence Investech Limited,  
7, Council House Street,  
Kolkata-700001, West Bengal

I have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **Florence Investech Limited** (hereinafter called 'the Company'). Secretarial Audit was conducted in a manner that provided me a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon.

Based on my verification of the Company's 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 covering the financial year ended on **31<sup>st</sup> March, 2018** (Audit Period), 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 financial year ended on **31<sup>st</sup> 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'):-
  - (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, 2015;
  - (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;
  - (d) The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 - (Not applicable to the Company during the Audit Period);
  - (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 - (Not applicable to the Company during the Audit Period);
  - (f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
  - (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009 - (Not applicable to the Company during the Audit Period),

- (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998- (Not applicable to the Company during the Audit Period); and
  - (i) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.
- (vi) Management has identified and confirmed the following law as being specifically applicable to the company and complied with:-
- (a) Reserve Bank of India Act, 1934 in so far as applicable to the company as 'Core Investment Company' under the category of 'Non-Banking Financial Companies'. The Company is, however, exempt from registration, vide RBI letter dated October 15, 2013.

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

- (i) Mandatory Secretarial Standard 1 and Secretarial Standard 2 issued by the Institute of Company Secretaries of India – with effect from the dates of their applicability.
- (ii) The Listing Agreement entered into by the Company with the Stock Exchange.

During the period under review, the Company has complied with the provisions of the Acts, Rules, Regulations, Guidelines, Standards, etc. as 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 provisions of the Act.

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

All decisions at Board Meetings and Committee Meetings are carried out unanimously as recorded in the Minutes of the Meetings of the Board of Directors or Committee of the Board, as the case may be.

**I further report that,** based on review of compliance mechanism established by the Company and on the basis of compliance certificates issued by the Company Executives and taken on record by the Board of Directors and Audit Committee at their meetings, 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.

**I further report that,** during the audit period, the Company;

- (i) Appointed M/s. Singhi & Co. as its Statutory Auditors, vice M/s Lodha & Co. having been for more than ten consecutive years,
- (ii) Shifted its Registered Office to 7, Council House Street, Kolkata, in the State of West Bengal, and
- (iii) Filed a Scheme of Arrangement between Florence Investech Limited ("Florence"), BMF Investments Limited [Wholly owned subsidiary of J.K. Fenner (India) Limited], J.K. Fenner (India) Limited ("JK Fenner") and Bengal & Assam Company Limited ("The Transferee Company") and their respective shareholders, as approved by the Boards of Directors and BSE Limited, which is pending for approval of the Shareholders of the Transferee Company, Florence, and JK Fenner and National Company Law Tribunal, Kolkata and Chennai.

The Scheme, *inter alia*, provides for the following:

- (a) Amalgamation of Florence and BMF (“Transferor Companies”) with the Transferee Company in consideration of issue and allotment of Equity Shares in the Transferee Company to the Equity Shareholders of Florence and Equity Shareholders of JK Fenner, other than the Transferee Company itself; and
- (b) Exchange of Equity Shares of JK Fenner for Equity Shares of the Transferee Company at the option of Equity Shareholders of JK Fenner.

This report is to be read alongwith the following -

1. Maintenance of secretarial record is the responsibility of the management of the company. My responsibility is to express an opinion on these secretarial records based on my audit.
2. I have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. I believe that the processes and practices I followed provide a reasonable basis for my opinion.
3. I have not verified the correctness and appropriateness of financial records and Books of Accounts of the company.
4. Where ever required, I have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.
5. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. My examination was limited to the verification of procedures on test basis.
6. The Secretarial Audit report is neither an assurance as to the future viability of the company nor of the efficacy or effectiveness with which the management has conducted the affairs of the company.

Place: New Delhi  
Date: 11<sup>th</sup> May, 2018

Namo Narain Agarwal  
Secretarial Auditor  
FCS 234  
CP 3331



## ANNEXURE - 3

### Disclosure pursuant to Section 197 (12) of the Companies Act, 2013 read with Rule 5(1) of companies (Appointment & Remuneration of Managerial Personnel) Rules, 2014 for the FY 2017-18 ended 31<sup>st</sup> March, 2018:

1. The ratio of the remuneration of each director to the median remuneration of the employees of the Company (i) Shri Ashok Kumar Kinra - 0.08, (ii) Shri Surendra Malhotra – 0.07, (iii) Shri Amar Singh Mehta – 0.04, (iv) Shri Pradeep Singh Lodha – 0.07, (v) Ms. Poonam Singh – 0.02. The Board of Directors of the Company do not draw any Remuneration from the Company except sitting fees.
2. Percentage increase in Remuneration of each Director, Chief Financial Officer, Company Secretary, in the Financial Year: The Board of Directors of the Company do not draw any Remuneration from the Company except sitting fee. (i) Shri Ashok Kumar Kinra – 17.43%, (ii) Shri Surendra Malhotra – 67.69%, (iii) Shri Amar Singh Mehta - 134.48%, (iv) Shri Pradeep Singh Lodha – 2.75%, (v) Ms. Poonam Singh - Nil, (vii) Shri Kailash Chand Jain, Manager & Chief Financial Officer – 10.50%, (viii) Shri Arun Kumar Sharma – 139.50%.
3. The Percentage Increase in the median remuneration of employees – 2.86%. The number of permanent employees on the rolls of Company - 2.
4. Average percentile increase already made in the salaries of employees other than the managerial personnel and its comparison with the percentile increase in the managerial personnel: there was no increase in remuneration of the employees during the last financial year, hence comparison of the two is not feasible.
5. We affirm that the remuneration is as per the remuneration policy of the Company.

On behalf of the Board

Ashok Kumar Kinra

Pradeep Singh Lodha

Directors

Place: New Delhi

Date: 15<sup>th</sup> May, 2018

## CORPORATE GOVERNANCE REPORT

### 1. COMPANY'S PHILOSOPHY ON CODE OF GOVERNANCE:

Corporate Governance is an integral part of values, ethics and the best business practices followed by the Company. The core values of the Company are:

- commitment to excellence and customer satisfaction
- maximizing long term shareholders' value
- socially valued enterprise, and
- caring for people and environment.

In a nutshell, the philosophy can be described as observing of business practices with the ultimate aim of enhancing long term shareholders' value and commitment to high standards of business ethics. The Company has in place a Code of Corporate Ethics and Conduct reiterating its commitment to maintain the highest standards in its interface with stakeholders and clearly laying down the core values and corporate ethics to be practiced by its entire management cadre.

### 2. BOARD OF DIRECTORS:

The Board of Directors presently consists of Five Non-executive Directors (NED) out of which Four are Independent Directors (IND). Five Board Meetings were held during the Financial Year 2017-18 ended 31<sup>st</sup> March, 2018, on 22<sup>nd</sup> May, 2017, 12<sup>th</sup> June, 2017, 10<sup>th</sup> August, 2017, 31<sup>st</sup> October, 2017 and 9<sup>th</sup> February, 2018. Attendance and other details of the Directors are given below:

Name of the Director	Category	No. of Board Meetings attended	Whether last AGM Attended (25.08.2017)	No. of other Directorships and Committee Memberships/Chairmanship held in other companies		
				Directorships\$	Committee Membership**	Committee Chairmanship**
(1)	(2)	(3)	(4)	(5)	(6)	(7)
Shri Ashok Kumar Kinra	NED	5	Yes	6	5	1
Shri Surendra Malhotra	IND*	4	No	7	2	1
Shri Amar Singh Mehta	IND*	5	No	3	3	1
Shri Pradeep Singh Lodha	IND*	4	Yes	1	-	-
Ms. Poonam Singh	IND*	4	No	1	1	-

\* The appointment of Independent Directors is in accordance with the provisions of the Companies Act 2013 and the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (Listing Regulations).

\$ Excluding private companies and companies under Section 8 of the Companies Act, 2013. Independent Directorships held by Directors are in accordance with the Listing Regulations.

\*\* Only covers Memberships/Chairmanships of Audit Committee and Stakeholders' Relationship Committee.

The Board periodically reviews compliance reports of all laws applicable to the Company and the steps taken by the Company to rectify instances of non-compliances, if any. The Board is satisfied that plans are in place for orderly succession for appointments to the Board and to senior management.

The Company has a Code of Conduct for Management Cadre Staff which is strictly adhered to. In terms of Regulation 17(5) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015 and contemporary practices of good Corporate Governance, Code of Conduct was laid down by the Board for all the Board Members and Senior Management of the Company. The said Code is available on the website of the Company ([www.florenceinvestech.co.in](http://www.florenceinvestech.co.in)). All the Board Members and Senior Management Personnel have affirmed compliance with the said Code. This Report contains a declaration to this effect signed by Shri Kailash Chand Jain, Manager & Chief Financial Officer.

Relationship between Directors *inter-se* - None of the Directors are related to each other.

The number of Equity Shares of ₹ 10/- each (i.e. Shares) held by Non-Executive Directors as on 31<sup>st</sup> March, 2018 are: Shri Ashok Kumar Kinra, Shri Surendra Malhotra, Shri Amar Singh Mehta, Shri Pradeep Singh Lodha and Ms. Poonam Singh, Directors of the Company do not hold any share in the Company. The Company does not have any outstanding convertible instruments.

### **3. SEPARATE MEETING OF THE INDEPENDENT DIRECTORS:**

In accordance with the provision of Schedule IV to the Companies Act, 2013 and Regulation 25 of the Listing Regulations, a separate meeting of the Independent Directors of the Company was held on 9<sup>th</sup> February, 2018. Shri Surendra Malhotra was unanimously elected as Chairman of the meeting and all the Independent Directors of the Company were present at the said Meeting.

### **4. FAMILIARISATION PROGRAMME FOR INDEPENDENT DIRECTORS:**

In accordance with the provisions of Regulation 25(7) of the Listing Regulations, the Company has been conducting various familiarisation programmes. The details of such familiarisation programmes for Independent Directors have been disclosed on the website of the Company, the web link for which is <http://www.florenceinvestech.co.in/Familiarisation%20Programme%20for%20Independent%20Directors.pdf>.

### **5. PERFORMANCE EVALUATION**

The Board of Directors has made formal annual evaluation of its own performance and that of its Committees and individual Directors pursuant to the provisions of the Companies Act, 2013 and the corporate governance requirements as prescribed under Listing Regulations.

Performance of the Board was evaluated after seeking inputs from all the Directors on the basis of the criteria such as adequacy of its composition and structure, effectiveness of board processes, information and functioning, etc.

The performance of the committees was evaluated by the Board after seeking inputs from the committee members on the basis of criteria such as composition of committees, terms of reference of committees, effectiveness of the committee meetings, participation of the members of the committee in the meetings, etc.

The Board and the Nomination and Remuneration Committee also carried out evaluation of the performance of individual directors on the basis of criteria such as attendance and effective participation and contributions at the meetings of the Board and its committees, exercise of his/her duties with due & reasonable care, skill and diligence, etc.

In a separate meeting of the Independent Directors of the Company, performance of the non-independent Directors, performance of the Board as a whole and performance of the Chairman were evaluated, taking into account the views of other Non-Executive Directors of the Company. The Chairman of the Meeting of the Independent Directors apprised the Board about the evaluation carried by it and that the Independent Directors were fully satisfied in this regard.

## 6. AUDIT COMMITTEE:

The Company has an Audit Committee of Directors. The Audit Committee consisted of Four Non-Executive Directors (out of which Three are Independent Director), namely, Shri Surendra Malhotra (Chairman), Shri Ashok Kumar Kinra, Shri Amar Singh Mehta and Shri Pradeep Singh Lodha. The composition and "Terms of Reference" of the Committee are in conformity with the provisions of Section 177 of the Companies Act, 2013 and Regulation 18 of the Listing Regulations.

Dates of the meetings and the number of Members attended are:

Dates of Meetings	Number of members attended
22 <sup>nd</sup> May, 2017	3
12 <sup>th</sup> June, 2017	3
10 <sup>th</sup> August, 2017	4
31 <sup>st</sup> October, 2017	4
9 <sup>th</sup> February, 2018	4

The names of the Members of the Committee and their attendance at the Meetings are as follows:

Name	Status	No. of Meetings attended
Shri Surendra Malhotra	Chairman	4
Shri Ashok Kumar Kinra	Member	5
Shri Amar Singh Mehta	Member	5
Shri Pradeep Singh Lodha	Member	4

Shri K.C. Jain, Manager & Chief Financial Officer regularly attends the Committee meetings and the Company Secretary acts as the Secretary of the Committee. All the Committee meetings were attended by the Statutory Auditors.

## 7. STAKEHOLDERS RELATIONSHIP COMMITTEE:

The Company has a Stakeholders' Relationship Committee at the Board Level which consisted of three Non-Executive Directors (out of which two are Independent Directors), namely, Shri Ashok Kumar Kinra (Chairman), Shri Surendra Malhotra and Shri Pradeep Singh Lodha. The Composition and the 'Terms of Reference' of the Committee are in conformity with the provisions of Section 178 of the Companies Act, 2013 and Regulation 20 of Listing Regulations.

Dates of the meetings and the number of Members attended are:

Dates of meetings	Number of members attended
22 <sup>nd</sup> May, 2017	2
10 <sup>th</sup> August, 2017	3
31 <sup>st</sup> October, 2017	3
9 <sup>th</sup> February, 2018	3

The names of the Members of the Committee and their attendance at the Meetings:

Name	Status	No. of Meetings attended
Shri Ashok Kumar Kinra	Chairman	4
Shri Surendra Malhotra	Member	3
Shri Pradeep Singh Lodha	Member	4

No complaints were received by the Company from the investors. Also, there are no complaints pending in respect of previous period.

Shri Arun Kumar Sharma, Company Secretary, is the Compliance Officer. During the financial year ended 31<sup>st</sup> March, 2018, there are no complaints pending in respect of previous period.

The Board has delegated the power of share transfer to Share Transfer Committee of Directors which consider and approves registration of transfer and transmission of shares in Physical Mode on fortnightly basis. During the financial year ended 31<sup>st</sup> March 2018, 15 Meetings of the Share Transfer Committee were held. All valid requests for transfer of shares were processed in time and there were no pending transfers of shares.

The Board has also constituted a committee of Directors for looking after day to day operations of the Company. During the financial year one Committee meeting was held on 9<sup>th</sup> February, 2018, which was attended by all three members namely, Shri Ashok Kumar Kinra, Chairman , Shri Surendra Malhotra, Member and Shri Pradeep Singh Lodha, Member.

## **8. NOMINATION AND REMUNERATION COMMITTEE:**

The Company has a Nomination and Remuneration Committee consisting of three Non-executive Directors out of which two are Independent. The composition and the terms of reference of the Committee are in conformity with the provisions of the Companies Act, 2013 and Regulation 19 of the Listing Regulations, 2015.

During the Financial year, one Nomination and Remuneration Committee Meeting was held on 9th February, 2018, which was attended by all three members namely, Shri Surendra Malhotra, Chairman, Shri Ashok Kumar Kinra, Member and Shri Pradeep Singh Lodha, Member.

## **9. NOMINATION AND REMUNERATION POLICY**

In accordance with the provisions of the Companies Act, 2013 and Listing Regulations, the Company has put in place the Nomination and Remuneration Policy for the Directors, Key Managerial Personnel and other employees of the Company including criteria for determining qualifications, positive attributes and independence of a Director as well as a policy on Board Diversity. The policy provides as follows:

- (i) The Nomination and Remuneration Committee of Directors (the Committee) shall take into consideration the following criteria for recommending to the Board for appointment as a Director of the Company: (a) Qualifications & experience. (b) Positive attributes like -respect for Company's core values, professional integrity, strategic capability with business vision, etc. (c) In case the proposed appointee is an Independent Director, he should fulfill the criteria for appointment as Independent Director as per the applicable laws & regulations. (d) The incumbent should not be disqualified for appointment as Director pursuant to the provisions of the Act or other applicable laws & regulations.
- (ii) The Committee will recommend to the Board appropriate compensation to Executive Directors subject to the provisions of the Act, Listing Regulations and other applicable laws & regulations. The Committee shall periodically review the compensation of such Directors in relation to other comparable companies and other factors, the Committee deems appropriate. Proposed changes, if any, in the compensation of such Directors shall be reviewed by the Committee subject to approval of the Board.
- (iii) The Board will review the performance of a Director as per the structure of performance evaluation adopted by the Board for Directors including Executive Directors.

- (iv) The Committee will review from time to time, Board diversity to bring in professional performance in different areas of operations, transparency, corporate governance, financial management, risk assessment & mitigation strategy and human resource management in the Company. The Company will keep succession planning and board diversity in mind while recommending any new name of Director for appointment to the Board.
- (v) The eligibility criteria for appointment of Key Managerial Personnel (KMPs) and other senior management personnel shall vary for different positions depending upon the job description of the relevant position. In particular, the position of KMPs shall be filled by senior personnel having relevant qualifications and experience. The Compensation structure for KMPs and other senior management personnel shall be as per Company's remuneration structure taking into account factors such as level of experience, qualification and suitability which shall be reasonable and sufficient to attract, retain and motivate them. The remuneration would be linked to appropriate performance benchmarks. The remuneration may consist of fixed and incentive pay reflecting short and long-term performance objectives appropriate to the working of the Company and its goals.

**10. SITTING FEE:**

The Company has paid sitting fees aggregating to ₹ 2.26 Lacs to all Non-executive Directors for attending the meetings of the Board and/or Committees thereof including meeting of Independent Directors. Non-executive Directors did not have any other material pecuniary relationship or transaction vis-à-vis the Company during the year.

**11. GENERAL BODY MEETINGS:**

Location and time for the last three Annual General Meetings (AGMs) of the Company were:

<b>Year</b>	<b>Location</b>	<b>Date</b>	<b>Time</b>
2014-15	Lakshmipat Singhanian Auditorium, PHD Chamber of Commerce and Industry, PHD House, 4/2 Siri Institutional Area, August Kranti Marg, New Delhi - 110 016	24.09.2015	10.30 A.M.
2015-16	Lakshmipat Singhanian Auditorium, PHD Chamber of Commerce and Industry, PHD House, 4/2 Siri Institutional Area, August Kranti Marg, New Delhi - 110 016	20.09.2016	3.30 P.M.
2016-17	Shripati Singhanian Hall, Rotary Sadan, 94/2, Jawahar Lal Nehru Road, (Chowringee Road), Kolkata-700 020	25.08.2018	4.30 P.M.

Details of Special Resolutions passed in last three AGMs:

- (i) Special Resolution regarding Appointment of Ms. Poonam Singh as an Independent Director for a term of five consecutive years in terms of Section 149 of the Companies Act, 2013 were passed in AGM held on 24<sup>th</sup> September, 2015.
- (ii) One Special Resolution regarding shifting of Registered Office of the Company from the National Capital Territory of Delhi to the State of West Bengal was passed through postal ballot during the financial year ended 31<sup>st</sup> March, 2017. Shri Namoo Narain Agarwal, Company Secretary in Whole-time Practice was appointed as Scrutinizer for conducting the postal ballot/e-voting process. Voting pattern of the said Resolution: 100% of total valid votes cast in favour and no vote cast against.
- (iii) No Special Resolution is proposed to be conducted through Postal Ballot at the AGM to be held on August, 2017.
- (iv) No Special Resolution were passed in the last AGM held on 25<sup>th</sup> August, 2017.

## 12. DISCLOSURES:

- (i) **Related Party Transactions:** Disclosures on materially significant related party transactions that may have potential conflict with the interests of the Company at large: **None**

Suitable disclosures as required by Accounting Standard (AS-18) – Related Party Transactions have been made in the Annual Report.

All the Related Party Transactions are dealt with in accordance with the provisions of the Companies Act, 2013 and Regulation 23 of the Listing Regulations.

The Company has also formulated a policy on the materiality of Related Party Transactions and also on dealing with Related Party Transactions. This Policy is available on the website of the Company and the weblink for the same is [www.florenceinvestech.co.in/Related%20Party%20Transactions%20Policy\\_Florence%20Investech%20Ltd..pdf](http://www.florenceinvestech.co.in/Related%20Party%20Transactions%20Policy_Florence%20Investech%20Ltd..pdf)

- (ii) Details of non-compliance by the Company, penalties, strictures imposed on the Company by Stock Exchanges or SEBI or any statutory authority, on any matter related to capital markets, during the last three years:

There were no cases of non-compliance of any matter related to capital markets during the last three years.

- (iii) **Vigil Mechanism/Whistle Blower Policy:** The Board of Directors of the Company at its meeting held on 4th August 2014 has established a Policy on Vigil Mechanism for the Directors and Employees of the Company to report their genuine concerns or grievances relating to actual or suspected fraud, unethical behaviour, violation of the Company's Code of Conduct or Ethics Policy, and any other event which would adversely affect the interests of the business of the Company. Whistle Blowers may send their concerns/complaints to the Chairman of Audit Committee in a sealed envelope marked confidential, for appropriate action.

The details of establishment of such mechanism has been also disclosed on the website of the Company. It is affirmed that no personnel has been denied access to the Audit Committee.

- (iv) **Risk Management:** The Company has an elaborate risk management system to inform Board Members about risk assessment and minimization procedures. These procedures are being periodically reviewed to ensure that executive management controls risk through means of a properly defined framework.

## 13. MEANS OF COMMUNICATION:

Quarterly, half-yearly and annual results are normally published in the leading English newspaper, namely, Financial Express and one regional daily namely, Jansatta in Hindi language and in "Aajkal", in Bengali language having wide circulation and promptly furnished to the Stock Exchange for display on its website. The financial results are also displayed on the Company's website – [www.florenceinvestech.co.in](http://www.florenceinvestech.co.in).

## 14. GENERAL SHAREHOLDERS' INFORMATION:

- (i) **Registered Office** : 7, Council House Street, Kolkata,  
West Bengal – 700 001

(ii) **Annual General Meeting (AGM)**

- (a) **Date & Time** : Wednesday, 5<sup>th</sup> September, 2018 at 2.00 P.M.  
**Venue** : Shripati Singhanian Hall, Rotary Sadan, 94/2,  
Jawahar Lal Nehru Road, (Chowringee Road), Kolkata-700 020

- (b) A brief resume and other particulars of Director(s) seeking appointment or re-appointment at the aforesaid AGM are given in the Notes to the Notice convening the said Meeting.

**(iii) Financial Calendar (Tentative)**

Financial Reporting

- for the quarter ending 30.06.2018
  - for the half-year ending 30.09.2018
  - for the quarter ending 31.12.2018
  - for the year ending 31.03.2019 (Audited)
  - Annual General Meeting for the Financial Year 2018-19
- } Within 45 days of the end of the quarter
- } Within 60 days of the end of the year
- } Between July and September 2019

**(iv) Date of Book Closure:** 30<sup>th</sup> August, 2018 to 5<sup>th</sup> September, 2018

**(v) Dividend Payment Date:** Within three weeks from the conclusion of AGM

**(vi) Name of the Stock Exchange where equity shares are listed:** The Equity Shares of the Company are listed on BSE Ltd., Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai - 400 001. The Annual Listing Fee for the Financial Year 2017 -18 has been paid to BSE Ltd. The securities of the Company are not suspended from trading.

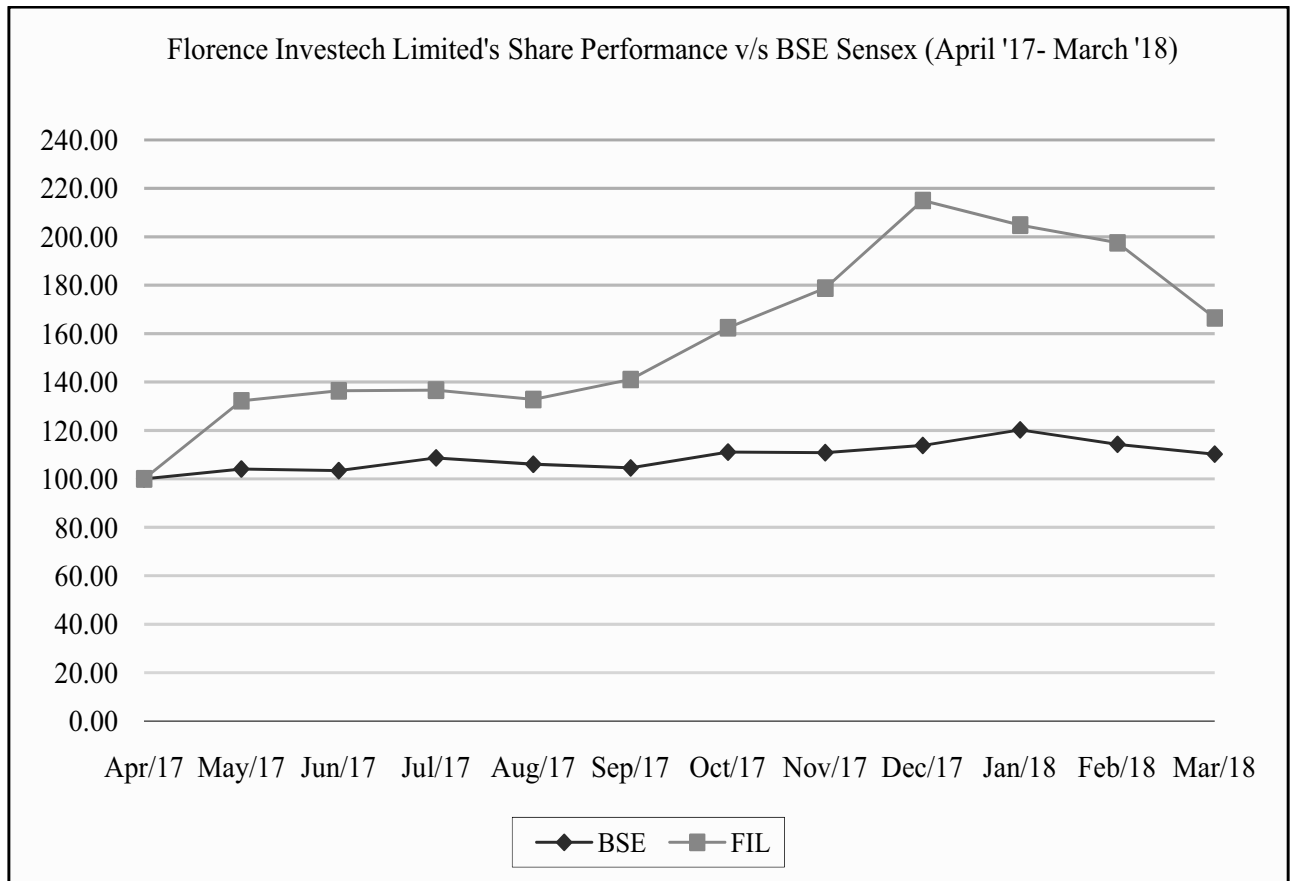
**(vii) Security Code for Company's Equity Shares on BSE Ltd. and ISIN :** BSE – 532518, ISIN INE211G01020.

**(viii) Stock Market Price Data**

Month (2017-18)	BSE Limited (in ₹)	
	HIGH	LOW
April, 2017	1120	825.15
May, 2017	1579	1040
June, 2017	1830	1410
July, 2017	1535	1381
August, 2017	1499	1350
September, 2017	1599	1400
October, 2017	1765	1440
November, 2017	2060	1700
December, 2017	2390	1810
January, 2018	2430	2155.10
February, 2018	2399	1783.05
March, 2018	2100	1700



(ix) **Florence Investech Limited's Share Performance v/s BSE Sensex (April, 17 - March, 18)**



(x) **Distribution of Shareholding as on 31<sup>st</sup> March, 2018**

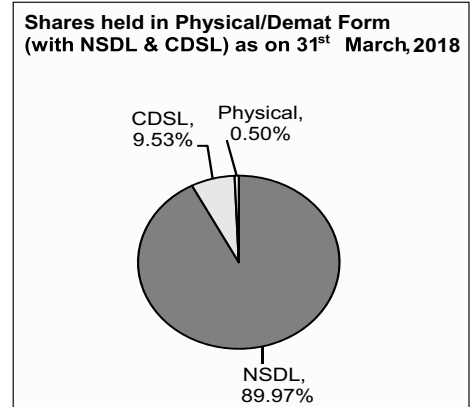
Category (No. of Shares)	No. of Equity Shares	%	No. of Shareholders	%
1-500	1,04,171	3.13	6,760	98.20
501-1000	40,130	1.21	52	0.8
1001-5000	1,05,205	3.16	46	0.7
5001-10000	87,552	2.63	12	0.2
10001 and above	29,91,886	89.87	14	0.2
<b>TOTAL</b>	<b>33,28,944</b>	<b>100.00</b>	<b>6,884</b>	<b>100.00</b>

(xi) **Share Transfer System**

The transfer/transmission of shares in physical form is normally processed and completed within a period of 15 days from the date of receipt thereof. In case of shares held in dematerialized form, the transfers are processed by National Securities Depository Limited(NSDL)/Central Depository Services (India) Limited(CDSL) through the respective Depository Participants.

**(xii) De-materialization of Shares and Liquidity**

Trading in the Equity Shares of the Company is permitted only in dematerialised form. Shareholders may therefore, in their own interest, dematerialise their holdings in physical form, with any one of the Depositories namely NSDL and CDSL. The ISIN No. for Equity Shares of the Company for both the depositories is INE211G01020. As on 31<sup>st</sup> March, 2018, 99.50% of the Equity Shares stand dematerialised. It may be noted that in respect of shares held in demat form, all the requests for nomination, change of address, ECS, Bank Mandate and rematerialisation etc. are to be made only to the Depository Participant with whom the shareholders have opened their Demat Account.



**(xiii) Outstanding GDRs/ADRs/Warrants/Options or any convertible instruments, conversion date and likely impact on Equity: - NIL**

**(xiv) Plant Location :** The Company being an investment company, does not have any plant.

**(xv) Address for Correspondence for Share Transfers and Related Matters:**

**1. The Company Secretary**

**Florence Investech Limited**

CIN: L24211WB1993PLC221608

Secretarial Department

Gulab Bhawan, 3<sup>rd</sup> Floor (Rear Block)

6A, Bahadur Shah Zafar Marg

New Delhi - 110 002

Phone No.: 91-11-3017 9798

Fax No.: 91-11-23739475

Email: florenceinvestor@jksingla.com

Website: www.florenceinvestech.co.in

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

**Alankit Assignments Ltd.**

CIN: U74210DL1991PLC042569

Alankit Heights

1E/13, Jhandewalan Extension,

New Delhi-110 055 (India)

Phone No.: 91-11-23541234 / 42541234

Fax No.: 91-11-42543474

Email: rta@alankit.com

Contact Person: Shri J.K. Singla

Email: jksingla@alankit.com

Website: www.alankit.com

(xvii) Adoption of discretionary requirements specified in Part E of Schedule II of the Listing Regulations- (a) The Board: The Company does not have a permanent Chairman; (b) Shareholder Rights: Half-yearly and other quarterly financial results are published in newspapers and uploaded on Company's website www.florenceinvestech.co.in. At present, the half yearly financial performance and the summary of the significant events in last six months are not sent to each household of shareholders; (c) Modified opinion(s) in audit report: The Company already has a regime of un-qualified financial statements. Auditors have raised no qualification on the financial statements; (d) Separate posts of Chairperson and CEO: The Company does not have a permanent Chairman; and (e) Reporting of Internal Auditor: The Head of Internal Audit of the Company administratively reports to the Audit Committee and his Internal Audit Reports are placed before the Audit Committee.

(xviii) The Company does not have any subsidiary.

(xiv) Further, the Company has complied with all the applicable requirements specified in Regulations 17 to 27 and clauses (b) to (i) of sub-regulation (2) of Regulation 46 of the Listing Regulations, to the extent applicable.

## **15. Information in terms of Regulation 39 (4) and schedule V(F) of the Listing Regulations:**

As on 1<sup>st</sup> April, 2017, the Company had 5,392 Equity Shares of the face value of ₹ 10/- each, which remained unclaimed by 1,219 Equity Shareholders. There were no change in the status of unclaimed shares during the Financial year 2017-18 and as on 31<sup>st</sup> March, 2018, the Company has 5,392 Equity Shares, which remain unclaimed by 1,219 Equity Shareholders.

The voting rights on these shares shall remain frozen till the rightful owner of such shares claims the shares. The “Unclaimed Suspense Account” is held by the Company purely on behalf of the allottees and the Shares held in the Suspense Account shall not be transferred except to the allottees as and when they approach the Company.

## **16. DECLARATION:**

It is hereby declared that all the members of the Board and the Senior Management personnel have affirmed compliance with the “Code of Conduct for Members of the Board and Senior Management of Florence Investech Limited” during the Financial Year ended 31<sup>st</sup> March, 2018.

Kailash Chand Jain  
Manager and Chief Financial Officer

## **AUDITORS' CERTIFICATE ON CORPORATE GOVERNANCE**

### **To The Members of FLORENCE INVESTECH LIMITED**

We have examined the compliance of conditions of Corporate Governance by Florence Investech Limited ('the Company'), for the year ended March 31, 2018, as per the relevant provisions of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Listing Regulations') as referred to in Regulation 15(2) of the Listing Regulations.

The compliance of conditions of Corporate Governance is the responsibility of the management. Our examination was carried out in accordance with the Guidance Note on Certificate of Corporate Governance, issued by the Institute of Chartered Accountants of India and limited to procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above mentioned Listing Regulations.

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

For Singhi & Co.  
Chartered Accountants  
Firm Registration No. 302049E

B.K. Sipani  
Partner  
Membership No.088926

Place: Noida (Delhi NCR)

Date: 15<sup>th</sup> May, 2018

# **INDEPENDENT AUDITOR’S REPORT TO THE MEMBERS OF FLORENCE INVESTECH LIMITED**

## **Report on the Standalone Financial Statements**

We have audited the accompanying standalone financial statements of FLORENCE INVESTECH LIMITED (“the Company”), which comprise the Balance Sheet as at 31<sup>st</sup> March, 2018, the Statement of Profit and Loss and the Statement of Cash Flow for the year then ended and a summary of the significant accounting policies and other explanatory information (hereinafter referred to as “the financial statements”).

## **Management’s Responsibility for the Standalone Financial Statements**

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

## **Auditor’s Responsibility**

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

We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made there under. We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the standalone financial statements are free from material misstatement. An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the standalone financial statements. The procedures selected depend on the auditor’s judgment, including the assessment of the risks of material misstatement of the standalone financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company’s preparation of the standalone financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company’s Directors, as well as evaluating the overall presentation of the standalone 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 financial statements.

## **Opinion**

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 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 31<sup>st</sup> March, 2018 and its profit and its cash flows for the year ended on that date.

## **Other Matter**

The standalone financial statements of the Company for the year ended 31<sup>st</sup> March, 2017 has been audited by other auditor who expressed an unmodified opinion on 22<sup>nd</sup> May, 2017.

Our Opinion is not qualified in respect of this matter.

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

1. As required by the Companies (Auditor's Report) Order ,2016 ('the Order '),issued by the Central Government of India in terms of sub-section (11) of section 143 of the Companies Act, 2013, we give in the Annexure A, a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
2. As required by Section 143 (3) of the Act, we report that:
  - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
  - (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
  - (c) The Balance Sheet, the Statement of Profit and Loss, and the Statement of Cash Flow dealt with by this Report are in agreement with the books of account.
  - (d) In our opinion, the aforesaid standalone financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with rules framed thereunder.
  - (e) On the basis of the written representations received from the directors as on 31<sup>st</sup> March, 2018 taken on record by the Board of Directors, none of the directors are disqualified as on 31<sup>st</sup> March, 2018 from being appointed as a director in terms of Section 164 (2) of the Act.
  - (f) With respect to the adequacy of the internal financial control over financial reporting of the company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B".
  - (g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
    - i. The Company has disclosed the impact of pending litigations on its financial position in its financial statements – refer note no. 18(a) to the financial statements.
    - ii. The Company did not have any long term contracts including derivatives contracts for which there were any material foreseeable loss.
    - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.

For SINGHI & CO.  
Chartered Accountants  
Firm Reg. No. 302049E

B.K. Sipani  
Partner  
Membership No. 088926

Place: New Delhi  
Date: 15<sup>th</sup> May, 2018

## **Annexure A referred to in paragraph 1 of our report of even date on the other legal and regulatory requirements (Re: Florence Investech Limited)**

- (i) a. The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- b. Fixed Assets have been physically verified by the management at regular interval. No material discrepancy was noticed on such verification.
- c. The Company does not have any immovable properties during the year. Therefore, the provisions of clause 3(I) (c) of the Order are not applicable.
- (ii) The Company has no inventory. Therefore, the provisions of clause 3(ii) of the Order are not applicable.
- (iii) The Company has not granted any loan secured or unsecured to any companies, firms or other parties covered in the register maintained under Section 189 of the Companies Act, 2013. Therefore, the provisions of clause 3(iii) (a), (b), (c) of the order are not applicable.
- (iv) According to the information, explanations and representations provided by the management and based upon audit procedures performed, being an exempted non-banking financial company provisions of section 185 and 186 of the Companies Act, 2013 are not applicable on the company for the loans given & investments made. The company has not given any guarantees or security under the provisions of section 185 and 186 of the Companies Act, 2013.
- (v) The Company has not accepted any deposit during the year as covered under section 76 of the Companies Act, 2013. Therefore, the provisions of clause 3(v) of the Order are not applicable.
- (vi) The Central Government has not prescribed maintenance of cost records u/s 148(1) of the Companies Act, 2013. Therefore, the provisions of clause 3 (vi) of the Order are not applicable.
- (vii) a. According to the records of the Company, the Company is generally regular in depositing undisputed statutory dues including provident fund, Income-tax, Service tax, Cess, and other material statutory dues deducted/ accrued in the books with the appropriate authorities. As informed to us, employees' state insurance, sales tax, duty of customs, duty of excise, value added tax are not applicable to the Company. There was no undisputed outstanding statutory dues as at the year end for a period of more than six months from the date they became payable.
- b. According to the records, information and explanations given to us, there are no material disputed statutory dues in respect of sales tax or service tax or duty of customs or duty of excise or value added tax or Income Tax except the followings:

<b>Name of the Statute</b>	<b>Nature of dues</b>	<b>Amount (Rs. In Lakhs)</b>	<b>Period to which the amount relates (Financial Year)</b>	<b>Forum where dispute is pending</b>
Income Tax Act, 1961	Income Tax	27.00	2007-08	ITAT
		37.34	2009-10	Commissioner (Appeal)
		1.77	2011-12	Commissioner (Appeal)

- (viii) According to the information and explanations given to us, the Company has no dues to financial institutions, banks, Government and debenture holders. Therefore, the provisions of clause 3 (viii) of the Order are not applicable.
- (ix) According to the information and explanations given to us, the Company has not raised any monies by way of initial public offer or further public offer (including debt instruments) or raised any term loan during the year. Therefore, the provisions of clause 3(ix) of the Order are not applicable.

## *Florence Investech Limited*

- (x) Based upon the audit procedures performed in accordance with the generally accepted auditing practice in India for the purpose of reporting the true and fair view of the financial statements and according to the information and explanations given to us ,no fraud by the Company or no fraud on the Company by the officers and employees of the Company has been noticed or reported during the year.
- (xi) According to the information and explanations given by the management, managerial remuneration has been paid/provided in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Companies Act, 2013.
- (xii) In our opinion, the Company is not a Nidhi company. Therefore, the provisions of clause 3(xii) of the order are not applicable.
- (xiii) According to the information and explanations given by the management, transactions with the related parties are in compliance with section 177 and 188 of the Companies Act, 2013 and the details have been disclosed in the financial statements as required by the applicable accounting standards.
- (xiv) According to the information and explanations given by the management, the Company has not made any preferential allotments or private placement of shares or fully or partly convertible debentures during the year under review. Therefore, the provisions of clause 3(xiv) of the order are not applicable.
- (xv) According to the information and explanations given by the management, the Company has not entered into any non-cash transactions with directors or persons connected with directors. Therefore, the provisions of clause 3(xv) of the order are not applicable.
- (xvi) The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.

For SINGHI & CO.  
Chartered Accountants  
Firm Reg. No. 302049E

B.K. Sipani  
Partner

Place: New Delhi  
Date: 15<sup>th</sup> May, 2018

Membership No. 088926



**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 Florence Investech Limited (“the Company”) as of March 31, 2018 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

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

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

**Auditor’s 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 as 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 of 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 exist, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor’s judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company’s internal financial controls system over financial reporting.

**Meaning of Internal Financial Controls over Financial Reporting**

A Company’s internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company’s internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorization 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 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 controls over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

### **Opinion**

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2018, based on the internal control over the financial reporting criteria established by the company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India.

For SINGHI & CO.  
Chartered Accountants  
Firm Reg. No. 302049E

B.K. Sipani  
Partner

Place: New Delhi  
Date: 15<sup>th</sup> May, 2018

Membership No. 088926

# BALANCE SHEET

AS AT 31st MARCH, 2018

₹ in Lacs

PARTICULARS	NOTE NO.	31.03.2018	31.03.2017
<b>I. EQUITY &amp; LIABILITIES</b>			
<b>(1) Shareholders' Funds</b>			
(a) Share Capital	2	332.89	332.89
(b) Reserves & Surplus	3	14,895.99	15,949.83
		<b>15,228.88</b>	<b>16,282.72</b>
<b>(2) Non-current Liabilities</b>			
(a) Long-term provisions	4	7.19	6.14
<b>(3) Current Liabilities</b>			
(a) Other current liabilities	5	15.00	3.85
(b) Short-term provisions	6	12.69	21.49
		<b>27.69</b>	<b>25.34</b>
<b>TOTAL</b>		<b>15,263.76</b>	<b>16,314.20</b>
<b>II. ASSETS</b>			
<b>(1) Non-current Assets</b>			
(a) Fixed Assets			
(i) Tangible assets	7	0.03	0.19
(b) Non-current investments	8	14,210.91	15,473.83
(c) Deferred Tax Assets	9	1.98	2.47
		<b>14,212.92</b>	<b>15,476.49</b>
<b>(2) Current Assets</b>			
(a) Cash and cash equivalents	10	32.88	36.09
(b) Short-term loans and advances	11	1,017.96	801.62
		<b>1,050.84</b>	<b>837.71</b>
<b>TOTAL</b>		<b>15,263.76</b>	<b>16,314.20</b>
<b>Significant accounting policies</b>	1		

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

As per our report of even date.  
For SINGHI & CO.  
Chartered Accountants  
Firm Registration No. 302049E

B.K. SIPANI  
Partner  
Membership No. 088926

Place: New Delhi  
Date : 15<sup>th</sup> May, 2018

ARUN KUMAR SHARMA  
Company Secretary

KAILASH CHAND JAIN  
Manager & Chief Financial Officer

A. K. KINRA  
S. MALHOTRA  
A. S. MEHTA  
P. S. LODHA  
POONAM SINGH  
Directors

## PROFIT & LOSS STATEMENT

FOR THE PERIOD ENDED 31ST MARCH, 2018

		₹ in Lacs	
PARTICULARS	NOTE No.	2017-18	2016-17
I. Revenue from Operations	12	1,450.06	1,481.19
II. Other Income	13	2.47	0.69
<b>III. Total Revenue ( I + II )</b>		<b>1,452.53</b>	<b>1,481.88</b>
<b>IV. Expenses</b>			
Employees Benefit expenses	14	17.85	17.21
Depreciation	7	0.03	0.04
Other expenses	15	23.13	21.70
<b>Total Expenses</b>		<b>41.01</b>	<b>38.95</b>
<b>V. Profit before exceptional and extraordinary items and Tax ( III - IV )</b>		<b>1,411.52</b>	<b>1,442.93</b>
VI. Exceptional Items		-	-
<b>VII. Profit before extraordinary items and Tax ( V - VI )</b>		<b>1,411.52</b>	<b>1,442.93</b>
VIII. Extraordinary Items		-	-
<b>IX. Profit before tax ( VII - VIII )</b>		<b>1,411.52</b>	<b>1,442.93</b>
<b>X. Tax Expenses</b>			
-- Current Tax		54.34	95.70
-- Deferred Tax		0.49	2.31
-- Income Tax Adjustments earlier years		6.54	1.43
<b>XI. Profit for the year from continuing operations ( IX - X )</b>		<b>1,350.15</b>	<b>1,343.49</b>
XII. Profit from discontinuing operations		-	-
XIII. Tax expense of discontinuing operations		-	-
<b>XIV. Profit from discontinuing operations (after tax) (XII-XIII)</b>		<b>-</b>	<b>-</b>
<b>XV. Profit for the period ( XI + XIV )</b>		<b>1,350.15</b>	<b>1,343.49</b>
<b>XVI. Basic and Diluted Earning per equity share of ₹ 10 each (in ₹)</b>	<b>23</b>	<b>40.56</b>	<b>40.36</b>

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

As per our report of even date.  
For SINGHI & CO.  
Chartered Accountants  
Firm Registration No. 302049E

B.K. SIPANI  
Partner  
Membership No. 088926

Place: New Delhi  
Date : 15<sup>th</sup> May, 2018

ARUN KUMAR SHARMA  
Company Secretary

KAILASH CHAND JAIN  
Manager & Chief Financial Officer

A. K. KINRA  
S. MALHOTRA  
A. S. MEHTA  
P. S. LODHA  
POONAM SINGH  
Directors

# NOTES TO FINANCIAL STATEMENTS

## Note 1

### SIGNIFICANT ACCOUNTING POLICIES – Year ended 31st March, 2018

#### 1.1 BASIS OF ACCOUNTING:

The financial statements have been prepared under historical cost convention on accrual basis in compliance with applicable Accounting Standards under section 133 of Companies Act, 2013 read with Rule 7 of Companies (Accounts) Rules, 2014.

#### 1.2. FIXED ASSETS AND DEPRECIATION:

- (a) Fixed Assets are stated at cost. Cost includes all costs incurred to bring the assets to their present location and condition.
- (b) Depreciation on Fixed Assets is provided on Straight Line Method as per useful life given in Part C of Schedule II to the Companies Act, 2013.

#### 1.3. REVENUE RECOGNITION:

- (a) Dividend and Interest Income is accounted for in the year in which it is accrued.
- (b) Overdue interest on Loans & Advances is accounted for on actual receipt basis.

#### 1.4. INVESTMENTS:

Investments made by the Company in various shares/securities are primarily meant to be held over long term period and are stated at cost less diminution, if the same is other than temporary in nature. The current investments are stated at lower of cost or quoted/fair value.

#### 1.5. TAXES ON INCOME:

Current Tax is the amount of tax payable on the estimated taxable income for the current year as per the provisions (proposed/enacted) of Income Tax Act, 1961. Deferred Tax Assets and Liabilities are recognized in respect of current year and prospective years. Deferred Tax Asset is recognized on the basis of reasonable/virtual certainty that sufficient future taxable income will be available against which the same can be realized.

1.6. Contingent Liabilities are not provided for are disclosed by way of Notes to the Accounts.

	₹ in Lacs	
	31.03.2018	31.03.2017
<b>NOTE 2 : SHARE CAPITAL</b>		
A. Authorised		
50,00,000 Equity Shares of ₹10/- each	500.00	500.00
50,00,000 Preference Shares of ₹ 85/- each (Read with Note No.16)	4,250.00	4,250.00
	<b>4,750.00</b>	<b>4,750.00</b>
B. Issued, Subscribed & Paid up		
Equity Shares fully paid up		
33,28,944 Equity Shares of ₹10/- each	332.89	332.89
	<b>332.89</b>	<b>332.89</b>

**C. Reconciliation of the numbers of shares outstanding at the beginning and at the end of the reporting period**

	As at 31.03.2018 No. of Shares	As at 31.03.2017 No. of Shares
At the beginning of period	3,328,944	3,328,944
Add:- Issued during the year	-	-
Less:- Bought Back during the year	-	-
Outstanding at the end of period	<b>3,328,944</b>	3,328,944

**D. Shares held by its holding or ultimate holding company or subsidiaries or associates of the holding company or its ultimate holding company**

Hari Shankar Singhania Holdings Pvt Ltd. (Holding Company)	2,466,259	2,466,259
--	-----------	-----------

**E. Details of each shareholder holding more than 5% shares :-**

Name of Shareholder	As at 31.03.2018 No. of Shares held	As at 31.03.2017 No. of Shares held
Hari Shankar Singhania Holdings Pvt. Ltd.	2,466,259	2,466,259

**F. Rights and preferences attached to Equity Shares :**

- The Company has only one class of Equity Shares having a par value of ₹ 10/- per share. Each shareholder is entitled to one vote per share.
- In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.
- The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting, except in case of interim dividend.

	31.03.2018	₹ in Lacs	
		31.03.2018	31.03.2017
<b>NOTE 3 : RESERVES &amp; SURPLUS</b>			
<b>Security Premium Reserve (as per RBI guidelines)</b>	4,531.43		4,531.43
Opening	-	1,171.02	
Addition during the year	-	(1,171.02)	-
<b>General Reserve</b>			
Opening	6,345.12	5,174.10	
Addition during the year	-	1,171.02	6,345.12
Surplus in Profit & Loss Account A/c (Refer note (a) below)	4,019.44		5,073.28
	<b>14,895.99</b>		<b>15,949.83</b>

**(a) Detail of Surplus/(Deficit) in Profit and Loss Statement:**

Surplus/(Deficit) in Profit and Loss Statement from Previous Year	5,073.28	3,729.79
Profit / (Loss) for the year	1,350.15	1,343.49
Transfer to General Reserve	-	-
Dividend Paid for the F.Y. 2016-17 @ ₹ 30/- per equity share	(998.68)	-
Interim Dividend Paid for the F.Y. 2017-18 @ ₹ 30/- per equity share	(998.69)	-
Corporate Dividend Tax	(406.62)	-
Surplus/(Deficit) in Profit and Loss Statement carried to Balance sheet	<b>4,019.44</b>	<b>5,073.28</b>

	31.03.2018	31.03.2017
<b>NOTE - 4 : LONG TERM PROVISIONS</b>		
Provision for Employee Benefits	7.19	6.14
	<b>7.19</b>	<b>6.14</b>
<b>NOTE- 5 : OTHER CURRENT LIABILITIES</b>		
Unclaimed Dividends @	12.77	1.67
Unclaimed Fractional Entitlement Shares	1.04	1.04
Others :		
- Statutory Liability	0.32	0.29
- Other Liability	0.87	0.85
	<b>15.00</b>	<b>3.85</b>
@ On due, will be transferred to Investor Education & Protection Fund		
<b>NOTE- 6 : SHORT TERM PROVISIONS</b>		
Provision for Tax {Net of advance tax ₹ 261.18 Lacs (P.Y. ₹ 734.19 Lacs)}	12.69	21.49
	<b>12.69</b>	<b>21.49</b>

**NOTE 7 : TANGIBLE ASSETS**

PARTICULARS	GROSS BLOCK				DEPRECIATION				NET BLOCK	
	Gross Block as at 01.04.17	Additions	Sales/ Adjustments	Gross Block as at 31.03.18	Upto 01.04.17	For the Year	Sales/ Adjustments	Upto 31.03.18	As At 31.03.18	As At 31.03.17
Furniture & Fixtures	0.27	-	0.27	-	0.11	0.03	0.14	-	-	0.16
Office Equipment	0.53	-	-	0.53	0.50	-	-	0.50	0.03	0.03
<b>Total</b>	<b>0.80</b>	<b>-</b>	<b>0.27</b>	<b>0.53</b>	<b>0.61</b>	<b>0.03</b>	<b>0.14</b>	<b>0.50</b>	<b>0.03</b>	<b>0.19</b>
Previous Year	0.80	-	-	0.80	0.57	0.04	-	0.61	0.19	-

**NOTE 8 : INVESTMENT**

Name of the Bodies Corporate	AS AT 31.03.2018		AS AT 31.03.2017	
	Nos.	₹ in Lacs	Nos.	₹ in Lacs
NON - CURRENT INVESTMENTS (At Cost) (Other than trade, fully paid up)				
<b>A Investment in Equity Shares (Long Term)</b>				
<b>A1. Quoted</b>				
<b>Face Value of ₹ 10/- each</b>				
<b>Associates :</b>				
JK Agri Genetics Limited	1,500,000	150.00	1,500,000	150.00
Others :				
J.K. Tyre & Industries Ltd. (F.V. ₹2/-)	32,659,100	3,463.84	32,659,100	3,463.84
J.K Lakshmi Cement Ltd. (F.V. ₹5/-)	13,645,040	982.67	13,645,040	982.67
J.K.Paper Limited	11,833,332	5,151.36	11,833,332	5,151.36
Bengal & Assam Company Limited	646,811	645.59	646,811	645.59
Umang Dairies Limited (F.V. ₹5/-)	1,194,965	14.34	1,194,965	14.34
Udaipur Cements Works Ltd. (F.V. ₹4/-)	7,511,756	74.66	7,511,756	74.66
<b>Total Quoted Equity Shares (A1)</b>		<b>10,482.46</b>		<b>10,482.46</b>

Name of the Bodies Corporate	AS AT 31.03.2018		AS AT 31.03.2017	
	Nos.	₹ in Lacs	Nos.	₹ in Lacs
<b>A2. Unquoted Associates :</b>				
CliniRx Research Pvt. Ltd.	2,625,001	262.50	2,625,001	262.50
Others :				
J.K.Pharmachem Ltd.- Under Liquidation	2,371,903	-	2,371,903	-
JK Plant Bio Sciences Limited	5,000	0.50	5,000	0.50
Global Strategic Technologies Ltd.	500,000	50.00	500,000	50.00
JK Risk Managers & Insurance Brokers Ltd.	1,220,000	122.00	1,220,000	122.00
<b>Total Unquoted Equity Shares (A2)</b>		<b>435.00</b>		<b>435.00</b>
<b>B Investment in Preference Shares Associates :</b>				
CliniRx Research Pvt. Ltd. (8% OCCRPS)	500,000	50.00	500,000	50.00
CliniRx Research Pvt. Ltd. (8% OCRPS)	1,000,000	100.00	1,000,000	100.00
<b>Total Preference Shares (B)</b>		<b>150.00</b>		<b>150.00</b>
<b>C Investment in Mutual Funds</b>				
Tata Money Market Fund-Regular Growth	26,932.05	701.15	46,495.55	1,183.00
UTI Money Market Fund-Instl. Plan-Growth	132,762.99	2,442.30	177,761.89	3,223.37
<b>Total Unquoted Mutual Fund (C)</b>		<b>3,143.45</b>		<b>4406.37</b>
<b>Total Non Current Investments (A1+A2+B+C)</b>		<b>14,210.91</b>		<b>15,473.83</b>
		<b>Current Year</b>		<b>Previous Year</b>
<b>Book Value of Quoted Investments</b>		<b>10,482.46</b>		10,482.46
<b>Book Value of Unquoted Investments</b>		<b>3,728.45</b>		4,991.37
<b>Market Value of Quoted Investments</b>		<b>165,076.31</b>		140,422.02

₹ in Lacs

	31.03.2018	31.03.2017
<b>NOTE - 9 : DEFERRED TAX ASSETS/ (LIABILITIES)</b>		
<b>Deferred Tax Assets</b>		
Demerger Expenses	-	0.57
Provision for Leave encashment	0.33	0.29
Provision for Gratuity	1.65	1.61
<b>T O T A L (A)</b>	<b>1.98</b>	<b>2.47</b>
<b>Deferred Tax Liabilities</b>		
Difference between book depreciation & tax depreciation	-	-
<b>T O T A L (B)</b>	<b>-</b>	<b>-</b>
<b>Deferred Tax Assets (Net) (A-B)</b>	<b>1.98</b>	<b>2.47</b>
<b>NOTE 10 : CASH &amp; CASH EQUIVALENTS</b>		
Cash in Hand	0.03	0.05
Balance with banks :		
-- on Current Accounts	12.04	33.33
-- on Dividend Accounts	12.77	1.67
-- on Fractional Accounts	1.04	1.04
-- on Fixed Deposit Accounts	7.00	-
<b>T O T A L</b>	<b>32.88</b>	<b>36.09</b>



	31.03.2018	31.03.2017
<b>NOTE 11 : SHORT TERM LOANS &amp; ADVANCES</b>		
(Unsecured and considered good)		
Inter Corporate Deposits	1,000.00	700.00
Interest Accrued	-	65.10
Interest Accrued but not due	17.94	36.52
Others	0.02	-
<b>TOTAL</b>	<b>1,017.96</b>	<b>801.62</b>
<b>NOTE 12: REVENUE FROM OPERATIONS</b>	<b>2017-18</b>	<b>2016-17</b>
Interest on :		
-- Loans and deposits	101.98	169.97
Other Financial Services:-		
Dividend	1,221.00	975.04
Profit on sale of Investments	127.08	336.18
<b>TOTAL</b>	<b>1,450.06</b>	<b>1,481.19</b>
<b>NOTE 13 : OTHER INCOME</b>		
Interest on Income Tax refund	0.14	-
Miscellaneous Receipts	2.33	0.69
<b>TOTAL</b>	<b>2.47</b>	<b>0.69</b>
<b>NOTE 14 : EMPLOYEES BENEFIT EXPENSES</b>		
Salaries & wages	17.85	17.21
<b>TOTAL</b>	<b>17.85</b>	<b>17.21</b>
<b>NOTE 15 : OTHER EXPENSES</b>		
Auditors Remuneration (*)		
-- Statutory Audit Fees	0.79	0.75
-- Tax Audit Fees	0.18	0.17
-- Certification	0.81	0.52
-- Others	0.01	0.04
Directors' Fee	2.26	1.74
Consultancy Expenses / Legal Fee	1.04	0.91
Postage and Printing & Stationery	4.96	6.85
Loss on Sale of Assets	0.07	-
Bank Charges, Travelling & Conveyance & Other Miscellaneous Expenses	13.01	10.72
<b>TOTAL :-</b>	<b>23.13</b>	<b>21.70</b>

(\*) Including payment to previous Auditor ₹ 0.34 Lacs

16. Pursuant to the Scheme of Arrangement and Demerger (the Scheme) between the Company (Transferor) and JK Agri Genetics Limited (JKAGL) (Transferee), transfer of Authorised Preference Share Capital of ₹ 4,250 Lacs divided into 50,00,000 Preference Shares of ₹ 85 each is pending for transfer to JKAGL as Authorised Capital divided into 4,25,00,000 unclassified shares of ₹ 10 each. In the absence of receipt of requisite approval, it has been decided not to pursue this matter any further.

## 17. Related Party Disclosures – to the extent identified by the Company

### A Relationships

- i Holding Company : Hari Shankar Singhania Holdings Pvt. Ltd.
- ii Associates : JK Agri Genetics Ltd.  
CliniRx Research Pvt. Ltd.
- iii Key Management Personnel (KMP) : Shri Kailash Chand Jain, Manager & CFO  
Shri Arun Kumar Sharma, Company Secretary  
(W.e.f. 12.10.2016)  
Shri Parikshit Pant, Company Secretary  
(W.e.f. 01.05.2015 – 12.10.2016)

### B Transaction with Related Parties

- KMP : Remuneration ₹16.12 Lacs (Previous Year– ₹15.67 Lacs)

### 18. Contingent liabilities not provided:

- (a) Disputed Income Tax matters (estimated) under Appeal ₹ 66.11 Lacs (Previous Year: ₹ 104.74 Lacs).
- (b) In respect of certain disallowances and additions made by the Income Tax Authorities, appeals are pending before the Authorities and adjustment, if any, will be made after the same are finally determined.

19. The Board of Directors of the Company in their meeting held on 12<sup>th</sup> June, 2017, have approved a Scheme of Arrangement (Scheme) between Florence Investech Ltd. (Florence), BMF Investments Ltd. (BMF), JK Fenner (India) Ltd. (FIL) and Bengal & Assam Company Ltd. (BACL) and their respective shareholders for (a) amalgamation of Florence and BMF with the BACL w.e.f. 01.04.2017 and (b) exchange of share of FIL for shares of BACL at the option of shareholders of FIL. The Scheme has since been filed with National Company Law Tribunal Kolkata & Chennai. Pending approval of the Scheme no impact has been considered in these Financial Statements.

20. The Company has paid an interim dividend of ₹ 30/- per share during the year ended 31.03.2018. The said dividend has been recommended as final dividend for the financial year 2017-18.

21. The company has only one reportable business segment namely, "Investment".

22. Income Tax calculation has been made considering certain expenses / adjustments available as assessed by the Management.

23. Amounts outstanding under the Micro, Small and Medium Enterprises Development Act, 2006 (MSMED Act) to the extent information available with the Company (as certified by the management) - ₹ Nil ((Previous Year - ₹ Nil).

24. Earning per Share: -

Particulars	As at 31.03.2018	As at 31.03.2017
a) Profit / (Loss) after Tax (₹ in Lacs)	1,350.15	1,343.49
b) Weighted average No. of Equity Shares (Nos.)	33,28,944	33,28,944
c) Nominal Value of Equity Shares (₹)	10.00	10.00
d) Basic and Diluted Earnings per Equity Share (₹)	40.56	40.36

25. No provision for diminution in the value of certain long term investments has been considered necessary, since in the opinion of the Management, such diminution in their value is temporary in nature considering the nature of investments, inherent value, investees' assets and expected future cash flow from such investments.
26. Previous year figures have been reclassified / regrouped wherever considered necessary.

For SINGHI & CO.  
Chartered Accountants  
Firm Registration No. 302049E

B.K. SIPANI  
Partner  
Membership No. 088926

Place: New Delhi  
Date : 15<sup>th</sup> May, 2018

ARUN KUMAR SHARMA  
Company Secretary

KAILASH CHAND JAIN  
Manager & Chief Financial Officer

A. K. KINRA  
S. MALHOTRA  
A. S. MEHTA  
P. S. LODHA  
POONAM SINGH  
Directors

## CASH FLOW STATEMENT

FOR THE YEAR ENDED 31st MARCH, 2018

₹ in Lacs

	31.03.2018	31.03.2017
<b>A. CASH FLOW FROM OPERATING ACTIVITIES</b>		
Net Profit/(Loss) before Tax & Extraordinary Items	1,411.52	1,442.93
Adjusted for :		
Depreciation	0.03	0.04
Interest/Dividend Received	(1323.12)	(1145.01)
Profit on sale of Investments	(127.08)	(336.18)
Loss on sale of Asset	0.07	-
Operating profit before working Capital changes	(38.58)	(38.22)
Adjusted for :		
(Increase)/Decrease in Trade & Other Receivables	101.60	(81.18)
Increase/(Decrease) in Trade & Other Payables	12.20	1.45
Cash Generated from Operations	75.22	(117.95)
Income Tax refund received	-	(0.45)
Direct Taxes Paid	(69.55)	(80.91)
Net Cash from Operating Activities	5.67	(199.31)
<b>B. CASH FLOW FROM INVESTING ACTIVITIES</b>		
Purchase of Shares/Investments	(5082.00)	(6544.00)
Sale of Investments	6472.00	5790.22
Sale of Assets	0.07	-
Interest Received	84.04	169.97
Dividend Received	1221.00	975.04
Inter Corporate Deposit given	(300.00)	(100.00)
Net Cash from Investing Activities	2395.11	291.23
<b>C. CASH FLOW FROM FINANCIAL ACTIVITIES</b>		
Dividend & Corporate Dividend Tax Paid	(2403.99)	(60.10)
Net Cash used in Financial Activities	(2403.99)	(60.10)
<b>D. NET INCREASE/DECREASE IN CASH AND CASH EQUIVALENTS (A+B+C)</b>	(3.21)	31.82
Opening Balance of Cash and Cash Equivalents	36.09	4.27
Closing Balance of Cash and Cash Equivalents	32.88	36.09

**Note:-**

Cash and Cash Equivalents include Cash in hand & Balance with Schedule Bank (Refer Note 10)

As per our report of even date.  
For SINGHI & CO.  
Chartered Accountants  
Firm Registration No. 302049E

B.K. SIPANI  
Partner  
Membership No. 088926

Place: New Delhi  
Date : 15<sup>th</sup> May, 2018

ARUN KUMAR SHARMA  
Company Secretary

KAILASH CHAND JAIN  
Manager & Chief Financial Officer

A. K. KINRA  
S. MALHOTRA  
A. S. MEHTA  
P. S. LODHA  
POONAM SINGH  
Directors

**Form AOC-I**

**Florence Investech Ltd.**

**Financial Information of Subsidiaries and Associate Companies**

**(Pursuant to first proviso to sub section (3) of section 129 read with rule 5 of companies (Accounts) Rules, 2014)**

**Part “A”: Subsidiaries**

Nil

**Part “B”: Associates**

**Statement pursuant to section 129(3) of the Companies Act, 2013 related to Associates**

(₹ in Lacs)

Sl. No.	Name of Associates	JK Agri Genetics Ltd.	CliniRx Research Pvt. Ltd.
<b>1</b>	<b>Latest audited Balance Sheet Date</b>	31.03.18	31.03.18
<b>2</b>	Share of Associates held by the Company on the year end		
i)	No of Shares	1500000	4125001*
ii)	Amount of Investment in Associates	150.00	412.50
iii)	Extent of Holding in Equity (%)	41.62%	40.70%
<b>3</b>	<b>Description of how there is significant influence</b>	Holding > 20%	Holding > 20%
<b>4</b>	<b>Reason why the Associate is not consolidated</b>	-	-
<b>5</b>	<b>Networth attributable to shareholding as per latest audited Balance Sheet</b>	3,509.20	-
<b>6</b>	<b>Profit/ Loss for the year</b>		
	i) Considered in consolidation #	389.46	(241.88)
	ii) Not Considered in consolidation	546.28	(2,334.02)

# Share in Profit & Loss is as per Indian GAP.

1. Associates which are yet to commence operation - N.A.
2. Associates which have been liquidated or sold during the year - N.A.

\* Includes 10,00,000 nos. fully paid up 8% Optionally Convertible Redeemable Preference Shares and 5,00,000 nos. fully paid up 8% Optionally Convertible Cumulative Redeemable Preference Shares of ₹ 150 lacs

A. K. KINRA  
S. MALHOTRA  
A. S. MEHTA  
P. S. LODHA  
POONAM SINGH  
Directors

Place: New Delhi  
Date : 15<sup>th</sup> May, 2018

ARUN KUMAR SHARMA  
Company Secretary

KAILASH CHAND JAIN  
Manager & Chief Financial Officer

## **INDEPENDENT AUDITOR’S REPORT TO THE MEMBERS OF FLORENCE INVESTECH LIMITED**

### **Report on the Consolidated Financial Statements**

We have audited the accompanying consolidated financial statements of Florence Investech Limited (hereinafter referred to as “the Company”) and its associates (the Company and its associates together referred to as “the Group”) comprising of the Consolidated Balance Sheet as at 31st March, 2018, the Consolidated Statement of Profit and Loss, the Consolidated Statement of Cash Flow for the year then ended, and a summary of the significant accounting policies and other explanatory information (hereinafter referred to as “the Consolidated Financial Statements”).

### **Management’s Responsibility for the Consolidated Financial Statements**

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

### **Auditor’s Responsibility**

Our responsibility is to express an opinion on these consolidated 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 thereunder. We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement. An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor’s judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company’s preparation of the consolidated financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company’s Board of Directors, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence obtained by us and the audit evidence obtained by the other auditors in terms of their reports referred to in Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the consolidated financial statements.

## Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated 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 consolidated state of affairs of the Group as at 31st March, 2018, and their consolidated profit and their consolidated cash flows for the year ended on that date.

## Other Matters

- a. We did not audit the financial statements of associates, whose financial statements reflect total assets of ₹ 30716.79 Lakhs as at 31<sup>st</sup> March, 2018, total revenues of ₹ 20897.71 Lakhs and net cash outflows amounting to ₹ 351.46 Lakhs for the year ended on that date, as considered in the consolidated financial statements. These financial statements have been audited by other auditors whose reports have been furnished to us by the management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these associates and our report in terms of sub-sections (3) of Section 143 of the Act, insofar as it relates to the aforesaid associates is based solely on the reports of the other auditors.
- b. The consolidated financial statements of the Company for the year ended 31<sup>st</sup> March, 2017 has been audited by previous auditor who expressed an unmodified opinion on 22<sup>nd</sup> May, 2017.

Our opinion on the Consolidated Financial Statements, and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditors.

## Report on Other Legal and Regulatory Requirements

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

- (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated financial statements.
- (b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books and the reports of the other auditors.
- (c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss, and the Consolidated Statement of Cash Flow dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements.
- (d) In our opinion, the aforesaid consolidated financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with rules issued thereunder.
- (e) On the basis of the written representations received from the directors of Company as on 31st March, 2018 taken on record by the Board of Directors of the Company and the reports of the statutory auditors, of the associate companies incorporated in India, none of the directors of the Group is disqualified as on 31st March, 2018 from being appointed as a director in terms of Section 164 (2) of the Act.
- (f) With respect to the adequacy of the internal financial control over financial reporting of the Group and the operating effectiveness of such controls, refer to our separate Report in "Annexure A".

- (g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
- a. The Company has disclosed the impact of pending litigations on its financial position in its financial statements – refer note no. 18(a) to the financial statements.
  - b. The Company did not have any material long term contracts including derivatives contracts for which there were any material foreseeable losses.
  - c. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company and its associate companies incorporated in India.

For SINGHI & CO.  
Chartered Accountants  
Firm Reg. No. 302049E

B.K. Sipani  
Partner  
Membership No. 088926

Place: New Delhi

Date: 15<sup>th</sup> May, 2018



### **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 Florence Investech Limited (“the Company”) and its one of the associate company incorporated in India on which Internal Financial Controls are applicable under section 143(3)(i), as of March 31, 2018 in conjunction with our audit of the consolidated financial statements of the Company for the year ended on that date.

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

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

#### **Auditor’s 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 as 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 of 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 exist, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor’s judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company’s internal financial controls system over financial reporting.

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

A Company’s internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company’s internal; financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company ; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in

accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorization 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 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 controls 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 and its Associate companies incorporated in India, have, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2018, based on the internal control over the financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India.

For SINGHI & CO.  
Chartered Accountants  
Firm Reg. No. 302049E

B.K. Sipani  
Partner  
Membership No. 088926

Place: New Delhi

Date: 15<sup>th</sup> May, 2018

# CONSOLIDATED BALANCE SHEET

AS AT 31<sup>ST</sup> MARCH, 2018

₹ in Lacs

PARTICULARS	NOTE NO.	31.03.2018	31.03.2017
<b>I. EQUITY &amp; LIABILITIES</b>			
<b>(1) Shareholders' Funds</b>			
(a) Share Capital	2	332.89	332.89
(b) Reserves & Surplus	3	16,943.17	17,908.05
		<b>17,276.06</b>	18,240.94
<b>(2) Non-current Liabilities</b>			
(a) Long-term provisions	4	7.19	6.14
<b>(3) Current Liabilities</b>			
(a) Other current liabilities	5	15.00	3.85
(b) Short-term provisions	6	12.69	21.49
		<b>27.69</b>	25.34
<b>TOTAL</b>		<b>17,310.94</b>	18,272.42
<b>II. ASSETS</b>			
<b>(1) Non-current Assets</b>			
(a) Fixed Assets			
(i) Tangible assets	7	0.03	0.19
(b) Non-current investments	8	16,258.09	17,432.05
(c) Deferred Tax Assets	9	1.98	2.47
		<b>16,260.10</b>	17,434.71
<b>(2) Current Assets</b>			
(a) Cash and cash equivalents	10	32.88	36.09
(b) Short-term loans and advances	11	1,017.96	801.62
		<b>1,050.84</b>	837.71
<b>TOTAL</b>		<b>17,310.94</b>	18,272.42
<b>Significant accounting policies</b>	1		

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

As per our report of even date.  
For SINGHI & CO.  
Chartered Accountants  
Firm Registration No. 302049E

B.K. SIPANI  
Partner  
Membership No. 088926

Place: New Delhi  
Date : 15<sup>th</sup> May, 2018

ARUN KUMAR SHARMA  
Company Secretary

KAILASH CHAND JAIN  
Manager & Chief Financial Officer

A. K. KINRA  
S. MALHOTRA  
A. S. MEHTA  
P. S. LODHA  
POONAM SINGH  
Directors

## CONSOLIDATED STATEMENT OF PROFIT & LOSS

FOR THE YEAR ENDED 31<sup>st</sup> MARCH, 2018

₹ in Lacs

P A R T I C U L A R S	NOTE No.	2017-18	2016-17
I. Revenue from Operations	12	1,450.06	1,481.19
II. Other Income	13	2.47	0.69
<b>III. Total Revenue (I + II)</b>		<b>1,452.53</b>	<b>1,481.88</b>
<b>IV. Expenses</b>			
Employees Benefit expenses	14	17.85	17.21
Depreciation	7	0.03	0.04
Other expenses	15	23.13	21.70
<b>Total Expenses</b>		<b>41.01</b>	<b>38.95</b>
<b>V. Profit before exceptional and extraordinary Items and Tax (III - IV)</b>		<b>1,411.52</b>	<b>1,442.93</b>
VI. Exceptional Items		-	-
<b>VII. Profit before extraordinary Items and Tax (V - VI)</b>		<b>1,411.52</b>	<b>1,442.93</b>
VIII. Extraordinary Items		-	-
<b>IX. Profit before tax (VII - VIII)</b>		<b>1,411.52</b>	<b>1,442.93</b>
<b>X. Tax Expenses</b>			
-- Current Tax		54.34	95.70
-- Deferred Tax		0.49	2.31
-- Income Tax Adjustments earlier years		6.54	1.43
<b>XI. Profit for the year from continuing operations (IX - X)</b>		<b>1,350.15</b>	<b>1,343.49</b>
XII. Profit from discontinuing operations		-	-
XIII. Tax expense of discontinuing operations		-	-
<b>XIV. Profit from discontinuing operations (after tax) (XII-XIII)</b>		<b>-</b>	<b>-</b>
<b>XV. Profit after tax (XI-XIV)</b>		<b>1,350.15</b>	<b>1,343.49</b>
XVI. Share in profits of Associates		147.58	575.23
<b>XVII. Profit for the year (XV+XVI)</b>		<b>1,497.73</b>	<b>1,918.72</b>
<b>XVIII. Basic and Diluted Earning per equity share of ₹ 10 each (in ₹)</b>	<b>22</b>	<b>44.99</b>	<b>57.64</b>

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

As per our report of even date.  
For SINGHI & CO.  
Chartered Accountants  
Firm Registration No. 302049E

B.K. SIPANI  
Partner  
Membership No. 088926

Place: New Delhi  
Date : 15<sup>th</sup> May, 2018

ARUN KUMAR SHARMA  
Company Secretary

KAILASH CHAND JAIN  
Manager & Chief Financial Officer

A. K. KINRA  
S. MALHOTRA  
A. S. MEHTA  
P. S. LODHA  
POONAM SINGH  
Directors

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## Note – 1 (A) Principles of Consolidation

- (a) The Consolidated Financial Statements comprise the financial statements of Florence Investech Limited (“the Company”) and Financial Statements of the following (incorporated in India), as on **31.03.2018**:-

### Associates:-

Sl. No.	Name	Direct Holding
1	JK Agri Genetics Limited	41.62%
2	CliniRx Research Pvt. Ltd.	40.70%

- (b) In Associate Companies, investments are accounted for by using equity method in accordance with Accounting Standard (AS) – 23 “Accounting for Investments in Associates in Consolidated Financial Statements”.
- (c) Post acquisition, the Company accounts for its share in the change in the net assets of the Associates (after eliminating unrealised profit and losses resulting from transactions between the Company and its Associates to the extent of its share directly and indirectly) through its profit and loss statement in respect of the change attributable to the associate’s profit and loss statement and through its reserves for the balance.
- (d) Goodwill / Capital Reserve arising from acquisition of associates are included in the carrying amount of investment in Associates.
- (e) Where an Associate presents consolidated financial statements, the results and net assets to be taken into account are those reported in that Associate’s consolidated financial statement.
- (f) The Consolidated Financial Statements have been prepared using uniform accounting policies, in accordance with the generally accepted accounting practices.

## (B) Significant Accounting Policies – Year ended 31<sup>st</sup> March, 2018

### (i) BASIS OF ACCOUNTING:

The Financial statements have been prepared under historical cost convention on accrual basis in compliance with applicable Accounting Standards under Section 133 of Companies Act, 2013 read with Rule 7 of Companies (Accounts) Rules, 2014.

### (ii) FIXED ASSETS AND DEPRECIATION:

- (a) Fixed Assets are stated at cost. Cost includes all costs incurred to bring the assets to their present location and condition.
- (b) Depreciation on Fixed Assets is provided on Straight Line Method as per useful life given in Part C of Schedule II to the Companies Act, 2013.

### (iii) REVENUE RECOGNITION:

- (a) Dividend and Interest Income is accounted for in the year in which it is accrued.
- (b) Overdue interest on Loans & Advances is accounted for on actual receipt basis.

### (iv) INVESTMENTS:

Investments made by the Company in various shares/securities are primarily meant to be held over long term period and are stated at cost less diminution, if the same is other than temporary in nature. The current investments are stated at lower of cost or quoted/fair value.

### (v) TAXES ON INCOME:

Current Tax is the amount of tax payable on the estimated taxable income for the current year as per the provisions (proposed/enacted) of Income Tax Act, 1961. Deferred Tax Assets and Liabilities are recognized in respect of current year and prospective years. Deferred Tax Asset is recognized on the basis of reasonable/virtual certainty that sufficient future taxable income will be available against which the same can be realized.

- (vi) Contingent Liabilities are not provided for are disclosed by way of Notes to the Accounts.

₹ in Lacs

	31.03.2018	31.03.2017
<b>NOTE 2 : SHARE CAPITAL</b>		
<b>A. Authorised</b>		
50,00,000 Equity Shares of ₹ 10/- each	500.00	500.00
50,00,000 Preference Shares of ₹ 85/- each (Read with Note No.16)	4,250.00	4,250.00
	<b>4,750.00</b>	4,750.00
<b>B. Issued, Subscribed &amp; Paid up</b>		
<b>Equity Shares fully paid up</b>		
33,28,944 Equity Shares of ₹ 10/- each	332.89	332.89
	<b>332.89</b>	332.89
<b>C. Reconciliation of the numbers of shares outstanding at the beginning and at the end of the reporting period</b>		
	<b>As at 31.03.2018</b>	As at 31.03.2017
	<b>No. of Shares</b>	No. of Shares
At the beginning of period	33,28,944	33,28,944
Add:- Issued during the year	-	-
Less:- Bought Back during the year	-	-
Outstanding at the end of period	<b>33,28,944</b>	33,28,944
<b>D. Shares held by its holding or ultimate holding company or subsidiaries or associates of the holding company or its ultimate holding company</b>		
Hari Shankar Singhania Holdings Pvt Ltd. (Holding Company)	24,66,259	24,66,259
<b>E. Details of each shareholder holding more than 5% shares :-</b>		
	<b>As at 31.03.2018</b>	As at 31.03.2017
<b>Name of Shareholder</b>	<b>No. of Shares held</b>	No. of Shares held
Hari Shankar Singhania holdings Pvt. Limited	24,66,259	24,66,259
<b>F. Rights and preferences attached to Equity Shares :</b>		
a. The Company has only one class of Equity Shares having a par value of ₹10/- per share. Each shareholder is entitled to one vote per share.		
b. In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.		
c. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting, except in case of interim dividend.		

₹ in Lacs

	31.03.2018	31.03.2017
<b>NOTE 3 : RESERVES &amp; SURPLUS</b>		
<b>Security Premium Reserve (as per RBI guidelines)</b>	<b>4,531.43</b>	4,531.43
Opening	-	1,171.02
Addition during the year	-	(1,171.02)
<b>General Reserve</b>		
Opening	<b>6,854.59</b>	5,683.57
Addition during the year	-	1,171.02
Add: Share in Associates General Reserve	-	-
	<b>6,854.59</b>	6,854.59
<b>Foreign Currency Translation Reserve (FCTR)</b>		
Opening	<b>58.62</b>	88.55
Add : Share in Associates - FCTR	<b>(58.62)</b>	(29.93)
Surplus in Profit & Loss Account A/c (Refer note (a) below)	<b>5,557.15</b>	6,463.41
	<b>16,943.17</b>	17,908.05
<b>(a) Detail of Surplus/(Deficit) in Profit and Loss Statement:</b>		
Surplus/(Deficit) in Profit and Loss Statement from Previous Year	<b>6,463.41</b>	4,544.69
Share in Associate up to 2015	-	-
Profit / (Loss) for the year	<b>1,497.73</b>	1,918.72
Transfer to General Reserve	-	-
Dividend Paid for the F. Y. 2016-17 @ ₹ 30/- per equity share	<b>(998.68)</b>	-
Interim Dividend Paid for the F. Y. 2017-18 @ ₹ 30/- per equity share	<b>(998.69)</b>	-
Corporate Dividend Tax	<b>(406.62)</b>	-
Surplus/(Deficit) in Profit and Loss Statement carried to Balance sheet	<b>5,557.15</b>	6,463.41

**NOTE - 4 : LONG TERM PROVISIONS**

	31.03.2018	31.03.2017
Provision for Employee Benefits	<b>7.19</b>	6.14
	<b>7.19</b>	6.14

**NOTE- 5 : OTHER CURRENT LIABILITIES**

Unclaimed Dividends @	<b>12.77</b>	1.67
Unclaimed Fractional Entitlement Shares	<b>1.04</b>	1.04
Others :		
- Statutory Liability	<b>0.32</b>	0.29
- Other Liability	<b>0.87</b>	0.85
	<b>15.00</b>	3.85

@ On due, will be transferred to Investor Education & Protection Fund

**NOTE- 6 : SHORT TERM PROVISIONS**

Provision for Tax {Net of advance tax ₹ 261.18 Lacs (P.Y. ₹ 734.19 Lacs)}	<b>12.69</b>	21.49
Proposed Dividend	-	-
Corporate Dividend Tax	-	-
	<b>12.69</b>	21.49

**NOTE - 7 : TANGIBLE ASSETS**

₹ in Lacs

PARTICULARS	GROSS BLOCK				DEPRECIATION				NET BLOCK	
	Gross Block as at 01.04.17	Additions	Sales/ Adjustments	Gross Block as at 31.03.18	Upto 01.04.17	For the Year	Sales/ Adjustments	Upto 01.04.18	As At 01.04.18	As At 01.04.17
Furniture & Fixtures	0.27	-	0.27	-	0.11	0.03	0.14	-	-	0.16
Office Equipment	0.53	-	-	0.53	0.50	-	-	0.50	0.03	0.03
<b>Total</b>	<b>0.80</b>	<b>-</b>	<b>0.27</b>	<b>0.53</b>	<b>0.61</b>	<b>0.03</b>	<b>0.14</b>	<b>0.50</b>	<b>0.03</b>	<b>0.19</b>
Previous Year	0.80	-	-	0.80	0.57	0.04	-	0.61	0.19	-

**NOTE - 8 : INVESTMENT**

₹ in Lacs

Name of the Bodies Corporate	AS AT 31.03.2018	AS AT 31.03.2017
<b>NON - CURRENT INVESTMENTS (At Cost)</b>		
<b>(Other than trade, fully paid up)</b>		
<b>A Investment in Equity Shares (Long Term)</b>		
<b>A1. Quoted :</b>		
Associates (Refer Note-1)	2,459.68	2,070.22
Others	10,332.46	10,332.46
<b>Total Quoted Equity Shares (A1)</b>	<b>12,792.14</b>	<b>12,402.68</b>
<b>A2. Unquoted :</b>		
Associates (Refer Note-2)	-	300.50
Others	172.50	172.50
<b>Total Unquoted Equity Shares (A2)</b>	<b>172.50</b>	<b>473.00</b>
<b>B Investment in Preference Shares</b>		
Associates	150.00	150.00
<b>C Investment in Mutual Funds</b>	<b>3,143.45</b>	<b>4,406.37</b>
<b>Total Investments</b>	<b>16,258.09</b>	<b>17,432.05</b>

Note :

- 1 Carrying amount of Quoted investment in Associate include ₹ 389.46 lacs towards share in profits (Previous Year ₹1920.22)
- 2 Investment in the Associate has been reported at Nil as the Company's share of losses exceed the carrying amount of Investment (Previous Year - Share of profit included in the carrying amount - ₹ 38.00 lacs)

	31.03.2018	31.03.2017
<b>NOTE - 9 : DEFERRED TAX ASSETS/ (LIABILITIES)</b>		
<b>Deferred Tax Assets</b>		
Demerger Expenses	-	0.57
Provision for Leave encashment	0.33	0.29
Provision for Gratuity	1.65	1.61
<b>TOTAL (A)</b>	<b>1.98</b>	<b>2.47</b>
<b>Deferred Tax Liabilities</b>		
Difference between book depreciation & tax depreciation	-	-
<b>TOTAL (B)</b>	<b>-</b>	<b>-</b>
<b>Deferred Tax Assets (Net) (A-B)</b>	<b>1.98</b>	<b>2.47</b>



	31.03.2018	31.03.2017
<b>NOTE - 10 : CASH &amp; CASH EQUIVALENTS</b>		
Cash in Hand	0.03	0.05
Balance with banks :		
-- on Current Accounts	12.04	33.33
-- on Dividend Accounts	12.77	1.67
-- on Fractional Accounts	1.04	1.04
-- on Fixed Deposit Accounts	7.00	-
<b>TOTAL</b>	<b>32.88</b>	<b>36.09</b>
<b>NOTE - 11 : SHORT TERM LOANS &amp; ADVANCES</b> (Unsecured and considered good)		
Inter Corporate Deposits	1,000.00	700.00
Interest Accrued	-	65.10
Interest Accrued but not due	17.94	36.52
Others	0.02	-
<b>TOTAL</b>	<b>1,017.96</b>	<b>801.62</b>
	<b>2017-18</b>	<b>2016-17</b>
<b>NOTE 12 : REVENUE FROM OPERATIONS</b>		
Interest on :		
-- Loans and deposits	101.98	169.97
Other Financial Services:-		
Dividend	1,221.00	975.04
Profit on sale of Investments	127.08	336.18
<b>TOTAL</b>	<b>1,450.06</b>	<b>1,481.19</b>
<b>NOTE 13 : OTHER INCOME</b>		
Interest on Income Tax refund	0.14	-
Miscellaneous Receipts	2.33	0.69
<b>TOTAL</b>	<b>2.47</b>	<b>0.69</b>
<b>NOTE 14 : EMPLOYEES BENEFIT EXPENSES</b>		
Salaries & wages	17.85	17.21
<b>TOTAL</b>	<b>17.85</b>	<b>17.21</b>
<b>NOTE 15 : OTHER EXPENSES</b>		
Auditors Remuneration (*)		
-- Statutory Audit Fees	0.79	0.75
-- Tax Audit Fees	0.18	0.17
-- Certification	0.81	0.52
-- Others	0.01	0.04
Directors' Fee	2.26	1.74
Consultancy Expenses / Legal Fee	1.04	0.91
Postage and Printing & Stationery	4.96	6.85
Loss on Sale of Assets	0.07	-
Bank Charges, Travelling & Conveyance & Other Miscellaneous Expenses	13.01	10.72
<b>TOTAL</b>	<b>23.13</b>	<b>21.70</b>

(\*) Including payment to previous Auditor ₹ 0.34 Lacs

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS:-**

16. Pursuant to the Scheme of Arrangement and Demerger (the Scheme) between the Company (Transferor) and JK Agri Genetics Limited (JKAGL) (Transferee), transfer of Authorised Preference Share Capital of ₹ 4,250 Lacs divided into 50,00,000 Preference Shares of ₹ 85 each is pending for transfer to JKAGL as Authorised Capital divided into 4,25,00,000 unclassified shares of ₹10 each. In the absence of receipt of requisite approval, it has been decided not to pursue this matter any further.

**17. Related Party Disclosures – to the extent identified by the Company**

A) Relationships

- i Holding Company : Hari Shankar Singhanian Holdings Pvt. Ltd.
- ii Associates : JK Agri Genetics Ltd.  
: CliniRx Research Pvt. Ltd.
- iii Key Management Personnel (KMP) : Shri Kailash Chand Jain, Manager & CFO  
: Shri Arun Kumar Sharma, Company Secretary  
(w.e.f. 12.10.2016)  
: Shri Parikshit Pant, Company Secretary  
(w.e.f. 01.05.2015 – 12.10.2016)

B) Transaction with Related Parties

KMP : Remuneration ₹ 16.12 Lacs (Previous Year– ₹ 15.67 Lacs)

18. Contingent liabilities not provided:

- (a) Disputed Income Tax matters (estimated) under Appeal ₹ 66.11 Lacs (Previous Year: ₹ 104.74 Lacs).
- (b) In respect of certain disallowances and additions made by the Income Tax Authorities, appeals are pending before the Authorities and adjustment, if any, will be made after the same are finally determined.

19. The Board of Directors of the Company in their meeting held on 12<sup>th</sup> June, 2017, have approved a Scheme of Arrangement (Scheme) between Florence Investech Ltd. (Florence), BMF Investments Ltd. (BMF), JK Fenner (India) Ltd. (FIL) and Bengal & Assam Company Ltd. (BACL) and their respective shareholders for (a) amalgamation of Florence and BMF with the BACL w.e.f. 01.04.2017 and (b) exchange of share of FIL for shares of BACL at the option of shareholders of FIL. The Scheme has since been filed with National Company Law Tribunal Kolkata & Chennai. Pending approval of the Scheme no impact has been considered in these Financial Statements.

20. The Company has paid an interim dividend of ₹ 30/- per share during the year ended 31.03.2018. The said dividend has been recommended as final dividend for the financial year 2017-18.

21. The company has only one reportable business segment namely, "Investment".

22. Income Tax calculation has been made considering certain expenses / adjustments available as assessed by the Management.

23. Earning per Share: -

Particulars	As at 31.03.2018	As at 31.03.2017
a) Profit / (Loss) after Tax ( ₹ in Lacs)	1497.73	1918.72
b) Weighted average No. of Equity Shares (Nos.)	3328944	3328944
c) Nominal Value of Equity Shares (₹)	10.00	10.00
d) Basic and Diluted Earnings per Equity Share (₹)	44.99	57.64

24. No provision for diminution in the value of certain long term investments has been considered necessary, since in the opinion of the Management, such diminution in their value is temporary in nature considering the nature of investments, inherent value, investees' assets and expected future cash flow from such investments.

25. Consolidated Net assets and Share in Consolidated Profit & Loss:

Sl. No.	Name of the entity	Net Assets (i.e. total assets minus total liabilities)		Share in profit or loss	
		As % of Consolidated Net Assets	Amount ₹ Lacs	As % of Consolidated Net Assets	Amount ₹ Lacs
<b>A.</b>	<b>Parent:-</b> Florence Investech Ltd.	88.15	15228.88	90.15	1350.15
<b>B.</b>	<b>Associates (Investment as per the Equity method):-</b>				
1.	JK Agri Genetics Limited	13.37	2309.68	26.00	389.46
2.	CliniRx Research Pvt. Ltd.	(1.52)	(262.50)	(16.15)	(241.88)
	Total : (A+B)	100.00	17276.06	100.00	1497.73

26. Previous year figures have been reclassified/regrouped whenever considered necessary.

As per our report of even date.  
For SINGHI & CO.  
Chartered Accountants  
Firm Registration No. 302049E

B.K. SIPANI  
Partner  
Membership No. 088926

Place: New Delhi  
Date : 15<sup>th</sup> May, 2018

ARUN KUMAR SHARMA  
Company Secretary

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POONAM SINGH  
Directors

## CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31<sup>st</sup> MARCH, 2018

₹ in Lacs

	31.03.2018	31.03.2017
<b>A. CASH FLOW FROM OPERATING ACTIVITIES</b>		
Net Profit/(Loss) before Tax & Extraordinary Items	1411.52	1442.93
Adjusted for :		
Depreciation	0.03	0.04
Interest/Dividend Received	(1323.12)	(1145.01)
Profit on sale of Investments	(127.08)	(336.18)
Loss on sale of Asset	0.07	0.00
Operating profit before working Capital changes	(38.58)	(38.22)
Adjusted for :		
(Increase)/Decrease in Trade & Other Receivables	101.60	(81.18)
Increase/(Decrease) in Trade & Other Payables	12.20	1.45
Cash Generated from Operations	75.22	(117.95)
Income Tax refund received	-	(0.45)
Direct Taxes Paid	(69.55)	(80.91)
Net Cash from Operating Activities	5.67	(199.31)
<b>B. CASH FLOW FROM INVESTING ACTIVITIES</b>		
Purchase of Shares/Investments	(5082.00)	(6,544.00)
Sale of Investments	6472.00	5790.22
Sale of Assets	0.07	-
Interest Received	84.04	169.97
Dividend Received	1,221.00	975.04
Inter Corporate Deposit given	(300.00)	(100.00)
Net Cash from Investing Activities	2395.11	291.23
<b>C. CASH FLOW FROM FINANCIAL ACTIVITIES</b>		
Dividend & Corporate Dividend Tax Paid	(2403.99)	(60.10)
Net Cash used in Financial Activities	(2403.99)	(60.10)
<b>D. NET INCREASE/DECREASE IN CASH AND CASH EQUIVALENTS (A+B+C)</b>	(3.21)	31.82
Opening Balance of Cash and Cash Equivalents	36.09	4.27
Closing Balance of Cash and Cash Equivalents	32.88	36.09

**Note:-**

Cash and Cash Equivalents include Cash in hand & Balance with Schedule Bank (Refer Note 10)

As per our report of even date.  
For SINGHI & CO.  
Chartered Accountants  
Firm Registration No. 302049E

B.K. SIPANI  
Partner  
Membership No. 088926

Place: New Delhi  
Date : 15<sup>th</sup> May, 2018

ARUN KUMAR SHARMA  
Company Secretary

KAILASH CHAND JAIN  
Manager & Chief Financial Officer

A. K. KINRA  
S. MALHOTRA  
A. S. MEHTA  
P. S. LODHA  
POONAM SINGH  
Directors

# FLORENCE INVESTECH LIMITED

CIN: L24211WB1993PLC221608 Website: www.florenceinvestech.co.in  
Regd. Office: 7, Council House Street, Kolkata, West Bengal – 700 001  
Tel.: 033-22486181 Fax: 033-22481641 E-Mail: arun.sharma1@jkm.com

## NOTICE

NOTICE is hereby given that the **24<sup>th</sup> Annual General Meeting** of the Members of **FLORENCE INVESTECH LIMITED** will be held at **Shripati Singhanian Hall, Rotary Sadan, 94/2, Jawahar Lal Nehru Road, (Chowringee Road), Kolkata – 700020** on **Wednesday, the 5<sup>th</sup> September, 2018** at **2.00 P.M.** to transact the following business:

1. To receive, consider and adopt the audited financial statements of the Company (including audited consolidated financial statements) for the financial year ended 31<sup>st</sup> March, 2018 and the Reports of the Board of Directors and Auditors thereon.
2. To confirm the Interim Dividend of ₹ 30/- per share as Final Dividend for the financial year ended 31<sup>st</sup> March, 2018.
3. To appoint a Director in place of Shri Ashok Kumar Kinra (DIN: 00066421), who retires by rotation and being eligible, offers himself for re-appointment.

### Special Business:

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

“RESOLVED that pursuant to Regulation 17 (1A) of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, Shri Surendra Malhotra, (DIN: 00271508) aged 77 years, who was appointed as Independent Director of the Company to hold office for a period of five years w.e.f. 29<sup>th</sup> October, 2015, do continue to be a Director of the Company for the remaining period of his existing term as Independent Director of the Company”.

**By Order of the Board**

Date: 20<sup>th</sup> July, 2018  
Place : New Delhi

**Arun Kumar Sharma**  
Company Secretary

### NOTES:

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND ON A POLL TO VOTE INSTEAD OF HIMSELF. SUCH PROXY NEED NOT BE A MEMBER OF THE COMPANY. PROXIES IN ORDER TO BE EFFECTIVE MUST BE RECEIVED AT THE REGISTERED OFFICE OF THE COMPANY NOT LESS THAN 48 HOURS BEFORE THE MEETING.

A PERSON CAN ACT AS PROXY ON BEHALF OF MEMBERS NOT EXCEEDING FIFTY (50) AND HOLDING IN THE AGGREGATE NOT MORE THAN TEN PERCENT OF THE TOTAL SHARE CAPITAL OF THE COMPANY. A MEMBER HOLDING MORE THAN TEN PERCENT OF THE TOTAL SHARE CAPITAL OF THE COMPANY MAY APPOINT A SINGLE PERSON AS PROXY AND SUCH PERSON SHALL NOT ACT AS A PROXY FOR ANY OTHER PERSON OR SHAREHOLDER.

2. Statement pursuant to Section 102 (1) of the Companies Act, 2013 setting out the material facts concerning items 4 of the Notice is annexed hereto.
3. Relevant documents referred to in the accompanying Notice shall be available for inspection at the Registered Office of the Company during normal business hours (between 11.00 A.M. to 1.00 P.M.) on all working days upto and including the date of the Annual General Meeting and also at the venue of the meeting.
4. The Register of Members and Share Transfer Books of the Company shall remain closed from 30<sup>th</sup> August, 2018 to 5<sup>th</sup> September, 2018 (both days inclusive).
5. The Board has recommended the Interim Dividend of ₹ 30/- per Equity Share of ₹ 10/- each (300%), paid during the year ended 31<sup>st</sup> March, 2018, as Final Dividend for the Financial Year 2017-18.
6. In furtherance of the Go Green Initiative of the Government, electronic copy of the Annual Report for the financial year 2017-18, the Notice of the 24<sup>th</sup> AGM of the Company along with Admission Slip and Proxy Form are being sent to all the members whose e-mail addresses are registered with the Company/Depository Participants. Physical copy of the aforesaid documents may be sent on request by any such Member.
7. Physical copy of the Annual Report for the financial year 2017-18, the Notice of the 24<sup>th</sup> AGM of the Company along with Admission Slip and Proxy Form are being sent to those members who have not registered their e-mail addresses with the Company/Depository Participants. The Annual Report for the financial year 2017-18 and the Notice of the 24<sup>th</sup> AGM will also be available on the Company's website [www.florenceinvestech.co.in](http://www.florenceinvestech.co.in).
8. **Members who have not registered their e-mail addresses so far are requested to register their e-mail address for receiving all communication including Annual Report, Notices, Circulars, etc. from the Company electronically.**
9. The requirement to place the matter relating to appointment of Auditors for ratification by the Members at every Annual General Meeting is done away with vide notification dated May 7, 2018 issued by the Ministry of Corporate Affairs, New Delhi. Accordingly, no Resolution is proposed for ratification of appointment of Auditors who were appointed in the Annual General Meeting held on 25<sup>th</sup> August, 2017.
10. **Appointment of Director**

Brief Resume of the Director proposed to be re-appointed (Item no.3 of the Notice) is given hereunder:

Shri Ashok Kumar Kinra, aged 69 years, is a Chartered Accountant. He joined the Board of the Company on 13<sup>th</sup> February, 2013. He has over 45 years of experience in Finance, Accounts, Mergers & Acquisitions, Business Restructuring of Companies and Administration. He is a Member of Finance, Banking and Insurance Committees of ASSOCHAM and PHD Chambers of Commerce. He is also Director of Bengal & Assam Company Limited, Dwarakesh Energy Limited, BMF Investments Limited, Indica Travels & Tours Pvt. Limited, Valiant Pacific LLC, Dubai, J.K. Asia Pacific (S) Pte Ltd., Singapore, J.K. Asia Pacific Ltd., Hongkong, J.K. International Limited, U.K., Modern Cotton Yarn Spinners Ltd., Natext Biosciences Pvt. Ltd., JK Tornel, S.A. De C.V., Compania Hulera Tornel S.A. DE C.V, Gintor Administration S.A. DE C.V, Comercializadora America Universal S.A. DE C.V, CliniRx Asia Pacific Ltd. Hongkong, CliniRx, USA Inc, Sunrise Consolidated Ltd., Habras International Limited, Divyashree Company Pvt. Ltd., Henry F Cockill & Sons Limited, Sago Trading Limited, Terriswood Limited and Acorn Engineering Limited.

Shri Kinra is the Member of the Stakeholders' Relationship Committee and Audit Committee of Directors of Bengal & Assam Company Limited and Chairman of the Audit Committee of Dwarakesh Energy Limited. He is also a Member of the Audit Committee Sago Trading Limited and BMF Investments Limited. [Chairmanship/ Membership of Shri Kinra in Committees of Directors and other Committees are in terms of Regulation 26 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015]. Shri Kinra attended five Board meetings of the Company held during the financial year ended 31<sup>st</sup> March, 2018. His Director Identification No. is 00066421. Shri Kinra is not related to any other Director of the Company. Shri Kinra does not hold any share in the Company.

11. Remote e-voting procedure :

- I. In compliance with the provisions of Section 108 of the Companies Act, 2013 read with relevant rules and Regulation 44 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company is pleased to provide Members, facility to exercise their right to vote at the 24th AGM by electronic means and the business may be transacted through remote e-voting services provided by Central Depository (Services) India Limited (CDSL). Remote e-voting is optional. The facility for voting through ballot paper shall also be made available at the AGM and the members attending the AGM who have not already cast their vote by remote e-voting shall be able to exercise their right at the AGM.

The instructions for Members for remote e-voting are as under:

- (i) The voting period begins on 2<sup>nd</sup> September, 2018 (9.00 a.m.) and ends on 4<sup>th</sup> September, 2018 (5.00 p.m.). During this period Members of the Company, holding Equity Shares either in physical form or in dematerialized form, as on the cut-off date i.e., 29<sup>th</sup> August, 2018, may cast their vote electronically. The remote e-voting module shall be disabled by CDSL for voting thereafter.
- (ii) Shareholders who have already voted prior to the AGM date may attend the AGM but would not be entitled to vote at the AGM.
- (iii) Log on to the e-voting website [www.evotingindia.com](http://www.evotingindia.com) and click on 'Shareholders/Members' tab.
- (iv) Members maintaining their holding in Demat form should enter their User ID (For CDSL: 16 digits beneficiary ID, For NSDL: 8 Character DP ID followed by 8 Digits Client ID). Members holding shares in Physical form should enter Folio Number registered with the Company.
- (v) Enter the characters displayed on the image verification and Click on Login.
- (vi) Members holding shares in demat form and had logged on to [www.evotingindia.com](http://www.evotingindia.com) and voted earlier for any company, then your existing password is to be used.
- (vii) For the first time user, follow the steps given below:

<b>For Members holding shares in Demat Form and Physical Form</b>	
PAN	<p>Enter your 10 digit alpha-numeric PAN issued by Income Tax Department.</p> <ul style="list-style-type: none"><li>• Members who have not updated their PAN with the Company/Depository Participant are requested to use the first two letters of their name in capital letters followed by 8 digits of the sequence number in the PAN field. <b>The sequence no. is printed on the Address Slip on the Envelope.</b></li><li>• In case the sequence number is less than eight digits, enter the applicable number of "0" after the first two letters of the name in CAPITAL letters. For example: If your name is RAMESH GUPTA with sequence no. 1, then enter RA00000001 in the PAN field.</li></ul>
Dividend Bank Details OR Date of Birth	<ul style="list-style-type: none"><li>• Enter the Dividend Bank Details or Date of Birth (in dd/mm/yyyy format) as recorded in your demat account or in the Company records in order to login.</li><li>• If both 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 (iii).</li></ul>

- (viii) After entering these details appropriately, click on "SUBMIT" tab.

- (ix) Members holding shares in physical form will then directly reach the Company selection screen. However, Members holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- (x) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- (xi) Click on the EVSN relevant for Florence Investech Limited.
- (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 print of the voting done by you by clicking on "Click here to print" option on the Voting page.
- (xvii) If a Demat account holder has forgotten the 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) Members 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. Apple and Windows phone users can download the app from the App Store and the Windows Phone Store respectively. Please follow the instructions as prompted by the mobile app while voting on your mobile.
- (xix) **Note for Non-Individual Members and Custodians:**
- Non-Individual members (i.e. other than Individuals, HUF, NRI etc.) and Custodians are required to log on to [www.evotingindia.com](http://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 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.



- (xx) Any person, who acquires shares of the Company and become Member of the Company after dispatch of the Notice and holding shares as on the cut-off date i.e. 29<sup>th</sup> August, 2018, may follow the same instructions as mentioned above for remote e-voting.
- (xxi) In case you have any queries or issues regarding remote e-voting, you may refer the Frequently Asked Questions (“FAQs”) and remote e-voting manual available at [www.evotingindia.com](http://www.evotingindia.com), under help section. The Contact details of official responsible to address grievances connected with remote e-voting is Shri Rakesh Dalvi, Deputy Manager, Central Depository Services (India) Ltd., A Wing, 25<sup>th</sup> Floor, Marathon Futurex, Mafatlal Mills Compound, N M Joshi Marg, Lower Parel (E), Mumbai-400013, Phone No. 1800225533 or write an email to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).
- (xxii) The voting rights of Members shall be in proportion to their shares of the paid up equity share capital of the Company as on the cut-off date of 29<sup>th</sup> August, 2018 and a person who is not a Member as on the cut-off date should treat this Notice for information purpose only.
- (xxiii) The Company has appointed Shri Namo Narain Agarwal, Company Secretary in Practice, as Scrutinizer to scrutinize the voting (at AGM venue) and e-voting process in a fair and transparent manner.
- (xxiv) The Scrutinizer shall, immediately after the conclusion of voting at the AGM, first count the votes cast at the meeting, thereafter unblock the votes cast through remote e-voting in the presence of at least two witnesses not in the employment of the Company and make, not later than 48 hours of conclusion of the meeting, a consolidated Scrutinizer’s Report of the total votes cast in favour or against, if any, to the Chairman of the Company or a person authorised by him in writing who shall countersign the same. The Chairman or a person authorised by him in writing shall declare the result of the voting forthwith.
12. A person whose name is recorded in the Register of Members or in the Register of Beneficial Owners maintained by the Depositories as on the cut-off date i.e., 29<sup>th</sup> August, 2018 and who has not casted vote by remote e-voting and being present at the AGM either personally or through proxy, only shall be entitled to vote at the AGM. Ballot papers will be available at the venue of the AGM.
13. The results declared along with the consolidated Scrutinizer’s Report shall be placed on the Company’s website [www.florenceinvestech.co.in](http://www.florenceinvestech.co.in) and on the website of CDSL and shall simultaneously be forwarded to the Stock Exchange. The result of the voting will also be displayed at the Notice Board at the Registered Office of the Company.
14. This Notice also contains a route map of the venue of the AGM.

**By Order of the Board**

Date: 20<sup>th</sup> July, 2018  
Place : New Delhi

**Arun Kumar Sharma**  
Company Secretary

## **Statement under Section 102 (1) of the Companies Act, 2013**

### **Item No. 4**

Shri Surendra Malhotra, was appointed as an Independent Director of the Company to hold office for a term of Five Consecutive years with effect from 29<sup>th</sup> October, 2015.

Pursuant to Regulation 17(1A) of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) (Amendment) Regulations, 2018 (Applicable w.e.f. 1<sup>st</sup> April, 2019), the Company is required to take approval of the Members by means of a Special Resolution for continuation of Directorship of Shri Surendra Malhotra, who is aged 77 years, by giving justification thereof. The resolution is accordingly recommended for approval of the Members by means of a Special Resolution.

Shri Malhotra, is a Mechanical Engineer with Post Graduate Management qualification from West Germany in 1970 on a German Government Scholarship. Shri Malhotra has over 52 years of experience in various companies. He holds Board level positions in corporate sectors for over 20 years and was formerly the Managing Director of Orissa Synthetics Limited, set up in collaboration with the external environment for business strategy and has strong relationship with Financial Institutions, Banks, Global consultants and the Government. Shri Malhotra has represented the industry and Trade bodies in Joint Business Councils with other countries and has been a member of business delegations representing the country. Shri Malhotra is a fellow of the Institution of Engineers and member of All India Management Association. He is also a member of India International Centre besides his involvement in various other sports, social and cultural organizations.

Keeping in view of his vast business experience and knowledge, it will be the interest of the Company to continue the directorship of Shri Malhotra for the remaining period of his existing term as Independent Director of the Company.

Except Shri Surendra Malhotra, Director and his relatives to the extent of their shareholding, if any, in the Company, none of the other Directors or Key Managerial Personnel of the Company and/or their relatives is concerned or interested, financially or otherwise, in the aforesaid Resolution.

### **FOR ATTENTION OF THE MEMBERS**

1. Members/Proxies should bring the Attendance Slip sent herewith duly filled in for attending the Meeting.
2. Please check the Pin Code in the address slip pasted on the envelope and advise correction, if any, therein. Also please do indicate the Pin Code Number of your delivery post office while notifying change in your address to the Company where the shares are held in physical form.
3. Members holding shares in dematerialized form are requested to intimate all changes pertaining to their bank details such as bank account number, name of the bank and branch details, MICR code and IFSC code, Bank Mandates, Nominations, Power of Attorney, change of address, change of name, e-mail address, contact numbers, etc., to their depository participant (DP). Changes intimated to the DP will then be automatically reflected in the Company's records which will help the Company and the Company's Registrars and Transfer Agents, Alankit Assignments Limited ("Alankit") to provide efficient and better services. Members holding shares in physical form are requested to intimate such changes to Alankit.
4. Members holding shares in physical form, in identical order of names, in more than one folio are requested to send to the Company or Alankit, the details of such folios together with the share certificates for consolidating their holdings in one folio. A consolidated share certificate will be issued to such Members after making requisite changes.
5. In case of joint holders attending the AGM, the Member whose name appears as the first holder in the order of names as per the Register of Members of the Company will be entitled to vote.
6. As per the provisions of Section 72 of the Act, the facility for making nomination is available for the Members in respect of the shares held by them. Members who have not yet registered their nomination are requested to register the same by submitting Form No. SH-13. The said form can be downloaded from the Company's website [www.florenceinvestech.co.in](http://www.florenceinvestech.co.in) (under 'Investors Relations' section). Members holding shares in physical form may submit the same to Alankit. Members holding shares in electronic form may submit the same to their respective depository participant.

7. **Unclaimed Dividends: Transfer to Investor Education and Protection Fund:** Pursuant to Section 124 of the Companies Act, 2013, read with relevant Rules, the unclaimed dividend will be transferred to the Investor Education and Protection Fund after expiry of 7 years from the date of dividend become due for payment as under:

<b>Dividend</b>	<b>Due date for transfer to the said Fund</b>
➤ Financial Year ended 31.03.2012 • 15% Dividend	9th August, 2020
➤ Financial Year ended 31.03.2014 • 15% Dividend	6th October, 2021
➤ Financial Year ended 31.03.2015 • 15% Dividend	5th November, 2022
➤ Financial Year ended 31.03.2016 • 15% Dividend	27th October, 2023
➤ Financial Year ended 31.03.2017 • 300% Dividend	7 <sup>th</sup> October, 2024

8. It may be noted that after said due date for transfer of Unclaimed Dividend to the said fund, no claim shall lie in respect of unclaimed dividend.
9. Members who have not encashed their dividend warrants for the said financial years are requested to send the same for issue of fresh Demand Drafts to the Company Secretary at Gulab Bhawan (Rear Block), 3<sup>rd</sup> Floor, 6A, Bahadur Shah Zafar Marg, New Delhi-110 002.
10. Members are requested to quote their Folio No./ DP ID-Client ID and details of shares held in physical/demat mode, E-mail IDs and Telephone/Fax Nos. for prompt reply to their communications.

11. **Dividend Warrants:**

**As per SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, it is mandatory for the company to print the bank account details of the investors in dividend payment instrument. Accordingly, the Members are requested to register/update their correct bank account details with the Company/RTA/Depository Participant, as the case may be alongwith nine digit MICR/NECS details.**

**Green Initiative in Corporate Governance: Register E-mail Address**

Pursuant to Section 101 of the Companies Act, 2013 and the Rules made thereunder, the Company is permitted to send various notices/documents under the Companies Act, 2013, to its Members, through electronic mode. We request the Members to support this initiative and register their E-mail addresses in respect of shares held in: (1) dematerialised mode, with their Depository Participants; and (2) physical mode with Alankit Assignments Ltd., Registrar and Share Transfer Agent. Please quote the following particulars in the E-mail Registration Request: Folio No./DP ID- Client ID, PAN, Name(s) of Registered Holder(s), Address, Telephone and E-mail Address (to be registered for sending future communications through E-mail) and send the same under your signature(s).

## **URGENT AND IMPORTANT**

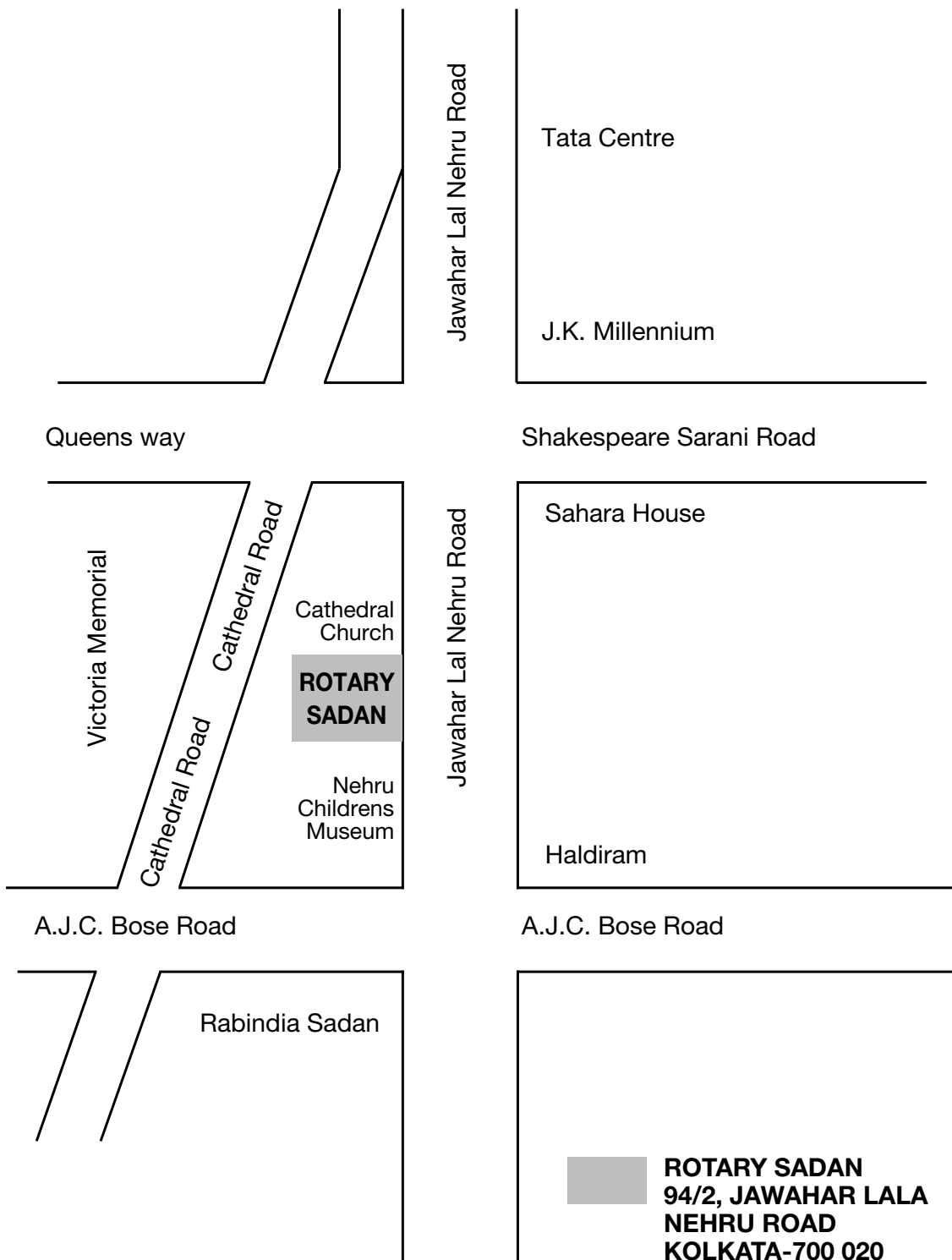
**SEBI vide its Notification No. SEBI/LAD-NRO/GN/2018/24 dated 8<sup>th</sup> June, 2018 mandated that after 5<sup>th</sup> December, 2018, requests for transfer of securities shall not be processed unless the securities are held in the dematerialized form with a depository. Shareholders holding shares in physical form are requested to dematerialize their shares at the earliest possible date but not later than 5<sup>th</sup> December, 2018. Dematerialization facility is available both on NSDL and CDSL. Company's ISIN No. is INE211G01020.**

**For the purpose of dematerialization, Shareholders are requested to contact their Depository Participant (DP) with whom they have opened their Demat Account. Shareholders not having any Demat Account are requested to open a Demat Account with any one of the DP of their local area and dematerialize the shares held by them in physical form.**

# FLORENCE INVESTECH LIMITED

## Route map to the venue of the AGM

Shripati Singhania Hall, Rotary Sadan, 94/2, Jawahar Lal Nehru Road,  
(Chowringee Road), Kolkata – 700 020



## FLORENCE INVESTECH LIMITED

CIN: L24211WB1993PLC221608 Website: www.florenceinvestech.co.in  
Regd. Office: 7, Council House Street, Kolkata, West Bengal – 700 001  
Tel.: 033-22486181 Fax: 033-22481641 E Mail: arun.sharma1@jkm.com

### ADMISSION SLIP

Folio No. / DP id / Client id #	
No. of Shares held	

I hereby record my presence at the 24<sup>th</sup> Annual General Meeting of the Company being held at **Shripati Singhanian Hall, Rotary Sadan, 94/2, Jawahar Lal Nehru Road, (Chowringee Road), Kolkata – 700020 on Wednesday, the 5<sup>th</sup> September, 2018 at 2.00 P.M.**

Name of the Member (in block letters)	
Name of Proxy /Authorised Representative attending* (in block letters)	

Signature of the attending Member/Proxy/Authorised Representative\*

\* Strike out whichever is not applicable. # Applicable for shareholders holding shares in dematerialised form.

- Note:** 1. A member/proxy/authorised representative wishing to attend the meeting must complete this Admission Slip before coming to Meeting and hand it over at the entrance.
2. If you intend to appoint a Proxy, please complete, stamp, sign and deposit the Proxy Form at the Company's Registered Office at least 48 hours before the meeting.

## FLORENCE INVESTECH LIMITED

CIN: L24211WB1993PLC221608 Website: www.florenceinvestech.co.in  
Regd. Office: 7, Council House Street, Kolkata, West Bengal – 700 001  
Tel.: 033-22486181 Fax: 033-22481641 E Mail: arun.sharma1@jkm.com

### PROXY FORM

[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 Member(s):	
Registered Address:	
E-Mail:	
Folio No./DP id/Client id:	

I /We, being the member(s) of Florence Investech Limited, holding .....shares hereby appoint :

- (1) Name : .....  
Address : .....  
E Mail id : .....  
Signature : ..... or falling him/her
- (2) Name : .....  
Address : .....  
E Mail id : .....  
Signature : ..... or falling him/her
- (3) Name : .....  
Address : .....  
E Mail id : .....  
Signature : .....

as my/ our proxy to attend and vote (on a poll) for me/us and on my/ our behalf at the 24<sup>th</sup> Annual General Meeting of the Company to be held on Wednesday, the 5<sup>th</sup> September, 2018 at 2.00 P.M. at Shripati Singhanian Hall, Rotary Sadan, 94/2, Jawahar Lal Nehru Road, (Chowringee Road), Kolkata – 700020 and at any adjournment thereof in respect of the resolutions as are indicated below:

Sl. No.	Resolutions
1	Consideration and adoption of audited Financial Statements of the Company (including audited consolidated financial statements) for the financial year ended 31 <sup>st</sup> March, 2018 and Reports of the Board of Directors and Auditors thereon.
2	Confirmation of Interim Dividend paid during the year ended 31 <sup>st</sup> March, 2018, as Final Dividend for the financial year 2017-18.
3	Re-appointment of Sh. Ashok Kumar Kinra, (DIN: 00066421), Director who retires by rotation.
4	Continuation of Directorship of Shri Surendra Malhotra, (DIN: 00271508) Non-Executive Independent Director of the Company.

Signed this \_\_\_\_\_ Day of \_\_\_\_\_ 2018.

Affix  
revenue  
stamp

Signature of Member \_\_\_\_\_

Signature of Proxy holder(s) \_\_\_\_\_

**Notes:**

1. This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company at 7, Council House Street, Kolkata -700001, not less than 48 hours before the commencement of the Meeting.
2. A person can act as proxy on behalf of members not exceeding fifty (50) and holding in the aggregate not more than 10% of the total share capital of the company. A member holding more than 10% of the total share capital of the company may appoint a single person as proxy and such person shall not act as a proxy for any other person or shareholder.





*if undelivered, Please return to:*

**FLORENCE INVESTECH LIMITED**

Secreterial Deptt.  
Gulab Bhawan, 3<sup>rd</sup> Floor (Rear Block)  
6A, Bahadur Shah Zafar Marg,  
New Delhi - 110002