

HRB FLORICULTURE LIMITED

CIN: L01300RJ1995PLC009541

Registered Office: A-28, Ram Nagar, Shastri Nagar, Jaipur-302016
Ph. +91-141-2303098, 2303097(Telefax), E-mail:hrbflrltd@yahoo.com, Website: www.hrb.co.in

To,

Date: 15.10.2016

**The Manager,
The Department of Corporate Services,
BSE Limited, 25th Floor,
P. J. Towers, Dalal Street,
Mumbai, 400 001.**

Sub: Annual Report of HRB Floriculture Limited for F.Y. 2015-16 and New set of Articles of Association approved and adopted in the 21st Annual General Meeting of the Company held on Tuesday, 27th September, 2016 at 11.00 a.m. at the registered office of the Company at A-28, Ram Nagar, Shastri Nagar, Jaipur-302016.

Ref.: HRB Floriculture Limited, Scrip Code: 531724

Dear Sir/Ma'am,

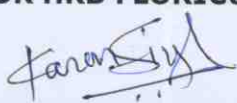
Pursuant to Regulation 34(1) of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, we are forwarding herewith a copy of Annual Report 2015-16 of HRB Floriculture Limited (Scrip Code: 531724) and new set of Articles of Association of the company, which has been approved and adopted in the 21st Annual General Meeting of HRB Floriculture Limited held on Tuesday, September 27th, 2016 at 11.00 A.M. at A-28, Ram Nagar, Shastri Nagar, Jaipur-302016.

You are requested to take the same on record and inform all those concerned.

Thanking you,

Yours faithfully,

FOR HRB FLORICULTURE LIMITED


**Karan Singh Chouhan
Company Secretary &
Compliance Officer**



Encl.: a/a

21st
Annual Report
2015-16

HRB
FLORICULTURE
LIMITED

CORPORATE INFORMATION:**BOARD OF DIRECTORS:**

- i. **Mr. Krishan Kumar Parwal**
Chairman / Managing Director (MD)
& Chief Executive Officer (CEO)
DIN: 00228200
- ii. **Mr. Puneet Parwal**
Whole-time Director(WTD)/
Chief Financial Officer (CFO)
DIN: 00228249
- iii. **Mrs. Sunita Parwal**
Executive Director
DIN: 00228289
- iv. **Mr. Vimal Jugal Kishor Chandak**
Independent and Non-Executive
Director
DIN: 02550154
- v. **Mr. Ramesh Kumar Somani**
Independent and Non-Executive
Director
DIN: 05297951
- vi. **Mr. Amit Sharda**
Independent and Non-Executive
Director
DIN: 05297954

Registrar and Share Transfer Agent:

M/s. Purva Sharegistry India Pvt. Ltd
No. 9, Shiv Shakti Industrial Estate,
Ground Floor, J.R. Boricha Marg,
Opp. Kasturba Hospital,
Lower Parel, Mumbai-400011
Tel: +91-22-23018261
Fax: +91-22-2301 2517
Website: www.purvashare.com
E-mail: - busicomp@vsnl.com

Principal Bankers:

Vijaya Bank, Jaipur

BOARD COMMITTEES:**Audit Committee:**

Mr. Amit Sharda (Chairman)
Mr. Vimal Jugal Kishor Chandak (Member)
Mr. Ramesh Kumar Somani (Member)

Nomination & Remuneration Committee:

Mr. Vimal Jugal Kishor Chandak (Chairman)
Mr. Amit Sharda (Member)
Mr. Ramesh Kumar Somani (Member)

Stakeholders' Relationship Committee:.

Mr. Ramesh Kumar Somani (Chairman)
Mr. Amit Sharda (Member)
Mr. Vimal Jugal Kishor Chandak (Member)

Company Secretary & Compliance Officer

Ms. Tanushree Dave

Corporate Identification Number (CIN):

L01300RJ1995PLC009541

Secretarial Auditors:

M/s. V.M. & Associates
Company Secretaries
403, Royal World,
S.C. Road, Jaipur- 302 001

Statutory Auditors:

M/s. B. Khosla & Co.,
Chartered Accountants
Anukampa Chambers
M.I. Road
Jaipur – 302 001

Registered & Corporate Office:

A-28, Ram Nagar, Shastri Nagar,
Jaipur- 302016 (Rajasthan), India
Tel: +91-141-2303098,
Fax: +91-141-2303097
E-mail: hrbflrltd@yahoo.com
Website: www.hrb.co.in

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NOTICE FOR ANNUAL GENERAL MEETING

NOTICE is hereby given that the **21st**(Twenty First)Annual General Meeting ("**AGM**") of the members of **H R B FLORICULTURE LIMITED** will be held on, **Tuesday**, the **27th**day of **September, 2016** at **11.00 a.m.** at its Registered Office situated at A-28, Ram Nagar, Shastri Nagar, Jaipur-302016 (Raj.) to transact the following businesses:

ORDINARY BUSINESS:

1. To consider and adopt the Audited Financial Statements of the Company for the financial year ended 31stMarch, 2016, together with the Reports of the Board of Directors and the Auditors thereon.
2. To appoint a Director in place of Mr. Puneet Parwal, (DIN: 00228249) who retires by rotation and being eligible, offers himself for re-appointment.
3. **Ratification of appointment of statutory Auditors and fixing their remuneration.**

To consider and if thought fit, to pass, the following resolution as an **Ordinary Resolution:**

"RESOLVED THAT pursuant to the provisions of Section 139, 142 and other applicable provisions, if any, of the Companies Act, 2013 read with The Companies (Audit and Auditors) Rules, 2014 (including any statutory modification(s) or amendment(s) there-to or re-enactment(s) thereof for the time being in force) and pursuant to the recommendation of the Audit Committee and pursuant to the resolution passed by the members at the 19th Annual General Meeting of the Company held on 24th September, 2014, the appointment of M/s. B. Khosla & Co., Chartered Accountants (Firm Registration Number: 000205C), as the Statutory Auditors of the Company, to hold office till the conclusion of the 22nd AGM to be held in the calendar year 2017, be and is hereby ratified (for the financial year 2016-17) and that the Board of Directors be and are hereby authorised to fix such remuneration as may be recommended by the Audit Committee in consultation with the Auditors".

SPECIAL BUSINESS:

4. To adopt a new set of Articles of Association.

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

“RESOLVED THAT pursuant to the provisions of Section 14 and all other applicable provisions, if any, of the Companies Act, 2013 read with Companies (Incorporation) Rules, 2014 (including any statutory modification(s) or re-enactment(s) thereof for the time being in force), subject to the approval of concerned authorities, consent of members of the company be and is hereby accorded that the draft regulations contained in the Articles of Association submitted to this meeting be and are hereby approved and adopted in substitution, and to the entire exclusion, of the regulations contained in the existing Articles of Association of the Company and that the new set of regulations be incorporated in the Articles of Association of the Company and shall be binding on the members of the Company and others and shall be effective from the date of passing this resolution.

RESOLVED FURTHER THAT the Board be and is hereby authorized to do all such acts, deeds, things as may be necessary and take all such steps as may be necessary, proper or expedient or incidental for the purpose of giving effect to the aforesaid resolution.”

Place: Jaipur
Date: 30.05.2016

By order of the Board
For HRB Floriculture Limited

Sd/-
Tanushree Dave
Company Secretary & Compliance Officer

Explanatory Statement pursuant to section 102 of the Companies Act, 2013**Item No. 4**

The current Articles of Association of Company were framed at the time of formation of the Company in the year 1995, as per the provisions of the erstwhile Companies Act, 1956. The Articles have been amended from time to time depending upon the need for changes in line with the regulatory/administrative requirements.

With the enactment of the Companies Act, 2013, various provisions of the Companies Act, 1956 have been repealed and some new provisions have been added. In view of the same the existing Articles of Association of the Company need to be re-aligned as per the provisions of the new Act, Given this positions, it is considered expedient to wholly replace the existing Articles of Association by way of adoption of new set of Articles of Association.

In terms of Section 14 of the Companies Act, 2013, the consent of the Members by way of Special Resolution is required for adoption of new set of Articles of Association of the Company.

The draft Articles of Association are available for inspection by the Members at the registered office of the Company on all working days (except Saturdays, Sundays and Public Holidays) during office hours up to the date of the Annual General Meeting and the same is also available on the Company website www.hrb.co.in.

The Board of Directors recommends the resolution set out at Item No. 4 of the Notice for your approval.

None of the Directors, Key Managerial Personnel of the Company or their relatives are in any way, concerned or interested in the said resolution.

Place: Jaipur
Date: 30.05.2016

By order of the Board
For HRB Floriculture Limited

Sd/-
Tanushree Dave
Company Secretary & Compliance Officer

NOTES:

- 1) **A member entitled to attend and vote at the AGM is entitled to appoint a proxy to attend and vote on a poll instead of himself / herself and the proxy need not be a member of the company. The proxy form should be lodged with the company at its registered office of the Company at least 48 hours before the commencement of the Annual General Meeting.**

A person can act as a proxy on behalf of members not exceeding fifty and holding in the aggregate not more than ten percent of the total share capital of the company carrying voting rights. A member holding more than ten percent of the total share capital of the company carrying voting rights may appoint a single person as proxy and such person shall not act as a proxy for any other person or shareholder. A proxy form for the meeting is enclosed.

- 2) Members and Proxies attending the meeting are requested to bring their attendance slip, duly filled, along with their copy of Annual Report at the Annual General Meeting.
- 3) In compliance with the provisions of Section 108 of the Companies Act, 2013 read with Rule 20 of The Companies (Management and Administration) Rules, 2014 as amended by the Companies (Management and Administration) Amendment Rules, 2015, and Regulation 44 of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company is pleased to provide remote e-voting facility to the members to enable them to exercise their right to vote electronically from a place other than the venue of the AGM ('remote e-voting') provided by National Securities Depository Limited (NSDL). Please note that remote e-voting is optional and not mandatory.

The instructions and other information relating to e-voting are detailed in this Notice under Note No. 22.

- 4) The Company shall also arrange for physical voting through ballot or polling paper at the AGM for the members who have not cast their vote through remote e-voting. The members who cast their vote by remote e-voting may attend the AGM but shall not be entitled to cast their vote again.
- 5) The resolutions shall be deemed to be passed on the date of AGM, subject to the receipt of sufficient votes.
- 6) In terms of Section 102 (1) and (2) of the Companies Act, 2013, a statement setting out the material facts concerning Special Business i.e., at Item No. 4 to be transacted at the Meeting is annexed hereto.
- 7) In terms of Articles of Association of the Company, read with Section 152 of the Companies Act, 2013, Mr. Puneet Parwal (DIN: 00228249), Director of the company, retires by rotation at the ensuing Meeting and being eligible, offers himself for re-appointment. The Board of Directors of the Company and nomination & remuneration committee recommends this re-appointment. The profile of Mr. Puneet Parwal who is seeking re-appointment, as required in terms of Securities Exchange Board of India (Listing Obligation and Disclosure Requirement) Regulations, 2015 is annexed hereto.
- 8) In case of joint holders attending the meeting, only such joint holder who is higher in the order of the names will be entitled to vote.

- 9) The Register of Contracts maintained under Section 189 and Register of Directors' and Key Managerial Personnel and their shareholding maintained under Section 170 of the Companies Act, 2013 will be available for inspection by the members at the AGM.
- 10) Members may also note that the Notice of this Annual General Meeting and the Annual Report for the year 2016 will also be available on the Company's website at www.hrb.co.in and also on the website of Stock Exchange where the shares of the Company have been listed viz., BSE Limited at www.bseindia.com which may be accessed by the members. All the documents referred to in the accompanying Notice and Explanatory Statement are available for inspection at the Registered Office of the Company on all working days (except Saturdays, Sundays and Public holidays) during business hours up to the date of Annual General Meeting.
- 11) Pursuant to Section 72 of the Companies Act, 2013, members holding shares in physical form may file nomination in the prescribed Form SH-13 and for cancellation / variation in nomination in the prescribed Form SH-14 with the Company's RTA. In respect of shares held in electronic/demat form, the nomination form may be filed with the respective Depository Participant.
- 12) The Register of Members and Share Transfer Books of the Company will remain closed from **Wednesday, 21st September, 2016 to Tuesday, 27th September, 2016** (both days inclusive) for the purpose of AGM.
- 13) Members are requested to address all correspondence to M/s. Purva Sharegistry (India) Pvt. Ltd, No. 9, Shiv Shakti Industrial Estate, Ground Floor, J R Boricha Marg, Opp Kasturba Hospital, Lower Parel, Mumbai, Maharashtra - 400011, who is acting as our Registrar and Share Transfer Agent. Please quote your folio number and our Company's name in all your future correspondences.
- 14) For convenience of members, an attendance slip is annexed to the proxy form. Members are requested to affix their signature at the space provided and hand over the attendance slips at the place of meeting. The proxy of a member should mark on the attendance slip as 'proxy'.
- 15) In order to exercise strict control over the transfer documents, members are requested to send the transfer documents/ correspondence, if any, directly to the Registered Office of the Company.
- 16) Members desirous of getting any information about the accounts and/or operation of the Company are requested to write to the Company at least seven days before the date of meeting to enable us to keep the information ready at the meeting.
- 17) Members holding shares in electronic form are requested to intimate immediately any change in their address/bank mandates (if any), to their Depository Participants with whom they are maintaining their demat accounts. Members holding shares in physical form are requested to advise any change in their address or bank mandates immediately to the Company or the Registrar and Share Transfer Agent quoting reference of the registered folio number.
- 18) The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in securities market. Members holding shares in electronic form are, therefore requested to submit their PAN to their Depository Participant(s) with whom they are maintaining their demat accounts and members holding shares in physical form to the Company/RTA.

- 19) Members holding shares in physical form in multiple folios in identical names are requested to apply for consolidation of such folios along with share certificates to the Company/Registrar and Share Transfer Agent.
- 20) Go Green Initiative: SEBI & the Ministry of Corporate Affairs encourages paperless communication as a contribution to greener environment. Companies can serve Annual Reports and other communications through electronic mode to those members who have registered their email address either with the Company or with the Depository Participant(s). Members who have not registered their email address with the Company are requested to register their e-mail ID's with M/s. Purva Shareregistry India Pvt. Ltd at busicomp@vsnl.com, the Registrars & Share Transfer Agents of the Company and members holding shares in demat mode are requested to register their e-mail ID's with their respective Depository Participants (DPs) in case the same is still not registered so as to enable the company to send the Annual Report and Accounts, Notices and other documents through Electronic Mode to their e-mail address.
- 21) In terms of Section 101 and 136 of the Companies Act, 2013 read together with the Rules made there under, the copy of the Annual Report including Financial statements, Board's report etc. and Notice of AGM are being sent by electronic mode, to those members who have registered their email ids with their respective depository participants or with the share transfer agent of the Company, unless any member has requested for a physical copy of the same. In case you wish to get a physical copy of the Annual Report, you may send your request to busicomp@vsnl.com or hrbflrld@yahoo.com mentioning your Folio/DP ID & Client ID. For members who have not registered their email ids with their respective depository participants or with the share transfer agent of the Company, physical copies are being sent by the permitted mode.
- 22) **(I) Information relating to remote E-voting are as under:**
- i. The Board has appointed CS Manoj Maheshwari, FCS: 3355, a Practising Company Secretary, Jaipur, as Scrutinizer for the conduct of remote e-voting and poll process to be carried out at the AGM in a fair and transparent manner.
 - ii. The voting rights of shareholders shall be in proportion to their shares in the paid up equity share capital of the Company as on **Tuesday, the 20th day of September, 2016** (Cut off date).
 - iii. The remote e-voting period starts at 09.00 A.M. on **Saturday, the 24th day of September, 2016** and ends at 05.00 P.M. on **Monday, the 26th day of September, 2016**. The remote e-voting module will be disabled by NSDL for voting thereafter. Once the vote on a resolution is cast by the member, the member shall not be allowed to change it subsequently.
 - iv. The Scrutinizer shall after the conclusion of voting at the general meeting, will first count the votes cast at the meeting and 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 shall make a scrutinizer's report of the total votes cast in favour or against, if any, to the Chairman or a person authorized by him in writing, who shall countersign the same and declare the result of the voting forthwith.
 - v. The final results including the poll and remote e-voting shall be declared within two days from the conclusion of the AGM. The report of the Scrutinizer shall be placed on the website of the Company at www.hrb.co.in and on the website of NSDL immediately after the declaration of result by the Chairman or a person authorized by him in writing. The results shall also be immediately forwarded to the BSE Limited, Mumbai.

(II) Instructions for remote e-voting are as under:

- A.** In case a Member receives an email from NSDL [for members whose email IDs are registered with the Company/Depository Participants(s)]:
- i. Open email and open PDF file viz; “e-Voting.pdf” with your Client ID or Folio No. as password. The said PDF file contains your user ID and password/PIN for remote e-voting. Please note that the password is an initial password.
 - ii. Launch internet browser by typing the following URL: <https://www.evoting.nsdl.com/>
 - iii. Click on Shareholder - Login
 - iv. Put user ID and password as initial password noted in step (i) above. Click Login.
 - v. Password change menu appears. Change the password with new password of your choice with minimum 8 digits/characters or combination thereof. Note new password. **It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.**
 - vi. Home page of remote “e-Voting” opens. Click on e-voting: Active Voting Cycles.
 - vii. Select “EVEN” (E Voting Event Number) of “HRB Floriculture Limited”.
 - viii. Now you are ready for “e-Voting” as “Cast Vote” page opens.
 - ix. Cast your vote by selecting appropriate option and click on “Submit” and also “Confirm” when prompted.
 - x. Upon confirmation, the message “Vote cast successfully” will be displayed.
 - xi. Once you have voted on the resolution, **you will not be allowed to modify** your vote.
- B.** In case a Member receives physical copy of the Notice of AGM [for members whose email addresses are not registered with the Company/Depositories or requesting physical copy].
- i. Please refer your User ID & Password provided by the RTA or the Company.
 - ii. Using the User ID and password, you will login to e-Voting system (<https://www.evoting.nsdl.com/>) of NSDL.
 - iii. Please follow all steps from Sl. No. (ii) to Sl. No. (xi) above, to cast vote.
- C.** 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. **Tuesday, the 20th day of September, 2016**, may obtain the login ID and password by sending a request at evoting@nsdl.co.in or busicomp@vsnl.com.
- D.** However, if you are already registered with NSDL for remote e-voting then you can use your existing user ID and password for casting your vote. If you forgot your password, you can reset your password by using “Forgot User Details/Password” option available on www.evoting.nsdl.com or contact NSDL at the following toll free no.: 1800-222-990.
- E.** In case of any queries, you may refer the Frequently Asked Questions (FAQs) for Members and remote e-voting user manual for Members available at the downloads section of www.evoting.nsdl.com or call on toll free no.: 1800-222-990.
- F.** You can also update your mobile number and e-mail id in the user profile details of the folio which may be used for sending future communication(s).

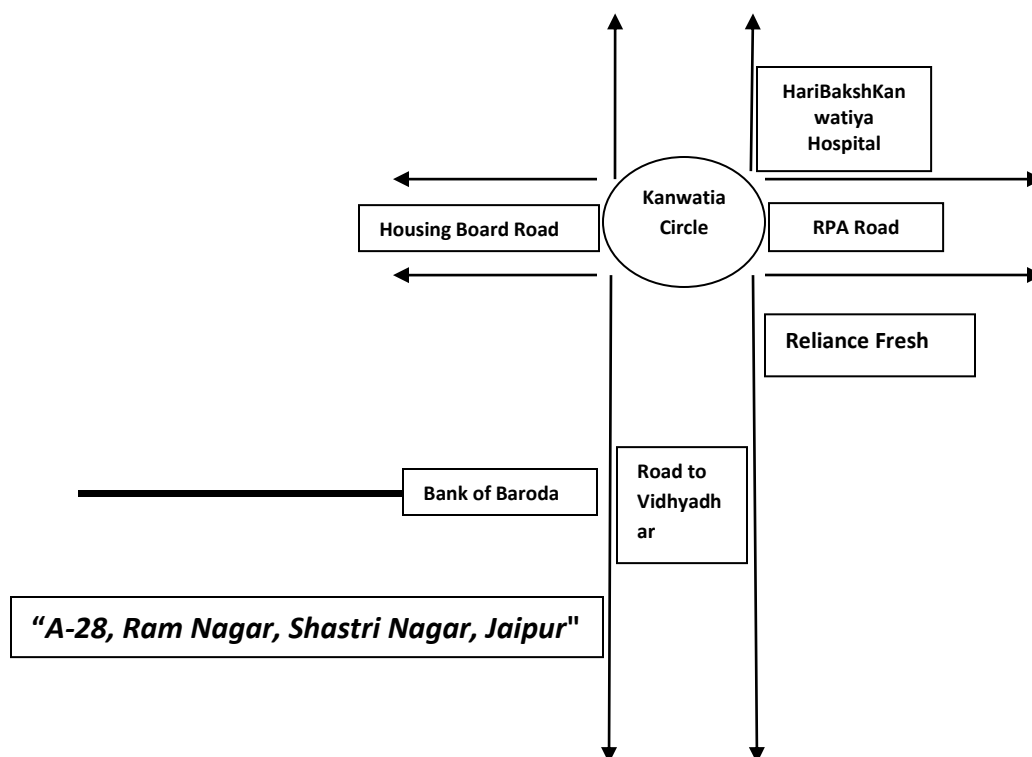
Route Map showing directions to reach to the venue of the 21st AGM is given at the end of this Notice as per the requirement of the Secretarial Standards-2 on “General Meeting”.

Place: Jaipur
Date: 30.05.2016

By order of the Board
For HRB Floriculture Limited

Sd/-
Tanushree Dave
Company Secretary & Compliance Officer

Route map to the venue of the 21stAGM



Annexure to Item No. 2 of the Notice of the 21st AGMDetails of Director seeking re-appointment at the forthcoming Annual General Meeting*(Pursuant to Regulation 36(3) of the SEBI (Listing Obligation and Disclosure Requirement) Regulations, 2015)*

Name of the Director	Mr. Puneet Parwal
Director Identification Number (DIN)	00228249
Date of Birth	18.03.1984
Nationality	Indian
Date of Appointment on the Board	06.01.2005
Qualifications	Masters of Commerce (M.Com) & Post Graduate Diploma in Business Management (PGDBM in Finance)
Expertise in specific functional area	<ul style="list-style-type: none"> i. Serves as a Key Advisor on financial matters to the Company's Management; ii. Is responsible for bringing important financial controls to the company; iii. Vast experience in field of marketing & finance; and iv. Cultivating Relationships with outside financing sources like banks, financial institutions, etc.
Number of shares held in the Company	NIL
List of the directorships held in other companies*	<ul style="list-style-type: none"> i. HRB Constructions Pvt. Ltd. ii. Parwal Granites Pvt. Ltd. iii. Sufal Granites Pvt. Ltd. iv. TrilokLandcon Pvt. Ltd. v. Parwal Buildfarm Pvt. Ltd. vi. Shivgyan Properties Pvt. Ltd. vii. Index Realestate Pvt. Ltd. viii. Marvel Buildestate Pvt. Ltd. ix. Reverence Buildhome Pvt. Ltd. x. DhanlaxmiBuildestate Pvt. Ltd. xi. Mount Landcon Pvt. Ltd. xii. Rainbow Colonizers Pvt. Ltd. xiii. ShivamLandcon Pvt. Ltd. xiv. Parwal Landcon Pvt. Ltd. xv. Ganpati Paradise Buildhome Pvt. Ltd.
Chairman/ Member in the Committees of the Boards of companies in which he is Director	NIL
Relationships between Directors inter-se	Relative** of Mr. Krishan Kumar Parwal (Managing Director) & Mrs. Sunita Parwal (Executive Director)

*Includes the private companies

**Relative viz., Son

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BOARD'S REPORT

Dear Members,

Your Directors take pleasure to present the 21stAnnual Report together with the Audited Financial Statements of the Company for the financial year ended on 31st March, 2016.

1. Financial Summary

(Amount in Rs.)

Particulars	Financial Year 2015-16	Financial Year 2014-15
Net Profit/(Loss) for the year (before depreciation and tax)	(60,63,455)	23,71,758
Less: Depreciation/ Amortization	11,91,048	18,61,889
Net Profit/(Loss) after depreciation before tax	(72,54,503)	509,869
Less:		
Income Tax	(1,52,744)	2,07,958
Deferred Tax	7153	1,01,575
Net profit/loss for the year (after depreciation and tax)	(71,08,913)	2,00,336
Brought Forward Profit/(Loss) from last year	(1,30,53,648)	(1,32,53,984)
Depreciation excess claimed	62,639.40	-
Balance as at year end carried over to next year	(20,099,921.60)	(1,30,53,648)

2. Operations and Company's Affairs:

The Company is mainly engaged in the business of agricultural activities and dealing in stock market. The financial performance of the Company has been dropped since the last financial year. The highlights of the Company's performance are as under:

The Net Loss after Tax is Rs. (71,08,913)/- as against profit of Rs.2,00,336 in the last financial year.

3. Dividend

In view of losses incurred during the year, your Directors regret their inability to recommend any dividend for the financial year 2015-16.

4. Reserves

In view of losses, your directors does not propose to transfer any amount to the reserves of the company for the financial year ended 2015-16.

5. Capital Structure

During the financial year 2015-16, there is no change in capital structure of the Company and paid up share capital of the Company stands at Rs. **2,27,63,000/-** (Rupees Two Crore Twenty Seven Lacs and Sixty Three Thousand). The Company has not issued any shares / debentures during the year.

6. Material changes and commitments

The information as required under Section 134 of the Companies Act, 2013 read with the Companies (Accounts) Rules, 2014 relating to material changes and commitments, your directors confirm that there are no such material changes and commitments affecting the financial position of the company which have occurred between the end of the financial year of the company to which the financial statements relate and the date of the report.

7. Directors and Key Managerial Personnel

“There is no change occurred in the composition of Board of Directors of the company during the financial year 2015-16”.

a) Board of Directors

The Board is in a fiduciary position, empowered to oversee the management function with a view to ensure its effectiveness and enhancement of stakeholder value. The Board decides on the policies to be implemented across the Company, and reviews and monitors its strategic direction and annual business plan and business objectives. The Board of Directors of the Company consists of eminent persons with considerable professional expertise and experience in business and industry, finance, management and marketing.

➤ Composition and Category

The composition of the Board of Directors with reference to number of Executive and Non-Executive Directors meets with the requirements of Section 149 of the Companies Act, 2013 and Regulation 17 of the Listing Regulations, 2015.

➤ Retire by Rotation

Mr. Puneet Parwal (DIN:00228249), Director of the Company who retires by rotation at the ensuing Annual General Meeting and being eligible has offered himself for re-appointment. The Board and nomination and remuneration committee recommends his re-appointment.

➤ **Woman Director**

The Company has **Mrs. Sunita Parwal** (DIN:00228289) in the Board of Directors as per the requirement of Section 149 of the Companies Act, 2013 read with Rule 3 of The Companies Appointment and Qualification of Directors) Rules, 2014.

➤ **Independent Directors**

The Company duly complies with the provisions of the Section 149 (4) of the Companies Act, 2013 and the Listing Regulations, 2015.

- ❖ The tenure of the Independent Directors in the Company is for 5 consecutive years commencing from 1st April, 2014 to 31st March, 2019, not liable to retire by rotation.
- ❖ The Company has received necessary **declaration** from each Independent Director of the Company viz Mr. Vimal Jugal Kishor Chandak (DIN: 02550154), Mr. Ramesh Kumar Somani (DIN: 05297951) and Mr. Amit Sharda (DIN: 05297954) as required under Section 149(7) of the Companies Act, 2013, stating that they meet the criteria of independence laid down in Section 149 (6) of the Companies Act, 2013.

Following is the composition of the Board of Directors of the Company:

Name of Directors	Category	Attendance at last AGM	Board Committee Membership/Chairmanship held in other Public companies
Mr. Krishan Kumar Parwal DIN:00228200	Managing Director & Chief Executive Officer	Yes	Nil
Mr. Puneet Parwal DIN:00228249	Whole time Director & Chief Financial Officer	Yes	Nil
Mrs. Sunita Parwal DIN:00228289	Executive Director	Yes	Nil
Mr. Ramesh Kumar Somani DIN:05297951	Non-Executive & Independent Director	Yes	Nil
Mr. Amit Sharda DIN:05297954	Non-Executive & Independent Director	Yes	Nil
Mr. Vimal Jugal Kishor Chandak DIN:02550154	Non-Executive & Independent Director	Yes	Nil

b) No. of Board Meetings

The Board of Directors have duly met **4 (Four)** times during the financial year on **29.05.2015, 12.08.2015, 09.11.2015** and **12.02.2016**. The intervening gap between any two meetings was within the time period and quorum at these meetings were in conformity with the provisions of the Companies Act, 2013 and Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and the Listing Agreement entered into by the company with the Stock Exchanges.

c) Key Managerial Personnel

The Company duly complies with the provisions of Section 203 read with Rule 8 of The Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 of the Companies Act, 2013. Following are the Key Managerial Personnel (KMP's) in the company:

Name of Key Managerial Personnel (KMP)	Category
Mr. Krishan Kumar Parwal	Managing Director/CEO
Mr. Puneet Parwal	Chief Financial Officer
Ms. Tanushree Dave	Company Secretary

8. Committees of the Board

The Company's governance structure is based on the principles of freedom to the executive management within a given framework to ensure that the powers vested in the executive management are exercised with due care and responsibility so as to meet the expectation of all the stakeholders. In line with these principles and the Companies Act, 2013, the Company has formed following three Committees of Directors which are focused on financial reporting, audit & internal controls, compliance issues, appointment and remuneration of Directors and Senior Management Employees and the risk management framework.

-  **Audit Committee**
-  **Nomination and Remuneration Committee**
-  **Stakeholders' Relationship Committee**

➤ Audit Committee**i. Broad terms of Reference**

The terms of reference of the Audit Committee are in accordance with the provisions of Section 177 of the Companies Act, 2013 and the Listing Regulations, 2015. It inter-alia includes the following:

- a) the recommendation for appointment, remuneration and terms of appointment of auditors of the company;

- b) review and monitor the auditor's independence and performance, and effectiveness of audit process;
- c) examination of the financial statement and the auditors' report thereon;
- d) approval or any subsequent modification of transactions of the company with related parties;
- e) scrutiny of inter-corporate loans and investments;
- f) valuation of undertakings or assets of the company, wherever it is necessary;
- g) evaluation of internal financial controls and risk management systems;
- h) Monitoring the end use of funds raised through public offers and related matters.

ii. Composition

The Audit Committee comprises of the following members:

- i. Mr. Amit Sharda**
Chairman/ Non-executive, Independent Director
- ii. Mr. Vimal Jugal Kishor Chandak**
Non-executive, Independent Director
- iii. Mr. Ramesh Kumar Somani**
Non-executive, Independent Director

iii. Acceptance of Recommendations of Audit Committee

The Board has accepted all the recommendations made by the Audit Committee during the year under review.

➤ **Nomination and Remuneration Committee:**

Details and policies attached in point no. 18 of the Board Report.

➤ **Stakeholders' Relationship Committee:**

As per the provisions of Section 178(5) of the Companies Act, 2013 a company which consists of more than one thousand shareholders, debenture-holders, deposit-holders and any other security holders at any time during a financial year shall constitute a "Stakeholders Relationship Committee" consisting of a chairperson who shall be a non-executive director.

Though, the Company has less than one thousand shareholders, it has voluntarily constituted the aforesaid Committee to resolve the grievances of security holders of the company (if any).

Composition:

The Audit Committee comprises of the following members:

- I. Mr. Ramesh Kumar Somani**
Chairman/Non-executive, Independent Director
- II. Mr. Amit Sharda**
Non-executive, Independent Director
- III. Mr. Vimal Jugal Kishor Chandak**
Non-executive, Independent Director

9. Formal Annual Evaluation:

1. Of the Board as a whole: The performance of the Board was evaluated from the reviews/ feedback of the directors themselves. The broad parameters for reviewing the performance of the Board, inter alia, contained the following:

- i. Development of suitable strategies and business plans at appropriate time and its effectiveness;
- ii. Implementation of robust policies and procedures;
- iii. Size, structure and expertise of the Board;
- iv. Oversight of the Financial Reporting Process, including Internal Controls;
- v. Willingness to spend time and effort to learn about the Company and its business; and
- vi. Awareness about the latest developments in the areas such as corporate governance framework, financial reporting, industry and market conditions.

2. Of Individual Director(s):

- Evaluation of Managing Director / Whole time Director /Executive Director:
The performance evaluation of Managing Director, Executive Director of the Company was done by all the directors including Independent Directors.

The broad parameters for reviewing the performance were as follows:

- Achievement of financial/business targets as prescribed by the Board;
- Developing and managing / executing business plans, operational plans, risk management, and financial affairs of the organization;
- Display of leadership qualities i.e. correctly anticipating business trends, opportunities, and priorities affecting the Company's prosperity and operations;
- Development of policies, and strategic plans aligned with the vision and mission of Company and which harmoniously balance the needs of shareholders, clients, employees, and other stakeholders;
- Managing relationships with the Board, management team, regulators, bankers, industry representatives and other stakeholders.
- ✓ The Code for Independent Directors also provides that Independent Directors shall review the performance of non-independent Directors, which include Managing Director / Whole time Director/ Executive Director.
- ✓ In view of this, the ID's in their meeting dated 22.02.2016 evaluated the performance of Non-independent Directors. And expressed their pleasure on commendable performance with futuristic vision of the non-independent directors.
- Evaluation of Independent Directors
The Schedule IV of the Act i.e. "Code for Independent Directors" provides for the evaluation of Independent Directors.
Under the view of this provision, the performance evaluation of ID's was done by the entire Board of Directors, **excluding the director being evaluated** on the basis of the following criteria and including the parameters of evaluation of individual directors:
 - i. Exercise of objective independent judgment in the best interest of Company;
 - ii. Ability to contribute to and monitor corporate governance practice; and
 - iii. Adherence to the Code of Conduct for Independent Directors.

3. Evaluation of the Committees

The performance of the Committees of the Board was evaluated by the Directors, on the basis of the terms of reference of the Committee being evaluated. The broad parameters/criteria for reviewing the performance of all the Committees, inter alia, were:

- i. Discharge of the functions and duties as per the terms of reference;
- ii. Process and procedures followed for discharging the functions;
- iii. Effectiveness of suggestions and recommendations received;
- iv. Size, structure and expertise of the Committee; and
- v. Conduct of the meetings and procedures followed in this regard.

10. Code of Conduct

The Board has laid down a Code of Conduct for all Board members and senior management personnel of the Company, which is available on the following weblink of the company, i.e. <http://hrb.co.in/code.html>. All the Board members and the senior management personnel have affirmed compliance with the Code of Conduct during the year ended on 31st March, 2016.

11. Equal opportunity to the employees

We are committed to provide a work environment that is free from discrimination and harassment for all our employees. The Company is an equal-opportunity employer and makes employment decisions based on merit and business needs. The Company prohibits harassment or discrimination of any kind, on the grounds of race, religion, nationality, ethnic origin, color, gender, age, citizenship, sexual orientation, marital status or any disability not affecting the functional requirements of the position held.

12. Auditors and Auditors' Report

i. Statutory Auditor

At the 19th AGM held on 24th September, 2014, M/s B. Khosla & Co., Chartered Accountants, Jaipur were appointed as Statutory Auditors of the Company to hold office till the conclusion of the 22nd AGM to be held in the calendar year 2017.

In terms of the first proviso to Section 139 of the Companies Act, 2013, the appointment of the auditors shall be placed for ratification at every annual general meeting. Accordingly, the appointment of **M/s B. Khosla & Co.**, Chartered Accountants, Jaipur as Statutory Auditors of the Company, is placed for ratification by the members for the financial year 2016-17.

In this regard, the Company has received letter from them to the effect that their re-appointment, if made, would be within the prescribed limits under the Section 139 of the Companies Act, 2013 and that they are not disqualified for such re-appointment within the meaning of Section 141 of the Act.

The Notes on financial statement referred to in the Auditors' Report are self-explanatory and do not call for any further comments. Further, the observations of the auditors are self-explanatory and have been explained/ clarified wherever necessary in appropriate notes to

Accounts. The Auditors' Report does not contain any qualification, reservation or adverse remark.

ii. Secretarial Auditor

As per Section 204 of the Companies Act, 2013, read with Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, every Listed Company is required to appoint Secretarial Auditor to carry out Secretarial Audit of the Company.

In consonance with the requirements of Section 204 of the Companies Act, 2013 and the rules made thereunder, the Board has appointed **M/s. V.M. & Associates**, Practicing Company Secretaries, Jaipur (FRN:2277), to conduct Secretarial Audit for the financial year 2015-16.

The Secretarial Audit Report for the financial year ended 31st March, 2016 is annexed to this report as "**Annexure-1**" and it carries following qualifications:

- a) *Newspaper Communications for Board Meetings, Book Closure and Result declarations were not published by the Company; and*

In respect of above stated qualifications, your Directors would like to clarify that:

Due to inadvertence the compliances remained pending.

Though, the Company timely intimates BSE Ltd., about the Board Meetings, Book Closure and Result declarations and also updates the same on the website of the Company.

The Board of Directors have re-appointed **M/s. V.M. & Associates**, Practicing Company Secretaries, Jaipur (FRN: 2277), to conduct Secretarial Audit for the financial year 2016-17.

iii. Internal Auditor

As per Section 138 of Companies Act, 2013 read with The Companies (Audit and Auditors) Rules, 2014, every Listed Company is required to appoint an Internal Auditor or a firm of Internal Auditors to carry out Internal Audit of the Company.

In consonance with the aforementioned, the Board has appointed **M/s. C.R. Birla & Co.**, Chartered Accountants, (FRN: 005189C) Jaipur, as the Internal Auditors of the Company for the F.Y. 2015-16.

The Board of Directors have re-appointed **M/s. C.R. Birla & Co.**, Chartered Accountants, (FRN: 005189C) Jaipur as Internal Auditor of the Company for the financial year 2016-17.

13. Contracts and arrangements with related parties

The Company being engaged in the business of agriculture has taken agricultural land on lease from the directors' relatives and from one of the director herself. Further, the disclosure of particulars of contracts/arrangements entered into by the Company with related parties referred to in sub-section (1) of section 188 of the Companies Act, 2013 is in the Form No. AOC-2 annexed to this report as "**Annexure 2**"

14. Particulars of loans given, investments made, guarantees given and securities provided by the Company

During the financial year under review, there were no loans given, neither any investments were made by the Company nor any securities were provided by the Company.

15. Risk Management Policy

The Board has developed and implemented a 'Risk Management Policy' which ensures that all the current and future material risk exposures of the company are identified, assessed, quantified, appropriately mitigated, minimized and managed i.e. to ensure adequate systems for risk management.

The various elements of risk which the Directors think, that may threaten the existence of the Company are:

- a) **Financial Risk:** Financial risk generally arises due to instability and losses in the financial market caused by movements in stock prices, currencies, interest rates and more.
- b) **Liquidity Risk:** It is the risk that the Company will be unable to meet its financial commitment to a Bank/Financial Institution in any location, any currency at any point in time. The risk stemming from the lack of marketability of an investment that cannot be bought or sold quickly enough to prevent or minimize a loss.
- c) **Credit Risk:** The risk of loss of principal or loss of a financial reward stemming from a borrower's failure to repay a loan or otherwise meet a contractual obligation.
- d) **Operational Risk:** Operational risk is the risk that is not inherent in financial, systematic or market-wide risk. It is the risk remaining after determining financing and systematic risk, and includes risks resulting from breakdowns in internal procedures, people and systems.

The Board of Directors of the company manages monitors the abovesaid and the associated risks and risk management plan for the company.

16. Internal Financial Controls

The Company has in place adequate internal financial controls with reference to financial statements. The Board had appointed M/s. C.R. Birla & Co., Chartered Accountants, Jaipur, as the Internal Auditor of the Company for the F.Y. 2015-16 which directly reports to the Audit Committee of the Company.

17. Particulars of employees

- a) None of the employees of the company was in receipt of the remuneration exceeding the limits prescribed u/s 197 (12) read with rule 5, sub-rule 2 of The Companies (Appointment and Remuneration of Managerial Personnel) of the Companies Act, 2013 during the year under review.
- b) The information in accordance with the provisions of Section 197(12) of the Companies Act, 2013, read with Rule 5(1) of The Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, is appended as **"Annexure 3"** to the Board's report.

18. Nomination and Remuneration Policy

The Company has formulated Nomination and Remuneration Policy (NR Policy) in accordance with the requirements of the provisions of Section 178 of the Companies Act, 2013 and Listing Regulations, 2015.

The annexure of the same is attached hereto with this Report at “**Annexure-4**”.

Further, the payment of Remuneration to Managing and Whole-time Director during the Financial Year 2015-16 is governed by the prescribed limit mentioned in the Companies Act, 2013 and further is within the limits set by the Shareholders at the Annual General Meeting.

Details of Remuneration paid to all the Directors for the year ended on March 31st, 2016 are as under:

Name of Director	Salary	Benefits	Commission	Sitting fees
Mr. Krishan Kumar Parwal (MD)	Rs.6,60,000/-	-	-	-
Mr. Puneet Parwal (WTD & CFO)	Rs.4,80,000/-	-	-	-

Notes:

- The Company does not have any pecuniary relationship with any Non-Executive Independent Directors.
- No sitting fee is paid to any of the Directors of the Company for attending the Board Meeting or the Committee meetings.
- Mr. Puneet Parwal (WTD & CFO) is being paid for holding office in the capacity of WTD only, in the Company.

19. Whistle Blower Policy and Vigil Mechanism

The Company has formulated Whistleblower Policy/Vigil Mechanism as per the requirements of the Companies Act, 2013 and Listing Regulations, 2015, which inter-alia covers the malpractices and events which can take place / or are suspected to take place, fraud or suspected fraud, violation of Company's rules, negligence causing danger to public health and safety, misappropriation of monies and other matters or activities on account of which the interest of the Company is affected.

All Employees and directors of the Company are eligible to make Protected Disclosures to the Chairman of the Audit Committee, Mr. Amit Sharda who has been nominated by the Board as Ombudsperson for this purpose. No employee was denied access to the Audit Committee during the year. There is no whistle blower event was reported during the year and mechanism is functioning well.

The policy on vigil mechanism and whistle blower policy may be accessed on the following weblink of the Company's website at the link: <http://hrb.co.in/code.html> .

20. Code of Conduct for Prohibition of Insider Trading

As per SEBI (Prohibition of Insider Trading) Regulations, 2015, the Company has adopted a Code of Conduct for Prohibition of Insider Trading. All the Directors, Designated persons, employees and other Connected Persons who could have access to the unpublished price sensitive information of the Company are governed by this code. The trading window is closed during the time of declaration of results and occurrence of any material events as per the code. The Company has appointed Ms. Tanushree Dave, Company Secretary as Compliance Officer, who is responsible for setting forth procedures and implementation of the code for trading in Company's securities. During the year under review, there has been due compliance with the said code.

The Code of Conduct for Prohibition of Insider Trading may be accessed on the following weblink of the Company's website at the link: <http://hrb.co.in/code.html> .

21. Extract of the Annual Return

The extract of the Annual Return in **Form No. MGT-9** as on financial year ended 31st March, 2016, pursuant to Section 92(3) of the Companies Act, 2013 and Rule 12(1) of the Companies (Management and Administration) Rules, 2014 is attached hereto with this Report at **"Annexure-5"**.

22. Particulars with respect of conservation of energy, technology absorption, foreign exchange earnings and outgo:

The information required under Section 134(3) (m) of the Companies Act, 2013 read with the Companies (Accounts) Rules, 2014 relating to the conservation of energy and technology absorption is given below:

A. Conservation of Energy:

Energy conservation dictates how efficiently a company can conduct its operations. The Company has recognised the importance of energy conservation and is aware of the deleterious effect of the global warming and climate change and thus, is making all round effort for conservation of energy.

The steps taken or impact on conservation of energy which were carried out on on-going basis throughout the year which are as follows:

- i. Reducing, reusing, recycling of resources;
- ii. Adopting of waste-reduction measures in the business activities;
- iii. Staying abreast of environmental issues; and
- iv. Promoting awareness on energy conservation on local level, etc.

B. Technology Absorption:

These steps taken by the company for utilising alternate sources of energy.

1. Specific areas in which R & D work carried out by the company: The Company's R & D activities concentrate on adaptation of new technology and techniques to suit the climatic and local conditions, mainly in the area of the productivity to improve quality of the produce.
2. Benefit derived as a result of the above R & D: Cost reduction and Improvement in quality.
3. Future plan of action: Continuance of such efforts for improvement in quality and increase in production.
4. Expenditure on R & D: The expenditure form the part of general overhead of the company, the precise amount is not quantifiable.
5. Technology absorption, adaptation and innovation: Efforts were made towards technology absorption, adoption and innovation. The company has made efforts to develop better techniques and better quality of the product.

C. Foreign Exchange Earning and Outgo:

During the year under review the company has expended nothing for foreign exchange. The company has not earned any foreign exchange.

23. Fixed Deposits

The Company has not accepted any public deposits and as such, no amount on account of principal or interest on public deposits was outstanding as on the date of the balance sheet within the meaning of Section 73 and 76 of the Companies Act, 2013, read with the Companies (Acceptance of Deposits) Rules, 2014.

24. Execution of Revised Listing Agreement as per Securities and Exchange Board Of India (Listing Obligations and Disclosure Requirements) Regulations, 2015

SEBI notified Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 on 02.09.2015 vide Notification No. SEBI/LAD-NRO/GN/2015-16/013. And further, SEBI vide Circular No. CIR/CFD/CMD/6/2015 dated 13.10.2015 made it mandatory for all listed entities to execute a fresh Listing Agreement with Stock Exchanges within six months of the date of the notification of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In consonance of the above said requirements, the Board of Directors of the Company in their meeting held on 12.02.2016 executed Revised Listing Agreement as per SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 with the Bombay Stock Exchange where the securities of the Company are listed.

25. Corporate Governance Report

Pursuant to Regulation 15 (2) (a) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, compliance with the provisions of Regulation 27 is not mandatory in respect of the companies having paid up equity share capital not exceeding Rs.10 crore and net worth not exceeding Rs.25 crore, as on the last day of the previous financial year.

Since, the Company falls into the ambit of the above mentioned limits, compliance with the provisions of Regulation 27 of the Listing Regulations, 2015 is not mandatory for the Company for the time being and consequently, the Compliance Report on Corporate Governance as stipulated under Schedule V of the Regulations does not form part of this Annual Report for the Financial Year 2015-16.

26. Management Discussion and Analysis Report

The Management Discussion and Analysis Report as required under the Listing Regulations, 2015 forms part of the Annual Report.

27. Disclosure under the sexual harassment of women at workplace (Prevention, Prohibition and Redressal) Act, 2013

The Directors state that the Company has in place an Anti-Sexual Harassment Policy in line with the requirements of The Sexual Harassment of Women at the Workplace (Prevention, Prohibition & Redressal) Act, 2013.

Internal Complaints Committee (ICC) has been set up to redress complaints received regarding sexual harassment. All employees (permanent, contractual, temporary, trainees) are covered under this policy.

The following is a summary of sexual harassment complaints received and disposed off during the year 2015-16.

- No. of Complaints received: **'NIL'**
- No. of Complaints disposed off: **'NA'**

28. Company's Policies

The Company strive to conduct its business and strengthen the relationships in a manner that is dignified, distinctive and responsible. Thus, the Board of Directors have adopted various codes and policies to carry out the duties in an ethical manner. The various codes and policies are as under:

- 1) Code of Conduct;
- 2) Code of Conduct for Prohibition of Insider Trading;
- 3) Whistle Blower Policy and Vigil Mechanism;
- 4) Risk Management Policy;
- 5) Related Party Transactions Policy/Revised Related Party Transactions Policy;
- 6) Nomination and Remuneration Policy;
- 7) Policy for determining materiality of events/information; and
- 8) Preservation of Documents & Archival Policy.

Some of the Code & Policies may be accessed on the Company's website at the link www.hrb.co.in

29. Listing on Stock Exchange(s) and Scrip Code(s)

The equity shares of the Company are listed on the BSE Limited.

Stock Exchange	ISIN	Security Code
BSE Limited (BSE), 14 th Floor, Phiroze Jeejeebhoy Towers, Dalal Street, Fort, Mumbai- 400 001	INE284D01016	531724

30. Payment of listing fees

The Company has paid the listing fees for the year 2016-17 to BSE Limited.

31. Directors' Responsibility Statement

Pursuant to the requirement under Section 134(3) (c) of the Companies Act, 2013 with respect to Directors' Responsibility statement, your directors hereby state and confirm that:

- a) in the preparation of the annual accounts for the financial year ended on 31st March, 2016, the applicable accounting standards read with requirements set out under Schedule III to the Act, have been followed and there are no material departures from the same;
- b) the Directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year ended on 31st March, 2016, and of the loss of the Company for the year ended on that date;
- c) the Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- d) the Directors have prepared the annual accounts on a 'going concern' basis;
- e) the Directors had laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and are operating effectively; and
- f) the Directors have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems are adequate and operating effectively.

32. Acknowledgements

The Board of Directors wishes to place on record its sincere appreciation for due co-operation received from the Company's Bankers, Government, Advisors, Shareholders etc. The Directors are also thankful to the employees at all levels for their continued support.

Place: Jaipur
Date: 30.05.2016

For and on behalf of Board of Directors
For HRB Floriculture Limited

Sd/-
Krishan Kumar Parwal
Chairman
DIN: 00228200

Management Discussion & Analysis Report

Overview

The Company is involved in production & selling of agricultural produce like gram, guar, ground nut, onion, bajra etc. & trading in shares, securities and has completed 21 years in this business. Your Company is in process of finding new avenues to attain better profits which shall be beneficial for the growth of the Company and its members.

(A) Industry structure and developments

The Indian agricultural industry suffered severe reversals in recent years due to back to back droughts. The year 2015-16 proved to be a challenging one for Indian Agriculture with the adverse effect of El Nino resulting in scattered and uneven rains across the country.

The Government has provided for higher allocations in the recent budget to agriculture, which augurs well for the current financial year. Some of the thrust areas identified as growth drivers are irrigation, soil health, pulses and crop insurance. Your Company's vision and business strategy remain strongly in sync with the proposed growth areas.

(B) Opportunities and Outlook

Indian agriculture is on a growth path, with an increase in investments and private funding in the past few years. The sector is expected to grow with better momentum in the next few years, owing to an increase in investment in agricultural infrastructure such as irrigation facilities, warehousing and cold storage. Factors such as reduced transaction costs, time, better port gate management and fiscal incentives will also contribute to this upward trend. India's latest monsoon forecasting model predicts good rainfall in 2016 which will end the severe water shortage that is threatening power supply and encourage farmers who have been devastated by two consecutive droughts. The Climate Forecast System (CFS) predicts mostly normal and sometimes heavy rainfall across the country.

(C) Risks, Concerns & Threat

The performance of the agricultural industry is dependent on monsoons, pest and disease incidences on crops. As this year's monsoon failure has shown, major fluctuations in total rainfall and its distribution affect the crop acreages and overall productivity and have a direct correlation with sales.

(D) Human Resources

Human Resources are key to the success of HRB. The Company try to attract and recruit talent into the Company. HRB is an equal opportunity employer. The Company has processes in place to prevent discrimination and harassment, including sexual harassment. Whistle Blower Policy is also in place.

(E) Internal Controls Systems and Adequacy

The Company's internal audit systems are and other geared towards ensuring adequate internal controls commensurate with the size and needs of the business, with the objective of efficient conduct of operations through adherence to the Company's policies, identifying

areas of improvement, evaluating the reliability of Financial Statements, ensuring compliances with applicable laws and regulations and safeguarding of assets from unauthorized use.

Moreover, the Company has appointed M/s. C.R. Birla & Co., Chartered Accountants, Jaipur, as its Internal Auditors and they periodically test the efficacy of the prevailing internal control systems and submit their report to the Audit Committee.

(F) Financial and Operational Performance

The financial and operational performance of the Company for the year under review is discussed in detail in the Board's Report.

(G) Material Development in Human Resources / Industrial Relations Front

There can be no substitute for the work-force of the Company. The Company expects to continue to get their unflinching support in future also. During the year under review, industrial relations have generally remained healthy, cordial and harmonious.

(H) Segment or product-wise Performance

The Company dealing in two segments, a) agriculture, b) investment & securities, performance of both the segments was normal in Financial Year 2015-16 which is also reflecting in financial statements also.

ANNEXURES TO THE BOARDS' REPORT**"Annexure-1"****Form No. MR-3****SECRETARIAL AUDIT REPORT****FOR THE FINANCIAL YEAR ENDED 31st March, 2016**

[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,
HRB Floriculture Limited
A-28, Ram Nagar, Shastri Nagar,
Jaipur – 302016 (Rajasthan)

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

Based on our 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, we hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on March 31, 2016 ('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:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on March 31, 2016 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 there under;
- (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;**(Not applicable to the Company during the Audit Period)**
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-

- (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
 - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992; (repealed w.e.f. 15th May, 2015)
 - (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;**(Not applicable to the Company during the Audit Period)**
 - (d) The Securities and Exchange Board of India (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)**
 - (i) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015 and
 - (j) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015
- (vi) As confirmed by the management, there are no sector specific laws that are applicable specifically to the company.

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

- i. Secretarial Standards issued by The Institute of Company Secretaries of India;
- ii. The Listing Agreements entered into by the Company with the Stock Exchanges.

During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. as mentioned above subject to the following observation:

- (a) *Newspaper communications for Board Meetings, Financial Results and Book closure were not published by the Company.*

We further report that

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the

composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

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

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

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

We further report that during the audit period the company has not undertaken any event/action having a major bearing on the Company's affairs in pursuance of the above referred laws, rules, regulations, guidelines, standards, etc.

Place: Jaipur
Date: 30th May, 2016

For V.M. & Associates
Company Secretaries

Sd/-
CS Vikas Mehta
Partner
ACS No. : 28964
C P No. : 12789

Note: This report is to be read with our letter of even date which is annexed as **Annexure A** and forms an integral part of this report.

Annexure-A

To,
The Members
HRB Floriculture Limited
A-28, Ram Nagar, Shastri Nagar,
Jaipur – 302016 (Rajasthan)

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

1. Maintenance of secretarial record is the responsibility of the management of the company. Our responsibility is to express an opinion on these secretarial records based on our audit.
2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices, we followed provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the company.
4. Where ever required, we 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. Our 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: Jaipur
Date: 30th May, 2016

For V.M. & Associates
Company Secretaries

Sd/-
CS Vikas Mehta
Partner
ACS No. : 28964
C P No. : 12789

Form No. AOC-2**“Annexure- 2”**

(Pursuant to clause (h) of sub-section (3) of Section 134 of the Companies Act, 2013, and Rule 8(2) of the Companies (Accounts) Rules, 2014)

Form for disclosure of particulars of contracts/arrangements entered into by the Company with related parties referred to in sub-section (1) of Section 188 of the Companies Act, 2013 including certain arms length transactions under third proviso thereto.

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

- i. Name(s) of the related party and nature of relationship: **Nil**
- ii. Nature of contracts/arrangements/transactions: **Nil**
- iii. Duration of the contracts / arrangements/transactions: **Nil**
- iv. Salient terms of the contracts or arrangements or transactions including the value, if any: **Nil**
- v. Justification for entering into such contracts or arrangements or transactions: **Nil**
- vi. Date(s) of approval by the Board: **Nil**
- vii. Amount paid as advances, if any: **Nil**
- viii. Date on which the special resolution was passed in general meeting as required under first proviso to section 188: **Nil**

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

The Details of material contracts or arrangement or transactions at arm's length basis for the year ended on March 31st, 2016 are as under:

S. No.	Name(s) of the related party and nature of relationship	Nature of Contract/ arrangements/ transactions	Duration of the Contract/ arrangements / transactions	Salient terms of the contracts or arrangements or transactions including the value, if any:	Date(s) of approval by the Board, if any	Amount paid as advances, if any
1.	Puneet Parwal Relative of MD	Lease of Office Premises of 900 sq. ft of area situated at A-28, Ram Nagar, Shastri Nagar, Jaipur-302016.	For 5 Years w.e.f. 01.04.2015	Rent of Rs. 15,000/- p.m.	29.05.2015	NIL

2.	Deepika Parwal Relative of MD	Lease of 22 Bighas & 1 Biswas of Agricultural Land situated at Kalakh, nearJaipur.	For 10 yrs w.e.f. 01.10.2015	Rent of Rs. 500/- per month per bigha	29.05.2015	NIL
3.	Basanti Devi Parwal Relative of MD	Lease of 26 Bighas & 3 Biswas of Agricultural Land situated at Kalakh, nearJaipur.	For 10 yrs w.e.f. 01.10.2015	Rent of Rs. 500/- per month per bigha	29.05.2015	NIL
4.	Ram Janki Devi Parwal Member of HUF	Lease of 26 Bighas& 7 Biswas of Agricultural Land situated at Kalakh, nearJaipur.	For 10 yrs w.e.f. 01.10.2015	Rent of Rs. 500/- per month per bigha	29.05.2015	NIL
5.	Sunita Parwal Relative of MD	Lease of 43 Bighas& 19 Biswasof Agricultural Land situated at Kalakh, nearJaipur.	For 10 yrs w.e.f. 01.10.2015	Rent of Rs. 500/- per month per bigha	29.05.2015	NIL

Place: Jaipur
Date: 30.05.2016

For and on behalf of Board of Directors

For HRB Floriculture Limited

Sd/-
Krishan Kumar Parwal
Chairman
DIN: 00228200

Analysis of Managerial Remuneration**“Annexure-3”**

Pursuant to Section 197(12) of the Companies Act, 2013 read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 the statistical analysis of the remuneration paid to Directors and Key Managerial Personnel (KMP) as against the other employees of the company and with respect to the performance of the company (PAT) is given below:

- i. The ratio of the remuneration of each director to the median remuneration of the employees of the company for the financial year 2015-16:

<u>Name of Director</u>	<u>Ratio</u>
a. Mr. Krishan Kumar Parwal (MD) :	10:1
b. Mr. Puneet Parwal (WTD & CFO) :	7.2:1

- ii. The percentage increase in remuneration of each director, Chief Financial Officer, Chief Executive Officer, Company Secretary or Manager, if any, in the financial year 2015-16: **No increase in remuneration, during the year under review.**
- iii. The percentage increase in the median remuneration of employees in the financial year 2015-16: **No increase in remuneration of employees during the financial year 2015-16.**
- iv. The numbers of permanent employees on the rolls of the Company are **7**.
- v. There is no increase in remuneration, thus relationship between average increase in remuneration and company performance is not applicable on the Company.
- vi. In view of the financial performance and activities of the Company the remuneration being paid to Key Managerial Personnel seems to be fine. Though the Company's philosophy for its Key Managerial Personnel is to ensure it is competitive in the market in which it operates, for attracting and retaining the best talent.
- vii. Variations in the market capitalization of the company, price earnings ratio as at the closing date of current financial year and previous financial year and percentage increase over decrease in the market quotations of the share of the company in comparison to the rate at which the company came out with the last public offer in case of listed companies, and in case of unlisted companies, the variations in the net worth of the company as at the close of the current financial year and previous financial year is under:

Particulars	31.03.2016	31.03.2015
Market Capitalization	Rs. 2.04 Crore	Rs. 2.04 Crore
P/E Ratio	(2.88:1)	100:1
EPS:31.03.2016: (3.12) 31.03.2015: 0.09		

Market Rate as on 31.03.2016	Rs. 9/- per share
Rate of Share at last Public Offer	Rs.10 per share
% decrease in Shares Price over last public offer	There was no Public offer since 1996

- viii. Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration: **No percentile increase in the salaries of employees other than the managerial personnel in the last financial year. Hence, no comparison could be made.**
- ix. Comparison of the each remuneration of the Key Managerial Personnel against the performance of the company: **Comparison cannot be made as such as, the Company has incurred loss.**
- x. The key parameters for any variable component of remuneration availed by the directors: **Apart from receiving remuneration, the Directors (MD & WTD) did not avail any variable component of remuneration for the financial year 2015-16.**
- xi. The ratio of the remuneration of the highest paid director to that of the employees who are not directors but received remuneration in excess of the highest paid director during the year: **None of the employees received any remuneration in excess of the highest paid Director during the financial year, 2015-16.**

Affirmation: It is affirmed that the remuneration paid to Directors and employees is as per the Remuneration Policy of the company.

**For and on behalf of Board of Directors
For HRB Floriculture Limited**

**Place: Jaipur
Date: 30.05.2016**

Sd/-
**Krishan Kumar Parwal
Chairman**

NOMINATION AND REMUNERATION POLICY**“Annexure-4”****❖ PREAMBLE**

The Nomination and Remuneration Policy (NR Policy) has been formulated, inter alia, for nomination and remuneration of Directors, Key Managerial Personnel (KMP), Senior Management Personnel of HRB Floriculture Limited (hereinafter referred to as the Company), in accordance with the requirements of the provisions of Section 178 of the Companies Act, 2013 and Listing Agreement/SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

❖ OBJECTIVE

The key objectives of the Policy would be:

1. To identify persons who are qualified to become Directors, Key Managerial Personnel and Senior Management of the Company in accordance with the criteria laid down by Nomination and Remuneration Committee and recommend to the Board their appointment and removal.
2. To lay down criteria to evaluate the performance of the members of the Board.
3. To determine the composition and recommend to the Board on level of remuneration payable including reward linked with the performance, which is reasonable and sufficient to attract, retain and motivate Directors, Key Managerial Personnel and Senior Management to work towards the long term growth and success of the Company.
4. To formulate criteria for determining qualification, positive attributes and Independence of a Director.

❖ DEFINITIONS:

- a. “Board” means Board of Directors of the Company.
- b. “Company” means “HRB Floriculture Limited.”
- c. “Directors” mean the Directors of the Company.
- d. “Independent Director” means a director referred to in Section 149 (6) of the Companies Act, 2013.
- e. “Key Managerial Personnel” (KMP) means
 - i. Chief Executive Officer or the Managing Director or the Manager,
 - ii. Company Secretary,
 - iii. Whole-time Director,
 - iv. Chief Financial Officer and
 - v. Such other officer as may be prescribed.
- f. “Nomination and Remuneration Committee” shall mean a Committee of Board of Directors of the Company, constituted in accordance with the provisions of Section 178 of the Companies Act, 2013 and the Listing Agreement/Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.
- g. “Policy or This Policy” means, “Nomination and Remuneration Policy.”
- h. “Remuneration” means any money or its equivalent given or passed to any person for services rendered by him and includes perquisites as defined under the Income-tax Act, 1961.
- i. “Senior Management Personnel” mean personnel of the Company who are members of its core management team excluding Board of Directors and KMPs. This would include all members of management one level below the executive directors, including all the functional heads.

❖ GUIDING PRINCIPLES:

The Policy ensures that:

1. The level and composition of remuneration is reasonable and sufficient to attract, retain and motivate directors of the quality required to run the company successfully;
2. Relationship of remuneration to performance is clear and meets appropriate performance benchmarks; and
3. Remuneration to directors, key managerial personnel and senior management involves a balance between fixed and incentive pay reflecting short and long-term performance objectives appropriate to the working of the company and its goals.

❖ **ROLE OF THE COMMITTEE:**

The role of the Committee inter alia will be the following:

1. To formulate a criteria for determining qualifications, positive attributes and independence of a Director.
2. Formulate criteria for evaluation of Independent Directors and the Board.
3. Identify persons who are qualified to become Directors and who may be appointed in Senior Management in accordance with the criteria laid down in this policy.
4. To recommend to the Board the appointment and removal of Directors and Senior Management.
5. To recommend to the Board policy relating to remuneration for Directors, Key Managerial Personnel and Senior Management.
6. Ensure that level and composition of remuneration is reasonable and sufficient, relationship of remuneration to performance is clear and meets appropriate performance benchmarks.
7. To devise a policy on Board diversity.
8. To carry out any other function as is mandated by the Board from time to time and / or enforced by any statutory notification, amendment or modification, as may be applicable.

❖ **COMPOSITION:**

- a) The Committee shall comprise at least three (3) Directors, all of whom shall be non executive Directors and at least half shall be Independent.
- b) Minimum two (2) members shall constitute a quorum for the Committee meeting.
- c) Membership of the Committee shall be disclosed in the Annual Report.
- d) The Chairman of the Committee shall be an Independent Director.
- e) The Chairperson of the Company may be appointed as a member of the Committee but shall not Chair the Committee.
- f) Chairman of the Nomination and Remuneration Committee could be present at the Annual General Meeting or may nominate some other member to answer the shareholders' queries.

❖ **APPOINTMENT AND REMOVAL OF DIRECTOR, KMP AND SENIOR MANAGEMENT**➤ **APPOINTMENT CRITERIA AND QUALIFICATIONS:**

- 1) The Committee shall identify and ascertain the integrity, qualification, expertise and experience of the person for appointment as Director, KMP or at Senior Management level and recommend to the Board his / her appointment.
- 2) A person should possess adequate qualification, expertise and experience for the position he / she is considered for appointment. The Committee has discretion to decide whether qualification, expertise and experience possessed by a person are sufficient / satisfactory for the concerned position.
- 3) The Company shall not appoint or continue the employment of any person as Managing Director/Whole-time Director/Manager who has attained the age of seventy years. Provided that the term of the person holding this position may be extended beyond the age of seventy years with the approval of shareholders by passing a special resolution based on the explanatory statement annexed to the notice for such motion indicating the justification for extension of appointment beyond seventy years.

➤ **TERM / TENURE:**➤ **Managing Director/Whole-time Director/Manager (Managerial Person):**

The Company shall appoint or re-appoint any person as its Managerial Person for a term not exceeding **five years** at a time. No re-appointment shall be made earlier than one year before the expiry of term.

➤ **Independent Director:**

An Independent Director shall hold office for a term up to five consecutive years on the Board of the Company and will be eligible for re-appointment on passing of a special resolution by the Company and disclosure of such appointment in the Board's report.

No Independent Director shall hold office for more than two consecutive terms, but such Independent Director shall be eligible for appointment after expiry of three years of ceasing to become an Independent Director.

Provided that an Independent Director shall not, during the said period of three years, be appointed in or be associated with the Company in any other capacity, either directly or indirectly. However, if a person who has already served as an Independent Director for 5 years or more in the Company as on 1 October, 2014 or such other date as may be determined by the Committee as per regulatory requirement, he / she shall be eligible for appointment for one more term of 5 years only.

At the time of appointment of Independent Director it should be ensured that number of Boards on which such Independent Director Serves is restricted to seven listed companies as an Independent Director and three listed companies as an Independent Director in case such person is serving as a Whole-time Director of a listed company.

❖ **Provisions relating to Remuneration of Managerial Person and KMP AND Senior Management**

1) **General:**

- a) The remuneration / compensation / commission etc. to Managerial Person & KMP will be determined by the Committee and recommended to the Board for approval. The remuneration / compensation / commission etc. shall be subject to the prior/post approval of the shareholders of the Company and Central Government, wherever required.
- b) The remuneration and commission to be paid to Managerial Person shall be as per the statutory provisions of the Companies Act, 2013, and the rules made there under for the time being in force.
- c) Increments to the existing remuneration / compensation structure may be recommended by the Committee to the Board which should be within the slabs approved by the Shareholders in the case of Managerial Person.
- 2) **Fixed pay:** Managerial Person, KMP and Senior Management shall be eligible for a monthly remuneration as may be approved by the Board on the recommendation of the Committee in accordance with the statutory provisions of the Companies Act, 2013, and the rules made there under for the time being in force. The break-up of the pay scale and quantum of perquisites including, employer's contribution to P.F, pension scheme, medical expenses, club fees etc. shall be decided and approved by the Board on the recommendation of the Committee and approved by the shareholders and Central Government, wherever required.
- 3) **Minimum Remuneration:** If, in any financial year, the Company has no profits or its profits are inadequate, the Company shall pay remuneration to its Managerial Person in accordance with the provisions of Schedule V of the Companies Act, 2013 and if it is not able to comply with such provisions, with the prior approval of the Central Government.

❖ **REMUNERATION TO NON-EXECUTIVE / INDEPENDENT DIRECTOR:**

The remuneration / commission (if any) shall be in accordance with the statutory provisions of the Companies Act, 2013, and the rules made there under for the time being in force. The total remuneration of Non-executive Directors may include all or any combination of following elements:

- i. Fees for attending meeting of the Board of Directors as permissible under Section 197 of the Companies Act, 2013 read with Rule 4 of the Companies (Appointment & Remuneration of Managerial Personnel) Rules, 2014 and decided at the Meeting of the Board of Directors.
 - ii. Fees for attending meetings of Committees of the Board which remunerate Directors for additional work on Board Committee as permissible under Section 197 of the Companies Act, 2013 read with Rule 4 of the Companies (Appointment & Remuneration of Managerial Personnel) Rules, 2014 and decided at the Meeting of the Board of Directors.
 - iii. Commission on net profits as permissible under Section 197 of the Companies Act, 2013 and decided by the Board from time to time to be payable to any of the Non-executive Director.
 - iv. Non-Executive Directors are entitled to be paid all traveling and other expenses they incur for attending to the Company's affairs, including attending and returning from General Meetings of the Company or Meetings of the Board of Directors or Committee of Directors.
- Any increase in the maximum aggregate remuneration payable beyond permissible limit under the Companies Act, 2013 shall be subject to the approval of the Shareholders' at the Annual General Meeting by special resolution and/or of the Central Government, as may be applicable.

❖ **FREQUENCY OF COMMITTEE MEETINGS & MINUTES OF THE MEETING**

The meeting of the Committee shall be held at such regular intervals as may be required. Proceedings of all meetings must be minutised and signed by the Chairman of the said meeting or the Chairman of the next succeeding meeting. Minutes of the Committee meeting will be tabled at the subsequent Board and Committee meeting.

❖ **AMENDMENT**

Any change in the Policy shall, on recommendation of Nominations and Remuneration Committee, be approved by the Board of Directors of the Company. The Board of Directors shall have the right to withdraw and / or amend any part of this Policy or the entire Policy, at any time, as it deems fit, or from time to time, and the decision of the Board in this respect shall be final and binding.

FormNo.MGT-9**"Annexure-5"****EXTRACT OF ANNUAL RETURN**

As on the financial year ended on 31st March, 2016.
[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:	L01300RJ1995PLC009541
ii.	Registration Date:	20.02.1995
iii.	Name of the Company:	HRB FLORICULTURE LTD.
iv.	Category/Sub-Category of the Company:	Public Company/Limited by shares Indian Non-Government Company
v.	Address of the registered office And contact details:	A-28, Ram Nagar, Shastri Nagar, Jaipur-302016 & Tel: +91-141-2303098 Fax: +91-141-2303097
vi.	Whether listed company:	Yes
vii.	Name, Address and Contact details of Registrar and Transfer Agent, if any:	M/s. Purva Sharegistry (India) Pvt. Ltd., No. 9, Shiv Shakti Industrial Estate, Ground Floor, J R Boricha Marg, Opp Kasturba Hospital, Lower Parel, Mumbai, Maharashtra - 400011. Tel: +91-22-23018261

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY:

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

Sl.No.	Name and Description of main products/ services	NIC Code of the Product/ service	% to total turnover of the company
1.	Agricultural Activities	011	16%
2.	Other financial activities	661	84%

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES:

S. NO	Name & Address of The Company	CIN/GLN	Holding/Subsidiary /Associate	% of shares held	Applicable Section
	NA	NA	NA	NA	NA

IV. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)**I. Category-wise Share Holding**

Category of Shareholders	No. of Shares held at the beginning of the year				No. Of Shares held at the end of the year				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoters									
1) Indian									
a) Individual/ HUF	944500	NIL	944500	41.49	944500	NIL	944500	41.49	NIL
b) Central Govt	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
c) State Govt(s)	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
d) Bodies Corp.	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
e) Banks/FI	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
f) Any Other....	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
Sub-total	944500	NIL	944500	41.49	944500	NIL	944500	41.49	NIL
(A)(1):-									
(2) Foreign									
a) NRIs- Individuals									
b) Other- Individuals	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
c) Bodies Corp.	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
d) Banks/FI	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
e) Any Other....	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
Sub-total	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
(A) (2):-	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
Total shareholding of Promoter (A)= (A)(1)+(A)(2)	944500	NIL	944500	41.49	944500	NIL	944500	41.49	NIL

B. Public Shareholding									
1. Institutions									
a) Mutual Funds	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
b) Banks/FI	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
c) Central Govt	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
d) State Govt (s)	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
e) Venture Capital Funds	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
f) Insurance Companies	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
g) FIIs	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
h) Foreign Venture Capital Funds	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
i) Others (specify)	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
Sub-total(B)(1):	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
2. Non-Institutions									
a) Bodies Corp.									
i) Indian	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
ii) Overseas	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
b) Individuals	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
i) Individual shareholders holding nominal share capital up to Rs. 1 lakh	11700	134800	146500	6.44	11700	134800	146500	6.44	NIL
ii) Individual shareholders holding nominal share capital in excess of Rs 1 lakh	425100	740200	1165300	51.19	425100	740200	1165300	51.19	NIL
c) Others (specify) HUF	10000	10000	20000	.88	10000	10000	20000	.88	NIL
Sub-total(B)(2):-	446800	885000	1331800	58.51	446800	885000	1331800	58.51	NIL
Total Public Shareholding (B)=(B)(1)+ (B)(2)	446800	885000	1331800	58.51	446800	885000	1331800	58.51	NIL
C. Shares held by Custodian for GDRs & ADRs	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
Grand Total (A+B+C)	1391300	885000	2276300	100	1391300	885000	2276300	100	NIL

II. Shareholding of Promoters as on 31st March, 2016

S. No.	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in share holding during the year
		No. of Shares	%of total Shares of the company	% of Shares Pledged/ encumbered to total shares	No. of Shares	%of total Shares of the company	%of Shares Pledged/ encumbered to total shares	
1.	Krishan Kumar Parwal	864400	37.97	NIL	864400	37.97	NIL	NIL
2.	Sunita Parwal	80100	3.51	NIL	80100	3.51	NIL	NIL
	Total	944500	41.49	NIL	944500	41.49	NIL	NIL

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

S. No.	Particulars	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	%of total shares of the company	No. of shares	%of total shares of the company
1.	At the beginning of the year	944500	41.49	No change	No change
2.	Date wise Increase/ Decrease in Promoters Shareholding during the year specifying the reasons for increase/decrease (e.g. allotment/ transfer/ bonus/ sweat equity etc):	NIL	NIL	NIL	NIL
3.	At the end of the year	944500	41.49	No change	No change

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

S.No	For Each of the Top 10 Shareholders	Shareholding at the beginning of the year (01.04.2015)		Cumulative Shareholding during the year	
		No. Of shares	%of total shares of the company	No. of shares	% of total shares of the
1.	Vinod Kumar Parwal				
	As on 01.04.2015	645100	28.33	645100	28.33
	Transaction(allotment/transfer/bonus)	-	-	645100	28.33
	At the end of the year 31.03.2016	-	-	645100	28.33
2.	Hansraj Parwal				
	As on 01.04.2015	200100	8.79	200100	8.79
	Transaction(allotment/transfer/bonus)	-	-	200100	8.79
	At the end of the year 31.03.2016	-	-	200100	8.79
3.	Basanti Devi Parwal				
	As on 01.04.2015	110100	4.83	110100	4.83
	Transaction(allotment/transfer/bonus)	-	-	110100	4.83
	At the end of the year 31.03.2016	-	-	110100	4.83
4.	Nirmala Devi Parwal				
	As on 01.04.2015	95100	4.17	95100	4.17
	Transaction(allotment/transfer/bonus)	-	-	95100	4.17
	At the end of the year 31.03.2016	-	-	95100	4.17
5.	Ramjanki Devi Parwal				
	As on 01.04.2015	55000	2.41	55000	2.41
	Transaction(allotment/transfer/bonus)	-	-	55000	2.41
	At the end of the year 31.03.2016	-	-	55000	2.41
6.	Bharat Bagri				
	As on 01.04.2015	20400	0.89	20400	0.89
	Transaction(allotment/transfer/bonus)	-	-	20400	0.89
	At the end of the year 31.03.2016	-	-	20400	0.89
7.	Sarla Bharat Bagri				
	As on 01.04.2015	20000	0.87	20000	0.87
	Transaction(allotment/transfer/bonus)	-	-	20000	0.87
	At the end of the year 31.03.2016	-	-	20000	0.87

8.	Ravi Prakash Malpani				
	As on 01.04.2015	19500	0.85	19500	0.85
	Transaction(allotment/transfer/bonus)	-	-	19500	0.85
	At the end of the year 31.03.2016	-	-	19500	0.85
9.	Bharat Bagri HUF				
	As on 01.04.2015	10000	0.43	10000	0.43
	Transaction(allotment/transfer/bonus)	-	-	10000	0.43
	At the end of the year 31.03.2016	-	-	10000	0.43
10.	Aayush Malpani				
	As on 01.04.2015	10000	0.43	10000	0.43
	Transaction(allotment/transfer/bonus)	-	-	10000	0.43
	At the end of the year 31.03.2016	-	-	10000	0.43

V. Shareholding of Directors and Key Managerial Personnel:

S.No.	For Each of the Directors and KMP	Shareholding at the beginning of the year (01.04.2015)		Cumulative Shareholding during the year	
		No. of shares	%of total shares of the company	No. of shares	%of total shares of the company
1.	Krishan Kumar Parwal (Managing Director)				
	As on 01.04.2015	864400	37.97	864400	37.97
	Transaction(allotment/transfer/bonus)	-	-	864400	37.97
	At the end of the year 31.03.2016	-	-	864400	37.97
2.	Sunita Parwal (Executive Director)				
	As on 01.04.2015	80100	3.51	80100	3.51
	Transaction(allotment/transfer/bonus)	-	-	80100	3.51
	At the end of the year 31.03.2016	-	-	80100	3.51
3.	Puneet Parwal (CFO & Whole Time Director)				
	As on 01.04.2015				
	Transaction(allotment/transfer/bonus)	-	-	-	-
	At the end of the year 31.03.2016				

4.	Vimal Jugal Kishor Chandak (Independent Director) As on 01.04.2015 Transaction(allotment/transfer/bonus) At the end of the year 31.03.2016	-	-	-	-
5.	Ramesh Kumar Somani (Independent Director) As on 01.04.2015 Transaction(allotment/transfer/bonus) At the end of the year 31.03.2016	-	-	-	-
6.	Amit Sharda (Independent Director) As on 01.04.2015 Transaction(allotment/transfer/bonus) At the end of the year 31.03.2016	-	-	-	-
7.	Tanushree Dave (Company Secretary) As on 01.04.2015 Transaction(allotment/transfer/bonus) At the end of the year 31.03.2016	-	-	-	-

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

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i)Principal Amount	20,01,112	-	-	20,01,112
ii)Interest due but not paid	-	-	-	-
iii)Interest accrued but not due	17,102	-	-	17,102
Total (i+ii+iii)	20,18,214	-	-	20,18,214
Change in Indebtedness during the financial year				
Addition	1,97,637	-	-	1,97,637
Reduction	(8,96,715)	-	-	(8,96,715)
Net Change	(6,99,078)	-	-	(6,99,078)
Indebtedness at the end of the financial year				
i) Principal Amount	13,08,901	-	-	13,08,901
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	10,235	-	-	10,235
Total (i+ii+iii)	13,19,136	-	-	13,19,136

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

Sl. no.	Particulars of Remuneration	Name of MD/WTD/Manager		Total Amount
		Krishan Kumar Parwal (MD)	Puneet Parwal (WTD)	
1.	Gross salary (a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961 (b) Value of perquisites u/s 17(2) Income-tax Act, 1961 (c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	Rs. 6,60,000/- p.a. NIL NIL	Rs. 4,80,000/- p.a.	Rs. 11,40,000/- p.a.
2.	Stock Option	NIL	NIL	NIL
3.	Sweat Equity	NIL	NIL	NIL
4.	Commission - as % of profit - Others, specify...	NIL	NIL	NIL
5.	Others, please specify	NIL	NIL	NIL
	Total(A)	6,60,000/-	4,80,000/-	11,40,000/-
	Ceiling as per the Act	30,00,000/-	30,00,000/-	

B. Remuneration to other directors:

Sl. No.	Particulars of Remuneration	Name of Directors			Total Amount
		Vimal Jugal Kishor Chandak	Ramesh Kumar Somani	Amit Sharda	
	Independent Directors:				
	• Fee for attending board committee Meetings	NIL	NIL	NIL	NIL
	• Commission	NIL	NIL	NIL	NIL
	• Others, please specify	NIL	NIL	NIL	NIL

	Total(i)	NIL	NIL	NIL	NIL
	Other Non-Executive Directors				
	· Fee for attending board committee meetings	NIL	NIL	NIL	NIL
	· Commission	NIL	NIL	NIL	NIL
	· Others, please specify	NIL	NIL	NIL	NIL
	Total(ii)	NIL	NIL	NIL	NIL
	Total(B)=(i+ii)	NIL	NIL	NIL	NIL
	Total Managerial Remuneration	NIL	NIL	NIL	NIL
	Overall Ceiling as per the Act	1% of the Net Profits of the Company			

C.REMUNERATION TO KEY MANAGERIAL PERSONNEL (OTHER THAN MD/MANAGER/WTD)

Sl. no.	Particulars of Remuneration	Key Managerial Personnel			Total
		CEO	Company Secretary	CFO	
1.	Gross salary				
	(a)Salary as per provisions contained in section17(1)of the Income-tax Act,1961	0.00	Rs.1,50,000/- p.a.	0.00	Rs.1,50,000/-p.a.
	(b)Value of perquisites u/s17(2)Income-tax Act,1961	0.00	0.00	0.00	0.00
	(c)Profits in lieu of salary under section17(3)Income-tax Act,1961	0.00	0.00	0.00	0.00
2.	Stock Option	0.00	0.00	0.00	0.00
3.	Sweat Equity	0.00	0.00	0.00	0.00
4.	Commission-as % of profit	0.00	0.00	0.00	0.00
	- Others, specify...				
5.	Others, please specify	0.00	0.00	0.00	0.00
	Total	0.00	Rs.1,50,000/-	0.00	Rs.1,50,000/-

VII. PENALTIES/PUNISHMENT/COMPOUNDING OF OFFENCES:

Type	Section of the Companies Act	Brief Description	Details of Appeal/Penalty/Compounding /Fee imposed	Authority (Rd/NCLT/Court)	Appeal made if any(Give details)
A. COMPANY					
Penalty	NA	NIL	NIL	NIL	NIL
Punishment	NA	NIL	NIL	NIL	NIL
Compounding	NA	NIL	NIL	NIL	NIL
B. DIRECTORS					
Penalty	NA	NIL	NIL	NIL	NIL
Punishment	NA	NIL	NIL	NIL	NIL
Compounding	NA	NIL	NIL	NIL	NIL
C. OTHER OFFICERS IN DEFAULT					
Penalty	NA	NIL	NIL	NIL	NIL
Punishment	NA	NIL	NIL	NIL	NIL
Compounding	NA	NIL	NIL	NIL	NIL

**For and on behalf of Board of Directors
For HRB Floriculture Limited**

Sd/-

**Krishan Kumar Parwal
Chairman
DIN: 00228200**

**Place: Jaipur
Date: 30.05.2016**

Chief Executive Officer Certification

I, Mr. Krishan Kumar Parwal, Managing Director of the Company hereby certify

1. That I have reviewed the financial statements and the cash flow statement for the year ended 31 March 2016 and that to the best of my knowledge and belief,
 - These statements do not contain any materially untrue statement nor omit any material fact nor contain statements that might be misleading, and
 - These statements present a true and fair view of the Company's affairs and are in compliance with the existing accounting standards, applicable laws and regulations.
2. That there are, to the best of my knowledge and belief, no transactions entered into by the Company during the year, which are fraudulent, illegal or violative of the Company's code of conduct.
3. That I accept responsibility of establishing and maintaining internal controls, I have evaluated the effectiveness of the internal control systems of the company and I have disclosed to the Auditors and the Audit committee, deficiencies in the design or operation of internal controls, if any, of which I was aware and the steps that I have taken or propose to take to rectify the identified deficiencies and;

Significant changes in accounting policies during the year and that the same have been disclosed in the notes to the financial statements, if any and

No instances of significant fraud of which I have become aware and the involvement therein, if any, of the management or an employee having a significant role in the company's internal control system.

Place: Jaipur
Date: 30.05.2016

Sd/-
Krishan Kumar Parwal
Managing Director
DIN: 00228200

INDEPENDENT AUDITORS' REPORT**B. KHOSLA & CO.**
Chartered Accountants**To The Members of
HRB FLORICULTURE LIMITED****Report on the Financial Statements**

We have audited the accompanying financial statements of HRB FLORICULTURE LIMITED ('the Company') which comprise the Balance Sheet as at March 31, 2016, Profit and Loss Statement, the Cash Flow Statement for the year then ended and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made 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 financial statements are free from material misstatement.

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

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

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2016, its Loss and its cash flow for the year ended on that date:

Report on Other Legal and Regulatory Requirements

- 1 As required by the Companies (Auditor's Report) Order, 2016 issued by the Central Government of India in terms of sub-section (11) of section 143 of the Companies Act, 2013(hereinafter referred to the "Order"), and on the basis of such checks of the books and records of the Company as we considered appropriate and according to the information and explanations given to us, we give in the Annexure "A" a statement on the matters specified in paragraphs 3 and 4 of the Order.
- 2 As required by section 143(3) of the Act, we report that:
 - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
 - (b) In our opinion proper books of account as required by law have been kept by the Company so far as appears from our examination of those books ;
 - (c) The Balance Sheet, Profit and Loss Statement and Cash Flow Statement dealt with by this Report are in agreement with the books of account.
 - (d) In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under section 133 of the Companies Act, 2013, read with Rule 7 of the Companies (Accounts) Rule 2014.
 - (e) On the basis of written representations received from the directors as on March 31, 2016, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2016 from being appointed as a director in terms of sub-section (2) of section 164 of the Companies Act, 2013.
 - (f) with respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate report in "Annexure B"; and
 - (g) With respect to other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, In our opinion and to the best of our information and according to the explanations given to us;
 - (i) The Company does not have any pending litigations which would impact its financial position.
 - (ii) The Company did not have any long-term contracts including derivative contracts hence, the question of any material foreseeable losses does not arise;
 - (iii) There are no amounts which are required to be transferred to the Investor Education and Protection Fund by the Company.

JAIPUR
30 May 2016

For B. KHOSLA & CO.
Chartered Accountants
FRN No: 000205C

Sd/-
SANDEEP MUNDRA
Partner
M.No. 075482



B. KHOSLA & CO.
Chartered Accountants

HRB FLORICULTURE LIMITED
ANNEXURE "A" TO THE INDEPENDENT AUDITORS' REPORT

(Referred to in paragraph 1 under the heading of "Report on Other Legal and Regulatory Requirements" of our Report of even date)

- i
 - a. The company has maintained proper records showing full particulars including quantitative details and situation of fixed assets.
 - b. All the assets have been physically verified by the management during the year. There is a regular programme of verification which, in our opinion, is reasonable having regard to the size of the company and the nature of its assets. No material discrepancies were noticed on such verification.
 - c. The Company does not have any immovable properties there for we have no comments under para 3(i)(c) of the order.
- ii The inventory held in tangible form has been physically verified during the year by the management. The discrepancies noticed on verification between the physical stocks and the book records were not material and have been properly dealt with in the books of account;
- iii The Company has not granted any loans, secured or unsecured to companies, firm, limited liability partnerships or other parties covered in the register maintained under section 189 of the Companies Act 2013, therefore we have no comments under Para 3(iii)(a) to 3(iii)(c) of the order.
- iv In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of section 185 and 186 of the Act, with respect to the loans and investments made.
- v The Company has not accepted any deposits from the public covered under Section 73 to 76 of the Companies Act, 2013
- vi The Central Government has not prescribed the maintenance of cost records under section 148(1) of the Act, for any of the services rendered by the Company.
- vii
 - a. According to the information and explanations given to us and on the basis of our examination of the records of the Company, amounts deducted/ accrued in the books of account in respect of undisputed statutory dues including provident fund, employees' state insurance, income-tax, sales tax, service tax, duty of customs, duty of excise, value added tax, cess and other statutory dues have been regularly deposited during the year by the Company with the appropriate authorities.
According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, employees' state insurance, income-tax, sales tax, service tax, duty of customs, duty of excise, value added tax, cess and other statutory dues were in arrears as at 31 March 2016 for a period of more than six months from the date they became payable.
 - b. According to the information and explanations given to us and based on the records of the company examined by us, there are no dues of Income Tax or sales tax or Service Tax or duty of Customs or duty of Excise or value added tax which have not been deposited on account of any disputes.
- viii According to the information and explanations given to us, the company has not defaulted in repayment of loans or borrowing to a financial institution, bank or government. The Company has not issued any debentures..

- ix The Company did not raise any money by way of initial public offer or further public offer (including debt instruments) and term loans during the year. Accordingly, paragraph 3 (ix) of the Order is not applicable.
- x According to the information and explanations given to us, no fraud by the Company or on the Company by its officers or employees has been noticed or reported during the course of our audit.
- xi The Company has complied with the provisions of section 197 read with schedule V to the Companies Act, 2013.
- xii In our opinion and according to the information and explanations given to us, the Company is not a nidhi company. Accordingly, paragraph 3(xii) of the Order is not applicable.
- xiii According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with sections 177 and 188 of the Act where applicable and details of such transactions have been disclosed in the financial statements as required by the applicable accounting standards.
- xiv According to the information and explanations give to us and based on our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year.
- xv According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into non-cash transactions with directors or persons connected with him. Accordingly, paragraph 3(xv) of the Order is not applicable.
- xvi The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act 1934.

Jaipur
Date: 30-May-16

B. KHOSLA & CO.
Chartered Accountants
FRN No: 000205C

Sd/-
SANDEEP MUNDRA
Partner
M.No. 075482

**B. KHOSLA & CO.**
Chartered Accountants**HRB FLORICULTURE LIMITED****Annexure - B to the Auditors' Report****Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")**

We have audited the internal financial controls over financial reporting of HRB FLORICULTURE LIMITED (Company") as of March 31, 2016 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

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

Auditors' Responsibility

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

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgment, 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 authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

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

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2016, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

JAIPUR
30 May 2016

For B. KHOSLA & CO.

Chartered Accountants
FRN No: 000205C

Sd/-
SANDEEP MUNDRA
Partner
M.No. 075482

HRB FLORICULTURE LIMITED
Balance Sheet as at March 31, 2016

			In Rs.
Particulars	Note No.	As at March 31, 2016	As at March 31, 2015
I. EQUITY AND LIABILITIES			
(1) Shareholders' funds			
(a) Share capital	1.01	30,729,750.00	30,729,750.00
(b) Reserves and surplus	1.02	(20,099,921.60)	(12,991,008.75)
		10,629,828.40	17,738,741.25
(2) Share application money pending allotment		-	-
(3) Non-current liabilities			
(a) Long-term borrowings	1.03	307,800.00	1,197,648.00
(b) Deferred tax liabilities (Net)	1.04	123,724.00	116,571.00
(c) Other Long term liabilities		-	-
(d) Long-term provisions		-	-
		431,524.00	1,314,219.00
(4) Current liabilities			
(a) Short-term borrowings	1.05	111,253.32	-
(b) Trade payables	1.06		
(i) total outstanding dues of micro and small enterprises			
(ii) total outstanding dues of creditors other than micro and small enterprises		97,295.00	86,515.00
(c) Other current liabilities	1.07	905,083.00	827,486.00
(d) Short-term provisions	1.08	-	137,804.00
		1,113,631.32	1,051,805.00
TOTAL		12,174,983.72	20,104,765.25
II. ASSETS			
(1) Non-current assets			
(a) Fixed assets	1.09		
(i) Tangible assets		4,206,512.00	4,715,060.00
(ii) Intangible assets		-	582,500.00
(iii) Capital work-in-progress		-	-
(iv) Intangible assets under development		-	-
(b) Non-current investments		-	-
(c) Long-term loans and advances		-	-
(d) Other non-current assets		-	-
		4,206,512.00	5,297,560.00
(2) Current assets			
(a) Current investments		-	-
(b) Inventories	1.10	7,126,192.00	13,890,966.46
(c) Trade receivables		-	-
(d) Cash and Bank Balances	1.11	826,651.22	739,439.48
(e) Short-term loans and advances	1.12	15,628.50	176,799.31
(f) Other current assets		-	-
		7,968,471.72	14,807,205.25
TOTAL		12,174,983.72	20,104,765.25
<i>Significant Accounting Policies and Notes to the financial statements</i>	1 & 2	-	-
<i>By Order of the Board</i>		<i>As per Our Report of even date</i>	
KRISHAN KUMAR PARWAL		For B. KHOSLA & CO.	
Managing Director		Chartered Accountants	
DIN:0228200		FRN: 000205C	
PUNEET PARWAL		TANUSHREE DAVE	SANDEEP MUNDRA
Whole-time Director		Company Secretary	Partner
DIN 0228249			M. No. 075482
Jaipur			
May 30, 2016			

HRB FLORICULTURE LIMITED**Statement of Profit and Loss for the year ended March 31, 2016**

			in Rs.
Particulars	Note No.	Year ended March 31, 2016	Year ended March 31, 2015
I. Revenue from operations	2.01	7,058,901.90	18,389,739.14
II. Other income	2.02	68,940.00	1,187,391.77
III. Total Revenue (I + II)		7,127,841.90	19,577,130.91
IV. Expenses:			
Cost of materials consumed	2.03	31,600.00	35,700.00
Purchases of Stock-in-Trade	2.04	1,207,069.97	23,536,002.90
Changes in inventories of finished goods work-in-progress and Stock-in-Trade	2.05	6,764,774.46	(9,603,621.65)
Employee benefits expense	2.06	1,740,000.00	1,652,500.00
Finance costs	2.07	161,285.00	172,648.00
Depreciation and amortization expense	1.09	1,191,048.00	1,861,889.00
Other expenses	2.08	3,286,567.92	1,412,143.48
Total expenses		14,382,345.35	19,067,261.73
V. Profit before exceptional and extraordinary items and tax (III-IV)		(7,254,503.45)	509,869.18
VI. Exceptional items		-	-
VII. Profit before extraordinary items and tax (V - VI)		(7,254,503.45)	509,869.18
VIII. Extraordinary Items		-	-
IX. Profit before tax (VII- VIII)		(7,254,503.45)	509,869.18
X Tax expense:			
(1) Current tax			195,000.00
(2) Earlier year tax		(152,743.60)	12,958.00
(3) Deferred tax	1.04	7,153.00	101,575.00
XI Profit (Loss) for the period from continuing operations (IX-X)		(7,108,912.85)	200,336.18
XII Profit/(loss) from discontinuing operations		-	-
XIII Tax expense of discontinuing operations		-	-
XIV Profit/(loss) from Discontinuing operations (after tax) (XII-XIII)		-	-
XV Profit (Loss) for the period (XI + XIV)		(7,108,912.85)	200,336.18
XVI Earnings per equity share:	2.10 (v)		
(1) Basic		(3.12)	0.09
(2) Diluted		(3.12)	0.09

Significant Accounting Policies and Notes to the financial statements

[1 & 2](#)

By Order of the Board

KRISHAN KUMAR PARWAL

Managing Director

DIN:0228200

PUNEET PARWAL

Whole-time Director

DIN 0228249

Jaipur

May 30, 2016

TANUSHREE DAVE

Company Secretary

As per Our Report of even date

For B. KHOSLA & CO.

Chartered Accountants

FRN: 000205C

SANDEEP MUNDRA

Partner

M. No. 075482

HRB FLORICULTURE LIMITED**Cash Flow Statement for the year ended 31st March 2016**

	2015-16	2014-15
A. CASH FLOW FROM OPERATING ACTIVITIES		
Net profit before tax and extraordinary items	(7,254,503)	509,869
Adjustment for		
Depreciation/Amortisation	1,191,048	1,861,889
Interest paid	161,285	165,958
Interest and Dividend	(68,940)	(630,573)
Operating Profit before Working Capital Changes	(5,971,110)	1,907,143
Adjustment for		
Trade and other receivable	161,171	9,651,357
Inventories	6,764,774	(9,603,622)
Trade payable	(939,275)	53,257
Cash generated from operations	15,560	2,008,136
Interest paid	(161,285)	(165,958)
Direct taxes paid	152,744	(70,154)
Cash flow before extraordinary item	7,018	1,772,024
Extraordinary item	-	-
Net cash from Operating Activities	7,018	1,772,024
B CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of Fixed Assets	(100,000)	(4,945,361)
Sale of Fixed Assets	-	-
Movement in deposits	(65,464)	280,515
Sale of Investments	-	-
Interest and Dividend received	68,940	630,573
Net cash from investing activities	(96,524)	(4,034,273)
C CASH FLOW FROM FINANCING ACTIVITIES		
Proceed from Borrowings	111,253	2,001,112
Proceed from Long term Investment	-	-
Movement in Loans	-	-
Net cash from financing activities	111,253	2,001,112
Net increase in cash and cash equivalent (A+B+C)	21,748	(261,137)
Cash and Cash equivalent in the opening balance	139,954	401,092
Cash and Cash equivalent in the Closing balance	161,702	139,954

By Order of the Board

KRISHAN KUMAR PARWAL

Managing Director

DIN:0228200

PUNEET PARWAL

Whole-time Director

DIN 0228249

Jaipur

May 30, 2016

As per our report of even date attached

For B. KHOSLA & CO.

Chartered Accountants

FRN: 000205C

TANUSHREE DAVE

Company Secretary

SANDEEP MUNDRA

Partner

M. No. 075482

HRB FLORICULTURE LIMITED**1 Significant Accounting Policies****a SYSTEM OF ACCOUNTING**

The financial statements are prepared under historic cost convention. Income and expenditure are recognized on accrual basis except dividend income and penal interest on loan is accounted for on cash basis.

b FIXED ASSETS AND DEPRECIATION

- i Fixed assets are stated at cost of acquisition or construction inclusive of freight, duties and taxes less Accumulated Depreciation.
- ii Lump sum payments made at the time of the lease of agriculture land are capitalized and are being amortized equally over the period of lease.
- iii Depreciation on Fixed Assets is being provided on straight-line method at the rate prescribed in Schedule XIV of the Companies Act, 1956 on pro-rata basis.

c IMPAIRMENT OF ASSETS

As at each balance sheet date, the carrying amount of assets is tested for impairment so as to determine

- i the provision for impairment loss, if any, required or
 - ii the reversal, if any, required for impairment loss recognized in previous periods.
- Impairment loss is recognized when the carrying amount of an asset exceed its *recoverable* amount.
Recoverable amount is determined
- i in the case of an individual asset, at the higher of net selling price and the value in use.
 - ii in the case of cash generating unit (a group of assets that generates identified independent cash flows), at higher of the cash generating unit's selling price and the value in use.
- Value in use* is determined as the present value of estimated future cash flow from the continuing use of assets and from its disposal at the end of its useful life.

d INVESTMENTS

Non-Current Investments are stated at cost. Provision for diminution in the value of Non-Current Investment is made if such decline is other than temporary in nature

e INVENTORIES

Inventories are valued as under: -

- i **Agricultural Produce** – *at realizable value*
- ii **Standing Agricultural Crop**- *at NIL value*
- iii **Shares and Securities**- *Scrip-wise at cost or market price whichever is less. Bonus shares/ units etc. are valued at Nil value.*

f SALES

Sales of Agricultural product are accounted for as net of discount, Freight, brokerage etc on sale.

g CURRENT TAX AND DEFERRED TAX

- i Income Tax is accounted in accordance with AS-22 "Accounting for taxes on income" issued by ICAI. Deferred income taxes reflect impact of current year timing difference between taxable income and accounting income for the year and reversal of timing difference of earlier years. Deferred tax assets are recognized only to the extent that there is reasonable certainty that sufficient future taxable income will be available.
- ii Current tax is determined as the amount of tax payable in respect of taxable income using the applicable tax rates and tax laws for the year.

h SEGMENT REPORTING

- i **Identification** : The Company's operating businesses are organized and managed separately according to the nature of product and services with each segment representing a strategic business unit that offers different product and services to different markets.
- ii **Allocation of common cost** : Common allocable costs are allocated to each segment according to the relative contribution of each segment to the total common costs.
- iii **Unallocable Items** : includes general corporate incomes and expenses items which are not allocated to any business segment.
- iv **Segment Policies** : The company prepares its segment information in conformity with the accounting policies adopted for preparing the financial statement of the company as a whole

i EMPLOYEE BENEFITS

- i Short term employee benefits are recognized as an expense at the undiscounted amount in which the related service is rendered
- ii There is no liability of the company as of now towards gratuity or any other long term benefits payable to employees.

HRB FLORICULTURE LIMITED**Notes Accompanying to the financial Statement for the year ended March 31, 2016**

(in accordance with revised Schedule VI to the Companies Act, 1956- to the extent applicable)

1.01 SHARE CAPITAL

- a The details of Authorised, Issued, Subscribed and fully paid up, and subscribed but not fully paid up are as under :-

Share Capital	As at 31st March, 2016		As at 31st March, 2015	
	Number	Amt	Number	Amt
Authorised				
55,00,000 Equity Shares of Rs. 10/- each	5,500,000	55,000,000	5,500,000	55,000,000
Issued, Subscribed and Paid up				
22,76,300 Equity Shares of Rs. 10/- each	2,276,300	22,763,000	2,276,300	22,763,000
Add: Forfeited 2823900 Equity Shares (amount originally paid up)	2,823,900	7,966,750	2,823,900	7,966,750
	30,729,750		30,729,750	

- b The Reconciliation of the number of Shares outstanding at the beginning and at the end of the reporting year is as under:-

Equity Shares	As at March 31, 2016		As at March 31, 2015	
	Number	Amount	Number	Amount
Outstanding at the beginning of the year	2,276,300	22,763,000	2,276,300	22,763,000
Shares Issued during the year	-	-	-	-
Shares Forfeited during the year	-	-	-	-
Shares outstanding at the end of the year	2,276,300	22,763,000	2,276,300	22,763,000

- c The Equity Shares issued by the company have equal right as to voting and dividend.

- d The details of shareholders holding more than 5% equity shares as at reporting date are as under :-

Name of Equity Shareholder	As at 31 March 2016		As at 31 March 2015	
	No. of Shares held	% of Holding	No. of Shares held	% of Holding
Krishan Kumar Parwal	864,400	37.97%	864,400	37.97%
Hansraj Parwal	200,100	8.79%	200,100	8.79%
Vinod Kumar Parwal	645,100	28.34%	645,100	28.34%

1.02 RESERVES AND SURPLUS

Particulars	As at March 31, 2016	As at March 31, 2015
Debit Balance in Profit and Loss Account		
Opening balance	(12,991,008.75)	(13,253,985)
Add:		
Net Loss for the current year	(7,108,912.85)	200,336
	(20,099,921.60)	(13,053,648)
Less:		
Prior Period excess depreciation adjusted (refer Note No.)	-	(62,640)
	(20,099,921.60)	(12,991,009)

NON-CURRENT LIABILITIES**1.03 LONG TERM BORROWINGS**

Particulars	As at March 31, 2016	As at March 31, 2015
Secured		
Car Loan from ICICI Bank (Secured against hypothecation of Car)	307,800	1,197,648
	307,800	1,197,648

1.04 DEFERRED TAX LIABILITY

The deferred tax liability consists of following components

Particulars	As at March 31, 2016	As at March 31, 2015
On account of timing difference of depreciation	123,724	116,571
	123,724	116,571

In the opinion of the management there is no virtual certainty supported by convincing evidence that future taxable income will be available and therefore no deferred tax assets on carried forward losses have been recognized. The increase in deferred tax liability amounting to Rs 7153/- has been debited to profit and Loss Account.

1.05 SHORT TERM BORROWINGS

a Short-term borrowings consists on the following -

Particulars	As at March 31, 2016	As at March 31, 2015
Secured		
Overdraft from Bank (Secured against lein of FDRs)	111,253.32	-
	<u>111,253.32</u>	<u>-</u>

1.06 TRADE PAYABLE

a Trade payable consists of following

Particulars	As at March 31, 2016	As at March 31, 2015
Trade Payable	97,295	86,515

b On the basis of information available with the company, no amount is outstanding to the MSM Enterprises.

1.07 OTHER CURRENT LIABILITIES

Other Current Liabilities consists of following

Particulars	As at March 31, 2016	As at March 31, 2015
Current Maturity of Long Term Loans	889,848	803,464
Interest Accrued but not due	10,235	17,102
TDS Payable	5,000	6,920
	<u>905,083</u>	<u>827,486</u>

1.08 SHORT TERM PROVISIONS

Particulars	As at March 31, 2016	As at March 31, 2015
Income Tax Provision (Net of TDS)	-	137,804
	<u>-</u>	<u>137,804</u>

NON CURRENT ASSETS**1.09 FIXED ASSETS**

A separate Sheet detailing the fixed assets is attached herewith.

1.10 INVENTORIES

a The inventories consists of following

Particulars	As at March 31, 2016	As at March 31, 2015
- Stock-in-trade		
Stock of Shares & Securities (Quoted) (Valued at lower of cost and market price)	7,126,192	13,890,966

b The company is dealing in mainly a) Trading in quoted Shares and Securities and b) Production and Selling of Agricultural Produce. As at the year ended March 31, 2016 and corresponding previous year ended March 31, 2015, there is no closing stock of Agricultural Produce.

1.11 CASH AND BANK BALANCES

		As at March 31, 2016	As at March 31, 2015
	Particulars		
	- Balances with Banks		
i	'- in current account	30,433	73,882
	'- in Fixed Deposits (pledged) (due with 12 months)	664,949	599,485
ii	- Cheques/ drafts in hand		
iii	- Cash on hand	131,270	66,073
		<u>826,651</u>	<u>739,439</u>
	Cash and Cash Equivalent as per AS-3 "Cash Flow Statements"	<u>161,702</u>	<u>139,954</u>

1.12 SHORT TERM LOANS AND ADVANCES

Short-Term Loans & Advances consists of following

		As at March 31, 2016	As at March 31, 2015
	Particulars		
	Others (Unsecured considered good)		
	- Advance Tax/ Income Tax Recoverable	5,602	149,395
	-Interest Accrued on FDRs	9,942	24,993
	Other Advances	84.50	2,411
		<u>15,629</u>	<u>176,799</u>

2.01 REVENUE FROM OPERATIONS

Revenue from operations are as under :-

		As at March 31, 2016	As at March 31, 2015
	Particulars		
	Sale of Agricultural Produce	1,144,439	1,614,011
	Sale of Shares & Securities	5,903,862.77	16,488,868
	Dividend	10,600	286,860
		<u>7,058,902</u>	<u>18,389,739</u>

2.02 OTHER INCOME

		As at March 31, 2016	As at March 31, 2015
	Particulars		
	Interest	68,940	630,573
	Profit on Trading of Futures & options	-	556,819
		<u>68,940</u>	<u>1,187,392</u>

2.03 COST OF MATERIAL CONSUMED

		As at March 31, 2016	As at March 31, 2015
	Particulars		
	Cultivation Expenses (Seeds)	31,600	35,700

2.04 PURCHASE OF STOCK IN TRADE

		As at March 31, 2016	As at March 31, 2015
	Particulars		
	Purchase of Shares & Securities	1,207,070	23,536,003

2.05 CHANGES IN INVENTORIES

The details of Opening and Closing stocks are as under:

		As at March 31, 2016	As at March 31, 2015
	Particulars		
	Opening Stock-in Trade (Shares & Securities)	13,890,966	4,287,345
	Less:		
	Closing Stock-in Trade (Shares & Securities)	7,126,192	13,890,966
	Increase/ (Decrease) in stock-in trade	(6,764,774)	(9,603,622)

-There is no opening and closing stock of finished agricultural produce as at the year end.

2.06 EMPLOYEE BENEFITS EXPENSES

Employee Benefit Expenses includes

	As at March 31, 2016	As at March 31, 2015
Particulars		
Director's Remuneration	1,140,000	1,140,000
Salaries & Wages	600,000	512,500
	<u>1,740,000</u>	<u>1,652,500</u>

2.07 FINANCE COST

	As at March 31, 2016	As at March 31, 2015
Particulars		
Interest on Car Loan	161,285	165,958
Interest on Income Tax	-	6,690
	<u>161,285</u>	<u>172,648</u>

2.08 OTHER EXPENSES

Other expenses Includes

	As at March 31, 2016	As at March 31, 2015
Particulars		
Conveyance	222,154	177,285
Rent	891,000	759,000
Loss on Trading of Futures & options	1,650,258	-
Auditor's Remuneration		
- as auditor	57,250	56,180
- for taxation matter	5,725	-
- for other services	-	-
	<u>62,975</u>	<u>56,180</u>
Legal Expenses	362,250	288,690
Other Miscellaneous Expenses	97,931	130,988
	<u>3,286,568</u>	<u>1,412,143</u>

2.09 CONTINGENT LIABILITY & COMMITMENTS

Contingent Liabilities	Nil	Nil
Commitments	Nil	Nil

2.10 ACCOUNTING STANDARD DISCLOSURES

i The company has acquired the lease right of land of 118 Bigha and 10 Biswa from the directors/ relative of directors for the 10 years as per terms and condition of the agreement. The total amount paid in the year 2005-06 for the said lease of 10 year was Rs. 1,16,50,000/- which is amortized equally over the period of lease. However, the said period of lease expired during the year and company renewed the period of lease for a further period of 10 years. The company has not paid any advance for Lease Rights and has renewed the lease at the existing lease rental of Rs. 7.11 lacs per year. The aforesaid lease agreement is cancelable lease agreement and therefore no disclosure is required to be made in accordance with AS-19 "Leases" issued by ICAI.

ii Employees Benefits are recognized as on expense in the profit and loss account in which the related service is rendered. In respect of payment of gratuity, the same is neither applicable as per statute nor payable under any formal plan or agreement between company and its employees

iii SEGMENT DISCLOSURE

In pursuant to Accounting Standard 17 regarding Segment Reporting, the Segment wise disclosure are as under:

	Agriculture		Investment & Securities		Total	
	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year
REVENUE						
External Sales	1,144,439	1,614,011	5,914,463	17,332,547	7,058,902	18,946,558
Inter-Segment Sales	-	-	-	-	-	-
Total revenue	1,144,439	1,614,011	5,914,463	17,332,547	7,058,902	18,946,558
RESULTS						
Segments Results	(180,661)	(494,600)	(3,743,048)	3,286,356	(3,923,709)	2,791,756
Unallocated Expenses					(3,238,449)	(2,739,812)
Interest Expense					(161,285)	(172,648)
Interest Income					68,940	630,573
Net (loss)/profit					(7,254,503)	509,869
OTHER INFORMATION						
Segment Assets	15,012	597,512	7,126,277	13,893,377	7,141,289	14,490,889
Unallocated Assets					5,033,695	5,613,876
Total Assets					12,174,984	20,104,765
Segment Liabilities	-	-	-	-	-	-
Unallocated Liabilities					1,545,155	2,366,024
Total Liabilities					1,545,155	2,366,024
Capital expenditure	-	-	-	-	-	-
Depreciation	-	196,911	-	-	-	196,911
Amortization	582,500	1,165,000	-	-	582,500	1,165,000
Non-cash expenses other than depreciation/ amortization	-	-	-	-	-	-

iv RELATED PARTY DISCLOSURE

In pursuant to Accounting Standard 18 regarding Related Party Disclosure, the details are as under :

a Related parties (with whom transactions entered)

Name	Relationship
Krishan Kumar Parwal -Managing Director	KMP
Punit Parwal- Director	KMP
Basanti Devi Parwal	Relatives of KMP
Ram Janaki Devi Parwal	Relatives of KMP
Sunita Parwal	Director/ Relatives of KMP
Deepika Parwal	Relatives of KMP

b Following transactions were carried out or outstanding balances with related party in ordinary course of business

Nature of Transaction	KMP	Relatives of KMP	Associates	Total
Lease rent		711,000 (711,000)		711,000 (711,000)
Office rent	180,000 (180,000)			180,000 (180,000)
Remuneration	1,140,000 (1,140,000)			1,140,000 (1,140,000)

v EARNING PER SHARE

Earning per share as per Accounting Standard 20 is calculated as under :

	2015-2016	2014-2015
Profit/ (Loss) for the year	(7,108,913)	200,336
Weighted Average Number of Shares	2,276,300	2,276,300
Nominal Value of Shares	10	10
Basic and Diluted EPS	(3.12)	0.09

2.11 The company has entered into an agreement for cultivation of crops at its land. The party has borne labour and tractor running and maintenance expenses for a consideration of 25% of total produced crops at the said land of the company. The company has taken into account the production of only 75% of total produced crop at the said land being its share and sales thereof have been accounted for in the books of accounts

2.12 In the opinion of the Board, all the assets other than fixed assets and non-current investments have a value on realization in the ordinary course of business at least equal to the amount at which they are stated and provision for all liabilities have been made.

2.13 Figures for the previous year have been regrouped and rearranged wherever considered necessary.

By Order of the Board

KRISHAN KUMAR PARWAL

Managing Director

DIN:0228200

JAIPUR

May 30, 2016

TANUSHREE DAVE

Company Secretary

PUNEET PARWAL

Whole-time Director

DIN 0228249

STATEMENT SHOWING DEPRECIATION/AMORTISATION OF FIXED ASSETS FOR THE YEAR ENDED 31.03.2016
HRB FLORICULTURE LIMITED

Note No. 1.09

		NAME OF ASSETS	GROSS BLOCK				DEPRECIATION/ AMORTISATION			NET BLOCK		
			As On 1.4.2015	Addition during the year	Deductions during the year	Total as on 31.3.2016	Upto 31.3.2015	Provided during the year	Adj. For Deductions	Total upto 31.3.2016	As On 31.3.2016	As On 31.3.2015
TANGIBLE ASSETS												
1	Office Equipment	237,444				237,444	129,565	11,460		141,025	96,419.00	107,879
2	Furniture	143,906				143,906	92,321	7,216		99,537	44,369.00	51,585
3	Tubewell	300,239				300,239	285,227	-		285,227	15,012.00	15,012
4	Computer	366,765				366,765	346,928	1,499		348,427	18,338.00	19,837
5	U.P.S.	12,070				12,070	11,466	-		11,466	604.00	604
6	Airconditioner		100,000			100,000		1,111		1,111	98,889.00	-
7	Car	4,945,361				4,945,361	426,368	587,262		1,013,630	3,931,731.00	4,518,993
8	Cellular	23,000				23,000	21,850	-		21,850	1,150.00	1,150
	Total	6,028,785				6,128,785	1,313,725	608,548		1,922,273	4,206,512.00	4,715,060
INTANGIBLE ASSETS												
1	Advance for Lease Rights For Agricultural Land	11,650,000				11,650,000	11,067,500	582,500		11,650,000	-	582,500
	Total	11,650,000				11,650,000	11,067,500	582,500		11,650,000		582,500
	Total	17,678,785				17,778,785	12,194,154	1,191,048		13,572,273	4,206,512	5,297,560
	Fig. for pre. Yr.	12,733,424	4,945,361	-		17,678,785	10,581,975	1,861,889	62,640	12,381,225	5,297,560	2,151,448

Signed for Identification
For B. KHOSLA & CO.
Chartered Accountants
FRN: 000205CTANUSHREE DAVE
Company SecretaryPUNEET PARWAL
Whole-time DirectorKRISHAN KUMAR PARWAL
Managing DirectorSANDEEP MUNDRA
Partner
M. No. 075482JAIPUR
May 30, 2016

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HRB FLORICULTURE LIMITED

CIN: L01300RJ1995PLC009541

Registered Office: A-28, Ram Nagar, Shastri Nagar, Jaipur-302016

Ph. +91-141-2303098, 2303097 (Telefax), E-mail: hrbflrltd@yahoo.com, Website: www.hrb.co.in

ATTENDANCE SLIP**PLEASE FILL ATTENDANCE SLIP AND HAND IT OVER AT THE ENTRANCE OF THE MEETING HALL**

Joint shareholders may obtain additional slip at the venue of the meeting.

DP ID*	
Client ID*	

Master Folio No.:-----

Name and Address of the Shareholder: -----

No. of share(s) held: -----

Name of Proxy: -----

(To be filled by the proxy who attends instead of the member.)

I hereby record my presence at the **21stAnnual General Meeting** of the Company held on **Tuesday**, the **27th**Day of **September, 2016** at **11:00 A.M.** at A-28, Ram Nagar, Shastri Nagar, Jaipur.

Signature of the Shareholder or Proxy

* Applicable for investors holding shares in electronic form.

(Shareholders/Proxy holders are requested to bring the attendance slip with them duly completed when they come to the meeting and hand it over at the gate after affixing signature on it.)

X-----X-----X-----X-----

HRB FLORICULTURE LIMITED**CIN: L01300RJ1995PLC009541**

Registered Office: A-28, Ram Nagar, Shastri Nagar, Jaipur-302016

Ph. +91-141-2303098, 2303097(Telefax), E-mail:hrbflrltd@yahoo.com, Website: www.hrb.co.in

PROXYFORM**[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 Id: -----
Folio No/ Client Id*: -----
DP ID*: -----

I/We, being the member(s) of ----- equity shares of HRB Floriculture Ltd., hereby appoint:

1. Name: -----Address: -----
E-mail Id: -----Signature: -----or failing him/her
2. Name: -----Address: -----
E-mail Id: -----Signature: -----or failing 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 21stAnnual General Meeting of the Company, to be held on **Tuesday**, the **27th**Day of **September, 2016** at **11:00 A.M.** at the registered office at A-28, Ram Nagar, Shastri Nagar, Jaipur-302016 and at any adjournment thereof in respect of such resolutions as are indicated below:

RESOLUTIONS	For	Against
Ordinary Business:		
1. Consider and adopt: Audited Financial Statements, Report of the Board of Directors and Auditors;		
2.Re-appointment of Mr. Puneet Parwal, Director, retiring by rotation;		
3. To ratify the appointment of Auditors and fixing of remuneration for the financial year 2016-17; and		
Special Business:		
4.To adopt a new set of Articles of Association.		

Signed thisDay of2016.

Signature of Shareholder.....

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

* Applicable for investors holding shares in electronic form.

Affix a Revenue Stamp of Rs. 1/-

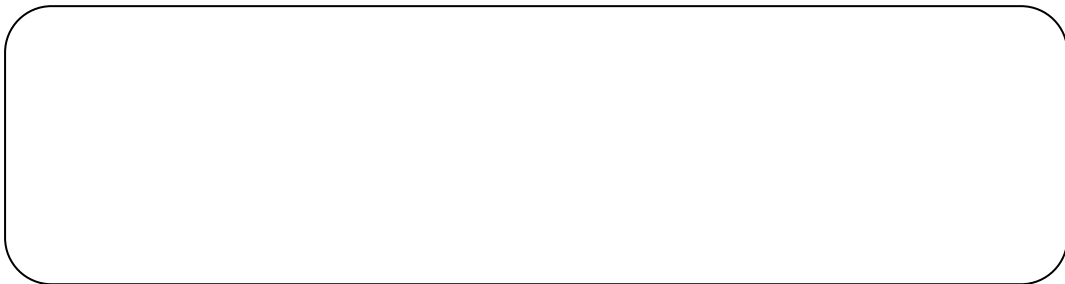
NOTES:

This form of proxy in order to be effective should be duly completed and deposited at the registered office of the company, not less than 48 hours before the commencement of the meeting.

- o For the resolutions, Explanatory Statement and Notes, please refer to the Notice of the Annual General Meeting
- o The Proxy need not be a member of the Company.
- o Members holding shares under more than one folio may use photocopy of this Proxy Form for other folios. The Company shall provide additional form on request.
Appointing a proxy does not prevent a member from attending the meeting in person if he/she so wishes.

Courier/Registered Post /Speed Post

To,



**If undelivered please return to:
HRB Floriculture Limited
A-28, Ram Nagar, Shastri Nagar,
Jaipur-302016(Raj.)**

THE COMPANIES ACT, 2013
COMPANY LIMITED BY SHARES
(Incorporated under the Companies Act, 1956)

**ARTICLES OF ASSOCIATION
OF
H R B FLORICULTURE LIMITED**

The following regulations comprised in these Articles of Association were adopted pursuant to members' resolution passed at the 21st Annual General Meeting of the Company held on 27th September, 2016 in substitution for, and to the entire exclusion of, the earlier regulations comprised in the extant Articles of Association of the Company.

TABLE 'F' EXCLUDED

- | | |
|--|--|
| 1. (1) The regulations contained in the Table marked 'F' in Schedule I to the Companies Act, 2013 shall not apply to the Company, except in so far as the same are repeated, contained or expressly made applicable in these Articles or by the said Act. | Table 'F' not to apply |
| (2) The regulations for the management of the Company and for the observance by the members thereto and their representatives, shall, subject to any exercise of the statutory powers of the Company with reference to the deletion or alteration of or addition to its regulations by resolution as prescribed or permitted by the Companies Act, 2013, be such as are contained in these Articles. | Company to be governed by these Articles |

Interpretation

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| 2. (1) In these Articles — | |
| (a) "Act" means the Companies Act, 2013 or any statutory modification or re-enactment thereof for the time being in force and the term shall be deemed to refer to the applicable section thereof which is relatable to the relevant Article in which the said term appears in these Articles and any previous company law, so far as may be applicable. | "Act" |
| (b) "Articles" means these articles of association of the Company or as altered from time to time. | "Articles" |
| (c) "Board of Directors" or "Board", means the collective body of the directors of the Company. | "Board of Directors" or "Board" |
| (d) "Company" means " H R B FLORICULTURE LIMITED ". | "Company" |
| (e) "Rules" means the applicable rules for the time being in force as prescribed under relevant sections of the Act along with the circulars and notifications. | "Rules" |
| (f) "Seal" means the common seal of the Company. | "Seal" |
| (2) Words importing the singular number shall include the plural number and words importing the masculine gender shall, where the context admits, include the feminine and neuter gender. | "Number" and "Gender" |
| (3) Unless the context otherwise requires, words or expressions contained in these Articles shall bear the same meaning as in the Act or the Rules, as the case may be. | Expressions in the Articles to bear the same meaning as in the Act |

Share capital and variation of rights

Shares under control of Board	3.	The Authorised Share Capital of the Company shall be such amount and be divided into such shares as may from time to time, be provided in clause V of Memorandum of Association. Subject to the provisions of the Act and these Articles, the shares in the capital of the Company shall be under the control of the Board who may issue, allot or otherwise dispose of the same or any of them to such persons, in such proportion and on such terms and conditions and either at a premium or at par and at such time as they may from time to time think fit.
Directors may allot shares otherwise than for cash	4.	Subject to the provisions of the Act and these Articles, the Board may issue and allot shares in the capital of the Company on payment or part payment for any property or assets of any kind whatsoever sold or transferred, goods or machinery supplied or for services rendered to the Company in the conduct of its business and any shares which may be so allotted may be issued as fully paid-up or partly paid-up otherwise than for cash, and if so issued, shall be deemed to be fully paid-up or partly paid-up shares, as the case maybe.
Kinds of Share Capital	5.	<p>The Company may issue the following kinds of shares in accordance with these Articles, the Act, the Rules and other applicable laws:</p> <p>(a) Equity share capital:</p> <p style="margin-left: 40px;">(i) with voting rights; and / or</p> <p style="margin-left: 40px;">(ii) with differential rights as to dividend, voting or otherwise in accordance with the Rules; and</p> <p>(b) Preference share capital</p>
Issue of certificate	6. (1)	<p>Every person whose name is entered as a member in the register of members shall be entitled to receive within two months after allotment or within one month from the date of receipt by the Company of the application for the registration of transfer or transmission or within such other period as the conditions of issue shall provide -</p> <p>(a) one certificate for all his shares without payment of any charges; or</p> <p>(b) several certificates, each for one or more of his shares, upon payment of such charges as may be fixed by the Board for each certificate after the first.</p>
Certificate to bear seal	(2)	Every certificate shall be under the seal and shall specify the shares to which it relates and the amount paid-up thereon.
One certificate for shares held jointly	(3)	In respect of any share or shares held jointly by several persons, the Company shall not be bound to issue more than one certificate, and delivery of a certificate for a share to one of several joint holders shall be sufficient delivery to all such holders.
Option to receive share certificate or hold shares with depository	7.	A person subscribing to shares offered by the Company shall have the option either to receive certificates for such shares or hold the shares in a dematerialised state with a depository. Where a person opts to hold any share with the depository, the Company shall intimate such depository the details of allotment of the share to enable the depository to enter in its records the name of such person as the beneficial owner of that share.

8.	If any share certificate be worn out, defaced, mutilated or torn or if there be no further space on the back for endorsement of transfer, then upon production and surrender thereof to the Company, a new certificate may be issued in lieu thereof, and if any certificate is lost or destroyed then upon proof thereof to the satisfaction of the Company and on execution of such indemnity as the Board deems adequate, a new certificate in lieu thereof shall be given. Every certificate under this Article shall be issued on payment of fees for each certificate as may be fixed by the Board.	Issue of new certificate in place of one defaced, lost or destroyed
9.	The provisions of the foregoing Articles relating to issue of certificates shall <i>mutatis mutandis</i> apply to issue of certificates for any other securities including debentures (except where the Act otherwise requires) of the Company.	Provisions as to issue of certificates to apply <i>mutatis mutandis</i> to debentures, etc.
10. (1)	The Company may exercise the powers of paying commissions conferred by the Act, to any person in connection with the subscription to its securities, provided that the rate per cent or the amount of the commission paid or agreed to be paid shall be disclosed in the manner required by the Act and the Rules.	Power to pay commission in connection with securities issued
(2)	The rate or amount of the commission shall not exceed the rate or amount prescribed in the Rules.	Rate of commission in accordance with Rules
(3)	The commission may be satisfied by the payment of cash or the allotment of fully or partly paid shares or partly in the one way and partly in the other.	Mode of payment of commission
11. (1)	If at any time the share capital is divided into different classes of shares, the rights attached to any class (unless otherwise provided by the terms of issue of the shares of that class) may, subject to the provisions of the Act, and whether or not the Company is being wound up, be varied with the consent in writing, of such number of the holders of the issued shares of that class, or with the sanction of a resolution passed at a separate meeting of the holders of the shares of that class, as prescribed by the Act.	Variation of members' rights
(2)	To every such separate meeting, the provisions of these Articles relating to general meetings shall <i>mutatis mutandis</i> apply.	Provisions as to general meetings to apply <i>mutatis mutandis</i> to each meeting
12.	The rights conferred upon the holders of the shares of any class issued with preferred or other rights shall not, unless otherwise expressly provided by the terms of issue of the shares of that class, be deemed to be varied by the creation or issue of further shares ranking <i>pari passu</i> therewith.	Issue of further shares not to affect rights of existing members
13.	Subject to the provisions of the Act, the Board shall have the power to issue or re-issue preference shares of one or more classes which are liable to be redeemed, or converted to equity shares, on such terms and conditions and in such manner as determined by the Board in accordance with the Act.	Power to issue redeemable preference shares

Further issue of share capital	14. (1)	Where it is proposed to increase the subscribed capital of the Company by the issue of new shares, the Board or the Company, as the case may be, may, in accordance with the relevant Acts and the Rules, issue further shares to -
	(a)	persons who, at the date of offer, are holders of equity shares of the Company; such offer shall be deemed to include a right exercisable by the person concerned to renounce the shares offered to him or any of them in favour of any other person; or
	(b)	employees under any scheme of employees' stock option subject to Special Resolution passed by the company and subject to such conditions as may be specified in the relevant Rules.; or
	(c)	any persons, by way of passing a Special Resolution to that effect, whether or not those persons include the persons referred to in clause (a) or clause (b) above.
Mode of further issue of shares	(2)	A further issue of shares may be made in any manner whatsoever as the Board may determine including by way of preferential offer or private placement, subject to and in accordance with the Act and the Rules.
Lien		
Company's lien on shares	15. (1)	The Company shall have a first and paramount lien -
	(a)	on every share (not being a fully paid share), for all monies (whether presently payable or not) called, or payable at a fixed time, in respect of that share; and
	(b)	on all shares (not being fully paid shares) standing registered in the name of a member, for all monies presently payable by him or his estate to the Company:
		Provided that the Board may at any time declare any share to be wholly or in part exempt from the provisions of this clause.
Lien to extend to dividends, etc.	(2)	The Company's lien, if any, on a share shall extend to all dividends or interest, as the case may be, payable and bonuses declared from time to time in respect of such shares for any money owing to the Company.
Waiver of lien in case of registration	(3)	Unless otherwise agreed by the Board, the registration of a transfer of shares shall operate as a waiver of the Company's lien.
As to enforcing lien by sale	16.	The Company may sell, in such manner as the Board thinks fit, any shares on which the Company has a lien:
		Provided that no sale shall be made—
	(a)	unless a sum in respect of which the lien exists is presently payable; or
	(b)	until the expiration of fourteen days after a notice in writing stating and demanding payment of such part of the amount in respect of which the lien exists as is presently payable, has been given to the registered holder for the time being of the share or to the person entitled thereto by reason of his death or insolvency or otherwise.
Validity of sale	17. (1)	To give effect to any such sale, the Board may authorise some person to transfer the shares sold to the purchaser thereof.
Purchaser to be registered holder	(2)	The purchaser shall be registered as the holder of the shares comprised in any such transfer.

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| (3) | The receipt of the Company for the consideration (if any) given for the share on the sale thereof shall (subject, if necessary, to execution of an instrument of transfer or a transfer by relevant system, as the case may be) constitute a good title to the share and the purchaser shall be registered as the holder of the share. | Validity of Company's receipt |
| (4) | The purchaser shall not be bound to see to the application of the purchase money, nor shall his title to the shares be affected by any irregularity or invalidity in the proceedings with reference to the sale. | Purchaser not affected |
| 18. (1) | The proceeds of the sale shall be received by the Company and applied in payment of such part of the amount in respect of which the lien exists as is presently payable. | Application of proceeds of sale |
| (2) | The residue, if any, shall, subject to a like lien for sums not presently payable as existed upon the shares before the sale, be paid to the person entitled to the shares at the date of the sale. | Payment of residual money |
| 19. | In exercising its lien, the Company shall be entitled to treat the registered holder of any share as the absolute owner thereof and accordingly shall not (except as ordered by a court of competent jurisdiction or unless required by any statute) be bound to recognise any equitable or other claim to, or interest in, such share on the part of any other person, whether a creditor of the registered holder or otherwise. The Company's lien shall prevail notwithstanding that it has received notice of any such claim. | Outsider's lien not to affect Company's lien |
| 20. | The provisions of these Articles relating to lien shall <i>mutatis mutandis</i> apply to any other securities including debentures of the Company. | Provisions as to lien to apply <i>mutatis mutandis</i> to debentures, etc. |

Calls on shares

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| 21. (1) | Subject to the provisions of Section 49 of the said Act the Board may, from time to time, make calls upon the members in respect of any monies unpaid on their shares (whether on account of the nominal value of the shares or by way of premium) and not by the conditions of allotment thereof made payable at fixed times. | Board may make calls |
| (2) | Each member shall, subject to receiving at least fourteen days' notice specifying the time or times and place of payment, pay to the Company, at the time or times and place so specified, the amount called on his shares. | Notice of call |
| (3) | The Board may, from time to time, at its discretion, extend the time fixed for the payment of any call in respect of one or more members as the Board may deem appropriate in any circumstances. | Board may extend time for payment |
| (4) | A call may be revoked or postponed at the discretion of the Board. | Revocation or postponement of call |
| 22. | A call shall be deemed to have been made at the time when the resolution of the Board authorising the call was passed and may be required to be paid by installments. | Call to take effect from date of resolution |
| 23. | The joint holders of a share shall be jointly and severally liable to pay all calls in respect thereof. | Liability of joint holders of shares |

When interest on call or installment payable	24. (1)	If a sum called in respect of a share is not paid before or on the day appointed for payment thereof (the "due date"), the person from whom the sum is due shall pay interest thereon from the due date to the time of actual payment at such rate as may be fixed by the Board.
Board may waive interest	(2)	The Board shall be at liberty to waive payment of any such interest wholly or in part.
Sums deemed to be calls	25. (1)	Any sum which by the terms of issue of a share becomes payable on allotment or at any fixed date, whether on account of the nominal value of the share or by way of premium, shall, for the purposes of these Articles, be deemed to be a call duly made and payable on the date on which by the terms of issue such sum becomes payable.
Effect of non-payment of sums	(2)	In case of non-payment of such sum, all the relevant provisions of these Articles as to payment of interest and expenses, forfeiture or otherwise shall apply as if such sum had become payable by virtue of a call duly made and notified.
Payment in anticipation of calls may carry interest	26.	The Board - (a) may, if it thinks fit, receive from any member willing to advance the same, all or any part of the monies uncalled and unpaid upon any shares held by him; and (b) upon all or any of the monies so advanced, may (until the same would, but for such advance, become presently payable) pay interest at such rate as may be fixed by the Board. Nothing contained in this clause shall confer on the member (a) any right to participate in profits or dividends or (b) any voting rights in respect of the moneys so paid by him until the same would, but for such payment, become presently payable by him.
Installments on shares to be duly paid	27.	If by the conditions of allotment of any shares, the whole or part of the amount of issue price thereof shall be payable by installments, then every such installment shall, when due, be paid to the Company by the person who, for the time being and from time to time, is or shall be the registered holder of the share or the legal representative of a deceased registered holder.
Calls on shares of same class to be on uniform basis	28.	All calls shall be made on a uniform basis on all shares falling under the same class. <i>Explanation:</i> Shares of the same nominal value on which different amounts have been paid-up shall not be deemed to fall under the same class.
Partial payment not to preclude forfeiture	29.	Neither a judgment nor a decree in favour of the Company for calls or other moneys due in respect of any shares nor any part payment or satisfaction thereof nor the receipt by the Company of a portion of any money which shall from time to time be due from any member in respect of any shares either by way of principal or interest nor any indulgence granted by the Company in respect of payment of any such money shall preclude the forfeiture of such shares as herein provided.
Provisions as to calls to apply <i>mutatis mutandis</i> to debentures, etc.	30.	The provisions of these Articles relating to calls shall <i>mutatis mutandis</i> apply to any other securities including debentures of the Company.

Transfer of shares

31. (1) The instrument of transfer of any share in the Company shall be duly executed by or on behalf of both the transferor and transferee. Instrument of transfer to be executed by transferor and transferee
- (2) The transferor shall be deemed to remain a holder of the share until the name of the transferee is entered in the register of members in respect thereof.
32. The Board may, subject to the right of appeal conferred by the Act decline to register - Board may refuse to register transfer
- (a) the transfer of a share, not being a fully paid share, to a person of whom they do not approve; or
- (b) any transfer of shares on which the Company has a lien.
33. In case of shares held in physical form, the Board may decline to recognise any instrument of transfer unless - Board may decline to recognise instrument of transfer
- (a) the instrument of transfer is duly executed and is in the form as prescribed in the Rules made under the Act;
- (b) the instrument of transfer is accompanied by the certificate of the shares to which it relates, and such other evidence as the Board may reasonably require to show the right of the transferor to make the transfer; and
- (c) the instrument of transfer is in respect of only one class of shares.
34. On giving of previous notice of at least seven days or such lesser period in accordance with the Act and Rules made thereunder, the registration of transfers may be suspended at such times and for such periods as the Board may from time to time determine: Transfer of shares when suspended
- Provided that such registration shall not be suspended for more than thirty days at any one time or for more than forty-five days in the aggregate in any year.
35. The provisions of these Articles relating to transfer of shares shall *mutatis mutandis* apply to any other securities including debentures of the Company. Provisions as to transfer of shares to apply *mutatis mutandis* to debentures, etc.

Transmission of shares

36. (1) On the death of a member, the survivor or survivors where the member was a joint holder, and his nominee or nominees or legal representatives where he was a sole holder, shall be the only persons recognised by the Company as having any title to his interest in the shares. Title to shares on death of a member
- (2) Nothing in clause (1) shall release the estate of a deceased joint holder from any liability in respect of any share which had been jointly held by him with other persons. Estate of deceased member liable
37. (1) Any person becoming entitled to a share in consequence of the death or insolvency of a member may, upon such evidence being produced as may from time to time properly be required by the Board and subject as hereinafter provided, elect, either - Transmission Clause
- (a) to be registered himself as holder of the share; or
- (b) to make such transfer of the share as the deceased or insolvent member could have made.

Board's right unaffected	(2)	The Board shall, in either case, have the same right to decline or suspend registration as it would have had, if the deceased or insolvent member had transferred the share before his death or insolvency.
Indemnity to the Company	(3)	The Company shall be fully indemnified by such person from all liability, if any, by actions taken by the Board to give effect to such registration or transfer.
Right to election of holder of share	38. (1)	If the person so becoming entitled shall elect to be registered as holder of the share himself, he shall deliver or send to the Company a notice in writing signed by him stating that he so elects.
Manner of testifying election	(2)	If the person aforesaid shall elect to transfer the share, he shall testify his election by executing a transfer of the share.
Limitations applicable to notice	(3)	All the limitations, restrictions and provisions of these regulations relating to the right to transfer and the registration of transfers of shares shall be applicable to any such notice or transfer as aforesaid as if the death or insolvency of the member had not occurred and the notice or transfer were a transfer signed by that member.
Claimant to be entitled to same advantage	39.	<p>A person becoming entitled to a share by reason of the death or insolvency of the holder shall be entitled to the same dividends and other advantages to which he would be entitled if he were the registered holder of the share, except that he shall not, before being registered as a member in respect of the share, be entitled in respect of it to exercise any right conferred by membership in relation to meetings of the Company:</p> <p>Provided that the Board may, at any time, give notice requiring any such person to elect either to be registered himself or to transfer the share, and if the notice is not complied with within ninety days, the Board may thereafter withhold payment of all dividends, bonuses or other monies payable in respect of the share, until the requirements of the notice have been complied with.</p>
Provisions as to transmission to apply <i>mutatis mutandis</i> to debentures, etc.	40(A).	The provisions of these Articles relating to transmission by operation of law shall <i>mutatis mutandis</i> apply to any other securities including debentures of the Company.
Nomination of Shares	40 (B)	Provisions of the Act will apply in toto.

Forfeiture of shares

If call or installment not paid notice must be given	41.	If a member fails to pay any call, or instalment of a call or any money due in respect of any share, on the day appointed for payment thereof, the Board may, at any time thereafter during such time as any part of the call or instalment remains unpaid or a judgement or decree in respect thereof remains unsatisfied in whole or in part, serve a notice on him requiring payment of so much of the call or instalment or other money as is unpaid, together with any interest which may have accrued and all expenses that may have been incurred by the Company by reason of non-payment.
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42.	The notice aforesaid shall:	Form of notice
	(a) name a further day (not being earlier than the expiry of fourteen days from the date of service of the notice) on or before which the payment required by the notice is to be made; and	
	(b) state that, in the event of non-payment on or before the day so named, the shares in respect of which the call was made shall be liable to be forfeited.	
43.	If the requirements of any such notice as aforesaid are not complied with, any share in respect of which the notice has been given may, at any time thereafter, before the payment required by the notice has been made, be forfeited by a resolution of the Board to that effect.	In default of payment of shares to be forfeited
44.	Neither the receipt by the Company for a portion of any money which may from time to time be due from any member in respect of his shares, nor any indulgence that may be granted by the Company in respect of payment of any such money, shall preclude the Company from thereafter proceeding to enforce a forfeiture in respect of such shares as herein provided. Such forfeiture shall include all dividends declared or any other moneys payable in respect of the forfeited shares and not actually paid before the forfeiture.	Receipt of part amount or grant of indulgence not to affect forfeiture
45.	When any share shall have been so forfeited, notice of the forfeiture shall be given to the defaulting member and an entry of the forfeiture with the date thereof, shall forthwith be made in the register of members but no forfeiture shall be invalidated by any omission or neglect or any failure to give such notice or make such entry as aforesaid.	Entry of forfeiture in register of members
46.	The forfeiture of a share shall involve extinction at the time of forfeiture, of all interest in and all claims and demands against the Company, in respect of the share and all other rights incidental to the share.	Effect of forfeiture
47.	(1) A forfeited share shall be deemed to be the property of the Company and may be sold or re-allotted or otherwise disposed of either to the person who was before such forfeiture the holder thereof or entitled thereto or to any other person on such terms and in such manner as the Board thinks fit.	Forfeited shares may be sold, etc.
	(2) At any time before a sale, re-allotment or disposal as aforesaid, the Board may cancel the forfeiture on such terms as it thinks fit.	Cancellation of forfeiture
48.	(1) A person whose shares have been forfeited shall cease to be a member in respect of the forfeited shares, but shall, notwithstanding the forfeiture, remain liable to pay, and shall pay, to the Company all monies which, at the date of forfeiture, were presently payable by him to the Company in respect of the shares.	Members still liable to pay money owing at the time of forfeiture
	(2) All such monies payable shall be paid together with interest thereon at such rate as the Board may determine, from the time of forfeiture until payment or realisation. The Board may, if it thinks fit, but without being under any obligation to do so, enforce the payment of the whole or any portion of the monies due, without any allowance for the value of the shares at the time of forfeiture or waive payment in whole or in part.	Member still liable to pay money owing at time of forfeiture and interest

Cesser of liability	(3)	The liability of such person shall cease if and when the Company shall have received payment in full of all such monies in respect of the shares.
Certificate of forfeiture	49. (1)	A duly verified declaration in writing that the declarant is a director, the manager or the secretary of the Company, and that a share in the Company has been duly forfeited on a date stated in the declaration, shall be conclusive evidence of the facts therein stated as against all persons claiming to be entitled to the share;
Title of purchaser and transferee of forfeited shares	(2)	The Company may receive the consideration, if any, given for the share on any sale, re-allotment or disposal thereof and may execute a transfer of the share in favour of the person to whom the share is sold or disposed of;
Transferee to be registered as holder	(3)	The transferee shall thereupon be registered as the holder of the share; and
Transferee not affected	(4)	The transferee shall not be bound to see to the application of the purchase money, if any, nor shall his title to the share be affected by any irregularity or invalidity in the proceedings in reference to the forfeiture, sale, re-allotment or disposal of the share.
Validity of sales	50.	Upon any sale after forfeiture or for enforcing a lien in exercise of the powers hereinabove given, the Board may, if necessary, appoint some person to execute an instrument for transfer of the shares sold and cause the purchaser's name to be entered in the register of members in respect of the shares sold and after his name has been entered in the register of members in respect of such shares the validity of the sale shall not be impeached by any person.
Cancellation of share certificate in respect of forfeited shares	51.	Upon any sale, re-allotment or other disposal under the provisions of the preceding Articles, the certificate(s), if any, originally issued in respect of the relative shares shall (unless the same shall on demand by the Company has been previously surrendered to it by the defaulting member) stand cancelled and become null and void and be of no effect, and the Board shall be entitled to issue a duplicate certificate(s) in respect of the said shares to the person(s) entitled thereto.
Surrender of share certificates	52.	The Board may, subject to the provisions of the Act, accept a surrender of any share from or by any member desirous of surrendering them on such terms as they think fit.
Sums deemed to be calls	53.	The provisions of these Articles as to forfeiture shall apply in the case of non-payment of any sum which, by the terms of issue of a share, becomes payable at a fixed time, whether on account of the nominal value of the share or by way of premium, as if the same had been payable by virtue of a call duly made and notified.
Provisions as to forfeiture of shares to apply <i>mutatis mutandis</i> to debentures, etc.	54.	The provisions of these Articles relating to forfeiture of shares shall <i>mutatis mutandis</i> apply to any other securities including debentures of the Company.

Alteration of capital

55. Subject to the provisions of the Act, the Company may, by ordinary resolution - Power to alter share capital
- (a) increase the share capital by such sum, to be divided into shares of such amount as it thinks expedient;
 - (b) consolidate and divide all or any of its share capital into shares of larger amount than its existing shares:
Provided that any consolidation and division which results in changes in the voting percentage of members shall require applicable approvals under the Act;
 - (c) convert all or any of its fully paid-up shares into stock, and reconvert that stock into fully paid-up shares of any denomination;
 - (d) sub-divide its existing shares or any of them into shares of smaller amount than is fixed by the memorandum;
 - (e) cancel any shares which, at the date of the passing of the resolution, have not been taken or agreed to be taken by any person.
56. Where shares are converted into stock: Shares may be converted into stock
- (a) the holders of stock may transfer the same or any part thereof in the same manner as, and subject to the same Articles under which, the shares from which the stock arose might before the conversion have been transferred, or as near thereto as circumstances admit:
Provided that the Board may, from time to time, fix the minimum amount of stock transferable, so, however, that such minimum shall not exceed the nominal amount of the shares from which the stock arose;
 - (b) the holders of stock shall, according to the amount of stock held by them, have the same rights, privileges and advantages as regards dividends, voting at meetings of the Company, and other matters, as if they held the shares from which the stock arose; but no such privilege or advantage (except participation in the dividends and profits of the Company and in the assets on winding up) shall be conferred by an amount of stock which would not, if existing in shares, have conferred that privilege or advantage;
 - (c) such of these Articles of the Company as are applicable to paid-up shares shall apply to stock and the words "share" and "shareholder"/"member" shall include "stock" and "stock-holder" respectively.
57. The Company may, by resolution as prescribed by the Act, reduce in any manner and in accordance with the provisions of the Act and the Rules, — Reduction of capital
- (a) its share capital; and/or
 - (b) any capital redemption reserve account; and/or
 - (c) any securities premium account; and/or
 - (d) any other reserve in the nature of share capital.

Joint Holders

Joint-holders	58.	Where two or more persons are registered as joint holders (not more than three) of any share, they shall be deemed (so far as the Company is concerned) to hold the same as joint tenants with benefits of survivorship, subject to the following and other provisions contained in these Articles:
Liability of Joint-holders	(a)	The joint-holders of any share shall be liable severally as well as jointly for and in respect of all calls or instalments and other payments which ought to be made in respect of such share.
Death of one or more joint-holders	(b)	On the death of any one or more of such joint-holders, the survivor or survivors shall be the only person or persons recognized by the Company as having any title to the share but the Directors may require such evidence of death as they may deem fit, and nothing herein contained shall be taken to release the estate of a deceased joint-holder from any liability on shares held by him jointly with any other person.
Receipt of one sufficient	(c)	Any one of such joint holders may give effectual receipts of any dividends, interests or other moneys payable in respect of such share.
Delivery of certificate and giving of notice to first named holder	(d)	Only the person whose name stands first in the register of members as one of the joint-holders of any share shall be entitled to the delivery of certificate, if any, relating to such share or to receive notice (which term shall be deemed to include all relevant documents) and any notice served on or sent to such person shall be deemed service on all the joint-holders.
Vote of joint-holders	(e)	<p>(i) Any one of two or more joint-holders may vote at any meeting either personally or by attorney or by proxy in respect of such shares as if he were solely entitled thereto and if more than one of such joint-holders be present at any meeting personally or by proxy or by attorney then that one of such persons so present whose name stands first or higher (as the case may be) on the register in respect of such shares shall alone be entitled to vote in respect thereof.</p> <p>(ii) Several executors or administrators of a deceased member in whose (deceased member) sole name any share stands, shall for the purpose of this clause be deemed joint-holders.</p>
Executors or administrators as joint holders		
Provisions as to joint holders as to shares to apply <i>mutatis mutandis</i> to debentures, etc.	(f)	The provisions of these Articles relating to joint holders of shares shall <i>mutatis mutandis</i> apply to any other securities including debentures of the Company registered in joint names.

Capitalisation of profits

59. (1) The Company by ordinary resolution in general meeting may, upon the recommendation of the Board, resolve —
- Capitalisation
- (a) that it is desirable to capitalise any part of the amount for the time being standing to the credit of any of the Company's reserve accounts, or to the credit of the profit and loss account, or otherwise available for distribution; and
 - (b) that such sum be accordingly set free for distribution in the manner specified in clause (2) below amongst the members who would have been entitled thereto, if distributed by way of dividend and in the same proportions.
- (2) The sum aforesaid shall not be paid in cash but shall be applied, subject to the provision contained in clause (3) below, either in or towards :
- Sum how applied
- (A) paying up any amounts for the time being unpaid on any shares held by such members respectively;
 - (B) paying up in full, unissued shares or other securities of the Company to be allotted and distributed, credited as fully paid-up, to and amongst such members in the proportions aforesaid;
 - (C) partly in the way specified in sub-clause (A) and partly in that specified in sub-clause (B).
- (3) A securities premium account and a capital redemption reserve account or any other permissible reserve account may, for the purposes of this Article, be applied in the paying up of unissued shares to be issued to members of the Company as fully paid bonus shares;
- (4) The Board shall give effect to the resolution passed by the Company in pursuance of this Article.
60. (1) Whenever such a resolution as aforesaid shall have been passed, the Board shall -
- Powers of the Board
for capitalisation
- (a) make all appropriations and applications of the amounts resolved to be capitalised thereby, and all allotments and issues of fully paid shares or other securities, if any; and
 - (b) generally do all acts and things required to give effect thereto.
- (2) The Board shall have power—
- Board's power to issue fractional certificate/coupon etc.
- (a) to make such provisions, by the issue of fractional certificates/coupons or by payment in cash or otherwise as it thinks fit, for the case of shares or other securities becoming distributable in fractions; and
 - (b) to authorise any person to enter, on behalf of all the members entitled thereto, into an agreement with the Company providing for the allotment to them respectively, credited as fully paid-up, of any further shares or other securities to which they may be entitled upon such capitalisation, or as the case may require, for the payment by the Company on their behalf, by the application thereto of their respective proportions of profits resolved to be capitalised, of the amount or any part of the amounts remaining unpaid on their existing shares.
- (3) Any agreement made under such authority shall be effective and binding on such members.
- Agreement binding on members

Buy-back of shares

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| Buy-back of shares | 61. | Notwithstanding anything contained in these Articles but subject to all applicable provisions of the Act or any other law for the time being in force, the Company may purchase its own shares or other specified securities. |
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General meetings

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| Extraordinary general meeting | 62. | All general meetings other than annual general meeting shall be called extraordinary general meeting. Notice for calling general meeting(s) to be in consonance with the provisions as laid down in the Act. |
| Powers of Board to call extraordinary general meeting | 63. | The Board may, whenever it thinks fit, call an extraordinary general meeting. |

Proceedings at general meetings

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| Presence of Quorum | 64. | (1) No business shall be transacted at any general meeting unless a quorum of members is present at the time when the meeting proceeds to business. |
| Business confined to election of Chairperson whilst chair vacant | | (2) No business shall be discussed or transacted at any general meeting except election of Chairperson whilst the chair is vacant. |
| Quorum for general meeting | | (3) The quorum for a general meeting shall be as provided in the Act. |
| Chairperson of the meetings | 65. | The Chairperson of the Company shall preside as Chairperson at every general meeting of the Company. |
| Directors to elect a Chairperson | 66. | If there is no such Chairperson, or if he is not present within fifteen minutes after the time appointed for holding the meeting, or is unwilling to act as chairperson of the meeting, the directors present shall elect one of their members to be Chairperson of the meeting. |
| Members to elect a Chairperson | 67. | If at any meeting no director is willing to act as Chairperson or if no director is present within fifteen minutes after the time appointed for holding the meeting, the members present shall, by poll or electronically, choose one of their members to be Chairperson of the meeting. |
| Casting vote of Chairperson at general meeting | 68. | On any business at any general meeting, in case of an equality of votes, whether on a show of hands or electronically or on a poll, the Chairperson shall have a second or casting vote. |
| Minutes of proceedings of meetings and resolutions passed by postal ballot | 69. | (1) The Company shall cause minutes of the proceedings of every general meeting of any class of members or creditors and every resolution passed by postal ballot to be prepared and signed in such manner as may be prescribed by the Rules and kept by making within thirty days of the conclusion of every such meeting concerned or passing of resolution by postal ballot entries thereof in books kept for that purpose with their pages consecutively numbered. |

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| <p>(2) There shall not be included in the minutes any matter which, in the opinion of the Chairperson of the meeting -</p> <p>(a) is, or could reasonably be regarded, as defamatory of any person; or</p> <p>(b) is irrelevant or immaterial to the proceedings; or</p> <p>(c) is detrimental to the interests of the Company.</p> <p>(3) The Chairperson shall exercise an absolute discretion in regard to the inclusion or non-inclusion of any matter in the minutes on the grounds specified in the aforesaid clause.</p> <p>(4) The minutes of the meeting kept in accordance with the provisions of the Act shall be evidence of the proceedings recorded therein.</p> | <p>Certain matters not to be included in Minutes</p> <p>Discretion of Chairperson in relation to Minutes</p> <p>Minutes to be evidence</p> |
| <p>70. (1) The books containing the minutes of the proceedings of any general meeting of the Company or a resolution passed by postal ballot shall:</p> <p>(a) be kept at the registered office of the Company; and</p> <p>(b) be open to inspection of any member without charge, during 11.00 a.m. to 1.00 p.m. on all working days other than Saturdays.</p> <p>(2) Any member shall be entitled to be furnished, within the time prescribed by the Act, after he has made a request in writing in that behalf to the Company and on payment of such fees as may be fixed by the Board, with a copy of any minutes referred to in clause (1) above:</p> <p>Provided that a member who has made a request for provision of a soft copy of the minutes of any previous general meeting held during the period immediately preceding three financial years, shall be entitled to be furnished with the same free of cost.</p> | <p>Inspection of minute books of general meeting</p> <p>Members may obtain copy of minutes</p> |
| <p>71. The Board, and also any person(s) authorised by it, may take any action before the commencement of any general meeting, or any meeting of a class of members in the Company, which they may think fit to ensure the security of the meeting, the safety of people attending the meeting, and the future orderly conduct of the meeting. Any decision made in good faith under this Article shall be final, and rights to attend and participate in the meeting concerned shall be subject to such decision.</p> | <p>Powers to arrange security at meetings</p> |

Adjournment of meeting

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| <p>72. (1) The Chairperson may, <i>suo motu</i>, adjourn the meeting from time to time and from place to place.</p> <p>(2) No business shall be transacted at any adjourned meeting other than the business left unfinished at the meeting from which the adjournment took place.</p> <p>(3) When a meeting is adjourned for thirty days or more, notice of the adjourned meeting shall be given as in the case of an original meeting.</p> <p>(4) Save as aforesaid, and save as provided in the Act, it shall not be necessary to give any notice of an adjournment or of the business to be transacted at an adjourned meeting.</p> | <p>Chairperson may adjourn the meeting</p> <p>Business at adjourned meeting</p> <p>Notice of adjourned meeting</p> <p>Notice of adjourned meeting not required</p> |
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Voting rights

Entitlement to vote on show of hands and on poll	73.	<p>Subject to any rights or restrictions for the time being attached to any class or classes of shares -</p> <p>(a) on a show of hands, every member present in person shall have one vote; and</p> <p>(b) on a poll, the voting rights of members shall be in proportion to his share in the paid-up equity share capital of the company.</p>
Voting through electronic means	74.	A member may exercise his vote at a meeting by electronic means in accordance with the Act and shall vote only once.
Vote of joint-holders	75. (1)	In the case of joint holders, the vote of the senior who tenders a vote, whether in person or by proxy, shall be accepted to the exclusion of the votes of the other joint holders.
Seniority of names	(2)	For this purpose, seniority shall be determined by the order in which the names stand in the register of members.
How members <i>non compos mentis</i> and minor may vote	76.	A member of unsound mind, or in respect of whom an order has been made by any court having jurisdiction in lunacy, may vote, whether on a show of hands or on a poll, by his committee or other legal guardian, and any such committee or guardian may, on a poll, vote by proxy. If any member be a minor, the vote in respect of his share or shares shall be by his guardian or any one of his guardians.
Votes in respect of shares of deceased or insolvent members, etc.	77.	Subject to the provisions of the Act and other provisions of these Articles, any person entitled under the Transmission Clause to any shares may vote at any general meeting in respect thereof as if he was the registered holder of such shares, provided that at least 48 (forty eight) hours before the time of holding the meeting or adjourned meeting, as the case may be, at which he proposes to vote, he shall duly satisfy the Board of his right to such shares unless the Board shall have previously admitted his right to vote at such meeting in respect thereof.
Business may proceed pending poll	78.	Any business other than that upon which a poll has been demanded may be proceeded with, pending the taking of the poll.
Restriction on voting rights	79.	No member shall be entitled to vote at any general meeting unless all calls or other sums presently payable by him in respect of shares in the Company have been paid or in regard to which the Company has exercised any right of lien.
Restriction on exercise of voting rights in other cases to be void	80.	A member is not prohibited from exercising his voting on the ground that he has not held his share or other interest in the Company for any specified period preceding the date on which the vote is taken, or on any other ground not being a ground set out in the preceding Article.
Equal rights of members	81.	Any member whose name is entered in the register of members of the Company shall enjoy the same rights and be subject to the same liabilities as all other members of the same class.

Proxy

82. (1) Any member entitled to attend and vote at a general meeting may do so either personally or through his constituted attorney or through another person as a proxy on his behalf, for that meeting. A Proxy so appointed shall not have any right to speak at the meeting and shall not be entitled to vote except on a poll. A person appointed as proxy shall act on behalf of such member or such number of members and such number of shares as prescribed under the Act. Member may vote in person or otherwise
- (2) The instrument appointing a proxy and the power-of-attorney or other authority, if any, under which it is signed or a notarised copy of that power or authority, shall be deposited at the registered office of the Company not less than 48 hours before the time for holding the meeting or adjourned meeting at which the person named in the instrument proposes to vote, and in default the instrument of proxy shall not be treated as valid. Proxies when to be deposited
83. An instrument appointing a proxy shall be in the form as prescribed in the Rules. Form of proxy
84. A vote given in accordance with the terms of an instrument of proxy shall be valid, notwithstanding the previous death or insanity of the principal or the revocation of the proxy or of the authority under which the proxy was executed, or the transfer of the shares in respect of which the proxy is given: Proxy to be valid notwithstanding death of the principal
- Provided that no intimation in writing of such death, insanity, revocation or transfer shall have been received by the Company at its office before the commencement of the meeting or adjourned meeting at which the proxy is used.
- ### **Board of Directors, their remuneration**
85. (1) Unless otherwise determined by the Company in general meeting, the number of directors shall not be less than 3 (three) and shall not be more than 15 (fifteen). Board of Directors
- (2) As on date of adoption of these articles, the following persons are the Directors of the Company:- Directors in office at the date of adoption of these Articles
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| 1. Krishan Kumar Parwal | 2. Sunita Parwal |
| 3. Puneet Parwal | 4. Ramesh Kumar Somani |
| 5. Vimal Jugal Kishor Chandak | 6. Amit Sharda |
86. (1) The Board shall have the power to determine the directors whose period of office is or is not liable to determination by retirement of directors by rotation. Directors not liable to retire by rotation
- (2) The same individual may, at the same time, be appointed as the Chairperson of the Company as well as the Managing Director or Chief Executive Officer of the Company. Same individual may be Chairperson and Managing Director/Chief Executive Officer
87. (1) The remuneration of the directors shall, in so far as it consists of a monthly payment, be deemed to accrue from day-to-day. Remuneration of directors
- (2) The remuneration payable to the directors, including any managing or whole-time director or manager, if any, shall be determined in accordance with and subject to the provisions of the Act. Remuneration to require members' consent

Sitting fee, Travelling and other expenses	<p>(3) In addition to the remuneration payable to them in pursuance of the Act, the directors may be paid sitting fee, as the Board from time to time deems fit, subject to the limit as prescribed by the Act, all travelling, hotel and other expenses properly incurred by them—</p> <p>(a) in attending and returning from meetings of the Board of Directors or any committee thereof or general meetings of the Company; or</p> <p>(b) in connection with the business of the Company.</p>
Execution of negotiable instruments	<p>88. All cheques, promissory notes, drafts, <i>hundis</i>, bills of exchange and other negotiable instruments, and all receipts for monies paid to the Company, shall be signed, drawn, accepted, endorsed, or otherwise executed, as the case may be, by such person and in such manner as the Board shall from time to time by resolution determine.</p>
Appointment of additional directors	<p>89. (1) Subject to the provisions of the Act, the Board shall have power at any time, and from time to time, to appoint a person as an additional director, provided the number of the directors and additional directors together shall not at any time exceed the maximum strength fixed for the Board by the Articles.</p>
Duration of office of additional director	<p>(2) Such person shall hold office only up to the date of the next annual general meeting of the Company but shall be eligible for appointment by the Company as a director at that meeting subject to the provisions of the Act.</p>
Appointment of alternate director	<p>90. (1) The Board may appoint an alternate director to act for a director (hereinafter in this Article called "the Original Director") during his absence for a period of not less than three months from India. No person shall be appointed as an alternate director for an independent director unless he is qualified to be appointed as an independent director under the provisions of the Act.</p>
Duration of office of alternate director	<p>(2) An alternate director shall not hold office for a period longer than that permissible to the Original Director in whose place he has been appointed and shall vacate the office if and when the Original Director returns to India.</p>
Re-appointment provisions applicable to Original Director	<p>(3) If the term of office of the Original Director is determined before he returns to India the automatic re-appointment of retiring directors in default of another appointment shall apply to the Original Director and not to the alternate director.</p>
Appointment of director to fill a casual vacancy and Nominee Director	<p>91. (1) (a) If the office of any director appointed by the Company in general meeting is vacated before his term of office expires in the normal course, the resulting casual vacancy may, be filled by the Board of Directors at a meeting of the Board.</p> <p>(b) Any deed for securing loans by the Company from financial corporations may be so arranged to provide for the appointment from time to time by the lending financial corporation of some person or persons to be a director or directors of the Company and may empower such lending financial corporation from time to time to remove and re-appoint any Director so appointed. A Director appointed under this Article is herein referred as "Nominee Director" means any director for time being in office under this Article. The deed aforesaid may contain ancillary provisions as may be arranged between the Company and the lending corporation and all such provisions shall have effect notwithstanding any of the other provisions herein contained.</p>
Duration of office of Director appointed to fill casual vacancy	<p>(2) The director so appointed shall hold office only upto the date upto which the director in whose place he is appointed would have held office if it had not been vacated.</p>

Powers of Board

92. (1) The management of the business of the Company shall be vested in the Board and the Board may exercise all such powers, and do all such acts and things, as the Company is by the memorandum of association or otherwise authorized to exercise and do, and, not hereby or by the statute or otherwise directed or required to be exercised or done by the Company in general meeting but subject nevertheless to the provisions of the Act and other laws and of the memorandum of association and these Articles and to any regulations, not being inconsistent with the memorandum of association and these Articles or the Act, from time to time made by the Company in general meeting provided that no such regulation shall invalidate any prior act of the Board which would have been valid if such regulation had not been made.
- (2) The Board may from time to time at its discretion and subject to the provisions of Sec. 180 and 186 of the Act and the rules made thereunder raise or borrow any sum or sums of monies for the purpose of the Company.
- (3) Subject to the provisions of Sec. 188 and the rules made thereunder the Directors may contract with the Company.
- General powers of the Company vested in Board

Proceedings of the Board

93. (1) The Board of Directors may meet for the conduct of business, adjourn and otherwise regulate its meetings, as it thinks fit. When meeting to be convened
- (2) The Chairperson or any one Director with the previous consent of the Chairperson may, or the company secretary on the direction of the Chairperson shall, at any time, summon a meeting of the Board. Who may summon Board meeting
- (3) The quorum for a Board meeting shall be as provided in the Act. Quorum for Board meetings
- (4) The participation of directors in a meeting of the Board may be either in person or through video conferencing or audio visual means or teleconferencing, as may be prescribed by the Rules or permitted under law. Participation at Board meetings
94. (1) Save as otherwise expressly provided in the Act, questions arising at any meeting of the Board shall be decided by a majority of votes. Questions at Board meeting how decided
- (2) In case of an equality of votes, the Chairperson of the Board, if any, shall have a second or casting vote. Casting vote of Chairperson at Board meeting
95. The continuing directors may act notwithstanding any vacancy in the Board; but, if and so long as their number is reduced below the quorum fixed by the Act for a meeting of the Board, the continuing directors or director may act for the purpose of increasing the number of directors to that fixed for the quorum, or of summoning a general meeting of the Company, but for no other purpose. Directors not to act when number falls below minimum
96. (1) The Chairperson of the Company shall be the Chairperson at meetings of the Board. In his absence, the Board may elect a Chairperson of its meetings and determine the period for which he is to hold office. Who to preside at meetings of the Board
- (2) If no such Chairperson is elected, or if at any meeting the Chairperson is not present within fifteen minutes after the time appointed for holding the meeting, the directors present may choose one of their number to be Chairperson of the meeting. Directors to elect a Chairperson

Delegation of powers	97. (1)	The Board may, subject to the provisions of the Act, delegate any of its powers to Committees consisting of such member or members of its body as it thinks fit.
Committee to conform to Board regulations	(2)	Any Committee so formed shall, in the exercise of the powers so delegated, conform to any regulations that may be imposed on it by the Board.
Participation at Committee meetings	(3)	The participation of directors in a meeting of the Committee may be either in person or through video conferencing or audio visual means or teleconferencing, as may be prescribed by the Rules or permitted under law.
Chairperson of Committee	98. (1)	A Committee may elect a Chairperson of its meetings unless the Board, while constituting a Committee, has appointed a Chairperson of such Committee.
Who to preside at meetings of Committee	(2)	If no such Chairperson is elected, or if at any meeting the Chairperson is not present within fifteen minutes after the time appointed for holding the meeting, the members present may choose one of their members to be Chairperson of the meeting.
Committee to meet	99. (1)	A Committee may meet and adjourn as it thinks fit.
Questions at Committee meeting how decided	(2)	Questions arising at any meeting of a Committee shall be determined by a majority of votes of the members present.
Casting vote of Chairperson at Committee meeting	(3)	In case of an equality of votes, the Chairperson of the Committee shall have a second or casting vote.
Acts of Board or Committee valid notwithstanding defect of appointment	100.	All acts done in any meeting of the Board or of a Committee thereof or by any person acting as a director, shall, notwithstanding that it may be afterwards discovered that there was some defect in the appointment of any one or more of such directors or of any person acting as aforesaid, or that they or any of them were disqualified or that his or their appointment had terminated, be as valid as if every such director or such person had been duly appointed and was qualified to be a director.
Passing of resolution by circulation	101.	Save as otherwise expressly provided in the Act, a resolution in writing, signed, whether manually or by secure electronic mode, by a majority of the members of the Board or of a Committee thereof, for the time being entitled to receive notice of a meeting of the Board or Committee, shall be valid and effective as if it had been passed at a meeting of the Board or Committee, duly convened and held.

**Chief Executive Officer, Manager, Company Secretary
and Chief Financial Officer**

102. (a) Subject to the provisions of the Act,—
 A chief executive officer, manager, company secretary and chief financial officer may be appointed by the Board for such term, at such remuneration and upon such conditions as it may think fit; and any chief executive officer, manager, company secretary and chief financial officer so appointed may be removed by means of a resolution of the Board; the Board may appoint one or more chief executive officers for its multiple businesses.
- Chief Executive Officer, etc.
- (b) A director may be appointed as chief executive officer, manager, company secretary or chief financial officer.
- Director may be chief executive officer, etc.

Registers

103. The Company shall keep and maintain at its registered office all statutory registers namely, register of charges, register of members, register of debenture holders, register of any other security holders, the register and index of beneficial owners and annual return, register of loans, guarantees, security and acquisitions, register of investments not held in its own name and register of contracts and arrangements for such duration as the Board may, unless otherwise prescribed, decide, and in such manner and containing such particulars as prescribed by the Act and the Rules. The registers and copies of annual return shall be open for inspection during on all working days, other than Saturdays, at the registered office of the Company by the persons entitled thereto on payment, where required, of such fees as may be fixed by the Board but not exceeding the limits prescribed by the Rules.
- Statutory registers
104. (a) The Company may exercise the powers conferred on it by the Act with regard to the keeping of a foreign register; and the Board may (subject to the provisions of the Act) make and vary such regulations as it may think fit respecting the keeping of any such register.
- Foreign register
- (b) The foreign register shall be open for inspection and may be closed, and extracts may be taken therefrom and copies thereof may be required, in the same manner, *mutatis mutandis*, as is applicable to the register of members.

The Seal

105. (1) The Board shall provide for the safe custody of the seal.
- The seal, its custody and use
- (2) The seal of the Company shall not be affixed to any instrument except by the authority of a resolution of the Board or of a Committee of the Board authorised by it in that behalf, and except in the presence of at least one director or the manager, if any, or of the secretary or such other person as the Board may appoint for the purpose; and such director or manager or the secretary or other person aforesaid shall sign every instrument to which the seal of the Company is so affixed in their presence.
- Affixation of seal

Dividends and Reserve

Company in general meeting may declare dividends	106.	The Company in general meeting may declare dividends, but no dividend shall exceed the amount recommended by the Board but the Company in general meeting may declare a lesser dividend.
Interim dividends	107.	Subject to the provisions of the Act, the Board may from time to time pay to the members such interim dividends of such amount on such class of shares and at such times as it may think fit.
Dividends only to be paid out of profits	108. (1)	The Board may, before recommending any dividend, set aside out of the profits of the Company such sums as it thinks fit as a reserve or reserves which shall, at the discretion of the Board, be applied for any purpose to which the profits of the Company may be properly applied, including provision for meeting contingencies or for equalising dividends; and pending such application, may, at the like discretion, either be employed in the business of the Company or be invested in such investments (other than shares of the Company) as the Board may, from time to time, think fit.
Carry forward of profits	(2)	The Board may also carry forward any profits which it may consider necessary not to divide, without setting them aside as a reserve.
Division of profits	109. (1)	Subject to the rights of persons, if any, entitled to shares with special rights as to dividends, all dividends shall be declared and paid according to the amounts paid or credited as paid on the shares in respect whereof the dividend is paid, but if and so long as nothing is paid upon any of the shares in the Company, dividends may be declared and paid according to the amounts of the shares.
Payments in advance	(2)	No amount paid or credited as paid on a share in advance of calls shall be treated for the purposes of this Article as paid on the share.
Dividends to be apportioned	(3)	All dividends shall be apportioned and paid proportionately to the amounts paid or credited as paid on the shares during any portion or portions of the period in respect of which the dividend is paid; but if any share is issued on terms providing that it shall rank for dividend as from a particular date such share shall rank for dividend accordingly.
No member to receive dividend whilst indebted to the Company and Company's right to reimbursement therefrom	110. (1)	The Board may deduct from any dividend payable to any member all sums of money, if any, presently payable by him to the Company on account of calls or otherwise in relation to the shares of the Company.
Retention of dividends	(2)	The Board may retain dividends payable upon shares in respect of which any person is, under the Transmission Clause hereinbefore contained, entitled to become a member, until such person shall become a member in respect of such shares.

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| 111. (1) | Any dividend, interest or other monies payable in cash in respect of shares may be paid by electronic mode or by cheque or warrant sent through the post directed to the registered address of the holder or, in the case of joint holders, to the registered address of that one of the joint holders who is first named on the register of members, or to such person and to such address as the holder or joint holders may in writing direct. | Dividend how remitted |
| (2) | Every such cheque or warrant shall be made payable to the order of the person to whom it is sent. | Instrument of payment |
| (3) | Payment in any way whatsoever shall be made at the risk of the person entitled to the money paid or to be paid. The Company will not be responsible for a payment which is lost or delayed. The Company will be deemed to having made a payment and received a good discharge for it if a payment using any of the foregoing permissible means is made. | Discharge to Company |
| 112. | Any one of two or more joint holders of a share may give effective receipts for any dividends, bonuses or other monies payable in respect of such share. | Receipt of one holder sufficient |
| 113. | No dividend shall bear interest against the Company. | No interest on dividends |
| 114. | The waiver in whole or in part of any dividend on any share by any document (whether or not under seal) shall be effective only if such document is signed by the member (or the person entitled to the share in consequence of the death or bankruptcy of the holder) and delivered to the Company and if or to the extent that the same is accepted as such or acted upon by the Board. | Waiver of dividends |

Accounts

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| 115. (1) | The books of account and books and papers of the Company, or any of them, shall be open to the inspection of directors in accordance with the applicable provisions of the Act and the Rules. | Inspection by Directors |
| (2) | No member (not being a director) shall have any right of inspecting any books of account or books and papers or document of the Company except as conferred by law or authorised by the Board. | Restriction on inspection by members |

Winding up

- Winding up of Company
116. Subject to the applicable provisions of the Act and the Rules made thereunder -
- (a) If the Company shall be wound up, the liquidator may, with the sanction of a special resolution of the Company and any other sanction required by the Act, divide amongst the members, in specie or kind, the whole or any part of the assets of the Company, whether they shall consist of property of the same kind or not.
 - (b) For the purpose aforesaid, the liquidator may set such value as he deems fair upon any property to be divided as aforesaid and may determine how such division shall be carried out as between the members or different classes of members.
 - (c) The liquidator may, with the like sanction, vest the whole or any part of such assets in trustees upon such trusts for the benefit of the contributories if he considers necessary, but so that no member shall be compelled to accept any shares or other securities whereon there is any liability.

Indemnity , Insurance and Reconstruction

- Directors and officers right to indemnity
117. (a) Subject to the provisions of the Act, every director, managing director, whole-time director, manager, company secretary and other officer of the Company shall be indemnified by the Company out of the funds of the Company, to pay all costs, losses and expenses (including travelling expense) which such director, manager, company secretary and officer may incur or become liable for by reason of any contract entered into or act or deed done by him in his capacity as such director, manager, company secretary or officer or in any way in the discharge of his duties in such capacity including expenses.
- (b) Subject as aforesaid, every director, managing director, manager, company secretary or other officer of the Company shall be indemnified against any liability incurred by him in defending any proceedings, whether civil or criminal in which judgement is given in his favour or in which he is acquitted or discharged or in connection with any application under applicable provisions of the Act in which relief is given to him by the Court.
- (c) Directors and Other officers not responsible for acts of others.

No Director of the Company, Manager, Secretary, Trustee, Auditors and other officers or servant of the Company shall be liable for the acts, receipts, neglects or defaults of any other Director or officer or servant or for joining in any receipts or other act for the sake of conformity merely or for any loss or expenses happening to the Company through the insufficiency or deficiency in point of titles or value of any property acquired by the order of the Directors for or on behalf of the Company or mortgaged to the Company or for the insufficiency or deficiency of any security in or upon which any of the moneys of the Company shall be invested or for any loss or damage arising from the bankruptcy, insolvency or tortuous act of any person, company or corporation to or with who many moneys, securities or effects of the Company shall been trusted or deposited or for any loss occasioned by any error of judgement, omission

default or over sight on his part or for any other loss, damage or misfortune whatever which shall happen in relation to the execution or performance of the duties of his office or in relation thereto, unless the same happen through his own dishonesty.

An Independent Director, and a non executive director not being a promoter or a Key Managerial Personnel, shall be liable only in respect of acts of omission or commission, by the Company which had occurred with his knowledge, attributable through Board processes, and with his consent or connivance or where he has not acted diligently.

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| Insurance | (d) | The Company may take and maintain any insurance as the Board may think fit on behalf of its present and/or former directors and key managerial personnel for indemnifying all or any of them against any liability for any acts in relation to the Company for which they may be liable but have acted honestly and reasonably. |
| Reconstruction | (e) | On any sale of the undertaking of the Company the Directors or the liquidators on a winding up may, if paid up shares, debentures, or securities of any other company whether incorporated in India or not, other than existing or to be formed for the purchase in whole or in part of the property of the Company, and the Directors (if the profits of the Company permit), of the liquidators (in a winding up) may distribute such shares or securities or any other property of the Company amongst the members without realization or vest the same in trustees and any special resolution may provide for the distribution or appropriations of the cash, shares or other securities, benefits or property otherwise than in accordance with the strict legal rights of the members or contributories of the Company and for the valuation of any such securities or property at such price and in such price and in such manner as the meeting may approve and all holders of shares shall be bound to accept and shall be bound by any valuation or distribution so authorised and waive all rights in relation thereto save only in case the Company, is proposed to be or is in the course of being wound up, such statutory right, if any under section 319 of the Act, as are incapable of being varied or excluded by these presents. |

General Power

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| General power | 118. | Wherever in the Act, it has been provided that the Company shall have any right, privilege or authority or that the Company could carry out any transaction only if the Company is so authorized by its articles, then and in that case this Article authorizes and empowers the Company to have such rights, privileges or authorities and to carry out such transactions as have been permitted by the Act, without there being any specific Article in that behalf herein provided. |
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Secrecy

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| Entry in premises | 119. | No member or other person (not being a Director) shall be entitled to enter upon the property of the Company or to inspect or examine the Company's premises or properties of the Company without the permission of the director, or subject to Articles to require discovery of or any information respecting any detail of the Company's trading or any matter which is or may be in the nature of a trade secret, mystery of trade, or secret process or of any matter whatsoever which may relate to the conduct of the business of the Company and which in the opinion of the directors it will be inexpedient in the interest of the members of the Company to communicate. |
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