

## MODERN CONVERTERS LIMITED

56E, Hemanta Basu Sarani, Old 4 BBD Bagh East  
Room No 14A, Kolkata - 700 001  
Ph-033-65035876

Email Id : info@modernconvertors.com

Website : www.modernconvertors.com

CIN : L01132WB1946PLC013314

~~XXXXXXXXXXXX~~

**Date: 16/09/2017**

**The Department of Corporate Services,  
BSE Limited,  
Phiroze Jeejeebhoy Towers  
Dalal Street, Mumbai- 400001  
BSE Scrip Code: 539762**

**Dear Sir,**

**Sub: Proceedings of Annual General Meeting held on 15.09.2017 and Scrutinizer's Report and Annual Report**

In accordance with Regulation 30 of SEBI (LODR) Regulations, 2015 we inform you that the 71<sup>st</sup> Annual General Meeting of the members were held on 15<sup>th</sup> September, 2017 at registered office of the company.

Enclosed herewith the following documents:

1. The gist of proceedings of 71<sup>st</sup> Annual General Meeting (AGM) of the company.
2. Consolidated Scrutinizer's Report.
3. Annual Report for the FY 2016-17.

For Modern Converters Limited  
**Modern Converters Ltd.**

*Soumitra S. Sengupta*  
**Director**  
(Director/ Authorized Signatory)

**MODERN CONVERTERS  
LIMITED**

**ANNUAL REPORT  
2016-17**

# INDEX

	<b>Page No.</b>
NOTICE	1-11
DIRECTORS REPORT	12-17
ANNEXURE TO DIRECTORS REPORT	18 - 28
MANAGEMENT DISCUSSION & ANALYSIS REPORT	29-30
MD & CFO CERTIFICATE	31
AUDITOR'S REPORT ON CORPORATE GOVERNANCE	32
REPORT ON CORPORATE GOVERNANCE	33-42
INDEPENDENT AUDITOR'S REPORT	43-49
BALANCE SHEET	50
STATEMENT OF PROFIT & LOSS ACCOUNT	51
CASH FLOW STATEMENTS	52-53
NOTES TO THE FINANCIAL STATEMENT	54-57
SIGNIFICANT ACCOUNTING POLICY	58-60

# **Corporate Information**

## **Board Of Directors**

Ganga Dhar Sail	Executive Director
Soumitra Trivedi	Managing Director
Renu Sharma	Independent Director
Binit Agarwal	Independent Director

Chief Financial Officer: Ganga Dhar Sail

Compliance Officer : Mr. Soumitra Trivedi

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

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

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

Stock Exchange : The Calcutta Stock Exchange Limited  
BSE Limited

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

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

Contact No. : 033- 6503 5876

**MODERN CONVERTERS LIMITED**

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

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

**NOTICE**

NOTICE is hereby given that the 71<sup>st</sup> Annual General Meeting of the Members of Modern Converters Limited will be held on Friday, 15<sup>th</sup> September, 2017 at 2.00 pm at 56E, Hemanta Basu Sarani, Old 4 BBD Bagh East, Room No. 14A, Kolkata - 700001 to transact the following business:

**ORDINARY BUSINESS:**

1. To receive, consider and adopt the Audited Financial Statements of the Company for the financial year ended on March 31, 2017 together with the Report of the Board of Directors and Auditors thereon.
2. To appoint a director in place of Mr. Ganga Dhar Sail (holding Din 00402199) who retires by rotation and being eligible offer himself for re –appointment.
3. To ratify the appointment of M/s Gupta Saharia & Co., Chartered Accountants (Firm Registration No.: 103446W) as Statutory auditors.

“**RESOLVED THAT** pursuant to the provisions of Section 139, and all other provisions of the Companies Act, 2013 read with Companies (Audit and Auditors) Rules, 2014 and pursuant to the recommendation of audit committee of the Board, the Company hereby ratifies the appointment of M/s Gupta Saharia & Co., Chartered Accountants (Firm Registration No.: 103446W) as Auditors of the Company to hold office from the conclusion of this Annual General Meeting (AGM) till the conclusion of the AGM of the Company to be held in the year 2019 at such remuneration plus service tax, out-of-pocket, travelling and living expenses, etc., as may be mutually agreed between the Board of Directors of the Company and the Auditors.”

**Place: Kolkata**

**Date: 9<sup>th</sup> August, 2017**

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

**Sd/-  
(Soumitra Trivedi)  
Managing Director**

**NOTES:**

1. **A MEMBER ENTITLED TO ATTEND AND VOTE AT THE ANNUAL GENERAL MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF/HERSELF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY.**
2. **As per section 105 of the Companies Act, 2013 and Rules thereunder, a person can act as proxy on behalf of members not exceeding fifty and holding in the aggregate not more than ten percent of total share capital of the Company carrying voting rights. A member holding more than ten percent of total share capital of the company carrying voting right may appoint a single person as proxy and such proxy shall not act as a proxy for any other person or shareholder.**
3. The instrument appointing a proxy shall be deposited at the Registered Office of the Company not less than 48 hours before the commencement of the meeting. Corporate members intending to send their authorised representatives to attend the Meeting are requested to send to the Company, a certified true copy of the board resolution authorising their representative to attend and vote on their behalf at the Meeting.
4. Pursuant to the provisions of Section 91 of the Companies Act, 2013 the Register of Members and Share Transfer Book of the Company shall remain closed from Saturday, September 9, 2017 to Friday, September 15, 2017 (both days inclusive)
5. Members are requested to send all communications relating to shares, change of address, etc. to the Registrar and transfer agents at the following address:  
**M/S. Maheswari Datamatics Pvt Ltd, Address: 23 R. N Mukherjee Road, 5<sup>th</sup> Floor, Kolkata- 700 001.**
6. Members holding shares in electronic form are requested to intimate immediately any change in their address or bank mandates to their Depository Participants with whom they are maintaining their demat accounts. Members holding shares in physical form are requested to advise any change in their address or bank mandates immediately to the Company/Registrar and Transfer Agent.
7. Electronic copies of the Annual Report are being sent to all the members whose e-mail Ids are registered with the Company/Depository Participant(s) for communication purposes unless any member has requested for a hard copy of the same. For members who have not registered their email address, physical copies of the Annual Report is being sent in the permitted mode.

8. Electronic copy of the Notice of this Meeting of the Company inter alia indicating the process and manner of e-voting along with attendance slip and proxy form is being sent to all the members whose e-mail IDs are registered with the Company/ Depository Participant(s) for communication purposes unless any member has requested for a hard copy of the same. For members who have not registered their e-mail address, physical copies of the Notice of the 71<sup>st</sup> Annual General Meeting of the Company inter alia indicating the process and manner of e-voting along with Attendance Slip and Proxy Form is being sent in the permitted mode. Members may also note that Notice of this Meeting and the Annual Report will also be available on the Company's website [www.modernconvertors.com](http://www.modernconvertors.com) for their download.
9. Copies of the Annual Report will not be distributed at the Annual General Meeting; members are requested to bring their copies at the meeting.
10. Members/proxies should bring their attendance slips sent herewith, duly filled in, for attending the Meeting. Members/ proxies attending the AGM are requested to carry their identity proof.
11. A statement containing details of the Directors seeking appointment/reappointment at the forthcoming Annual General Meeting as required under Regulation 36 of the SEBI (LODR) Regulations, 2015 is annexed.
12. All documents referred to in the accompanying Notice shall be open for inspection at the Registered Office of the Company between 11.00 am and 1.00 pm on all working days except Saturdays, till the date of meeting.
13. SEBI and Ministry of Corporate Affairs encourages paperless communication as a contribution to Green environment. Members holding shares in physical mode are requested to register their e-mail address to the RTA for receiving all communications including annual reports, notices, circulars etc. from the company electronically.
14. Distribution of Gifts: In conformity with regulatory requirements, the Company will NOT be distributing any gift, gift coupons or cash in lieu of gifts at the AGM or in connection therewith.
15. The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in securities market. Members holding Shares in electronic form are, therefore, requested to submit the PAN details to their Depository Participants with whom they are maintaining their demat accounts. Members holding Shares in physical form can submit their PAN details to the Company's Registrar and Share Transfer Agents.

## 16. **Voting Option:**

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

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

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

The members who have not casted their votes electronically, can exercise their rights at the AGM through ballot form. The members who have cast their vote by remote e-voting prior to the AGM may also attend the AGM but shall not be entitled to cast their vote again.

#### **Other Instructions**

1. A member can opt for only one mode of voting i.e. either in person or through proxy at the meeting or through e-voting. If a member casts votes by both the modes, then voting done through e-voting shall prevail and voting through other means shall be treated as invalid.
  2. The Company has appointed Ms. Rinku Jain (Practicing Chartered Accountant) (Membership No.ACS - 303262) to act as the Scrutinizer. The Scrutinizer shall within a period not exceeding three (3) working days from the conclusion of the e-voting period unblock the votes in presence of atleast two witnesses (not in the employment of the Company) and make a Scrutinizer's Report of the votes cast in favour or against, if any, forthwith to the Managing Director.
  3. The Results shall be declared at or after the Annual General Meeting of the Company. The results declared along with the Scrutinizer's Report shall be placed on the Company's website and on the website of CDSL [www.evotingindia.com](http://www.evotingindia.com) within three (3) days of passing of the resolution at the Annual General Meeting of the Company and the same shall also be communicated to BSE Limited and Calcutta Stock Exchange Limited where the shares of the Company are listed.
17. The voting rights of shareholders shall be in proportion to their shares of the paid up equity share capital of the Company as on the cut-off date of 8<sup>th</sup> September, 2017.
18. The notice of Annual General Meeting will be sent to the members, whose names appear in the register of members / depositories as at closing hours of business, on 4<sup>th</sup> August, 2017.
19. The shareholders shall have one vote per equity share held by them as on the cut-off date of 8<sup>th</sup> September, 2017. The facility of e-voting would be provided once for every folio / client id, irrespective of the number of joint holders.



20. Investors, who became members of the Company subsequent to the dispatch of the Notice / Email and hold the shares as on the cut-off date i.e. 8<sup>th</sup> September, 2017 are requested to send the written / email communication to the Company Registrar and Transfer Agents viz., **Maheshwari Datamatics Pvt. Ltd., Mr. S. Rajagopal** (Vice President) 23 R. N Mukherjee Road, 5<sup>th</sup> Floor, Kolkata- 700 001 Contact No.: 033-2248 2248, Fax- 033-2248 4787, E-Mail: mdpldc@yahoo.com. Company by mentioning their Folio No. / DP ID and Client ID to obtain the Login-ID and Password for e-voting.

21. The Register of Directors and Key Managerial Personnel and their shareholding maintained under Section 170 of the Companies Act, 2013, the Register of contracts or arrangements in which the Directors are interested under Section 189 of the Companies Act, 2013 will be available for inspection at the AGM.

**Place: Kolkata**  
**Date: 9<sup>th</sup> August, 2017**

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

**Sd/-**  
**(Soumitra Trivedi)**  
**Managing Director**

#### **ANNEXURE TO THE NOTICE**

#### **Details of Directors seeking Appointment / Re-appointment at the forthcoming Annual General Meeting**

**(In pursuance of Regulation 36 of SEBI (LODR) Regulations, 2015)**

<b>Name of Director</b>	Mr. Ganga Dhar Sail
<b>Age</b>	62 years
<b>Date of Appointment on the Board</b>	26/03/2015
<b>Expertise in specific field</b>	He is a graduate and have experience of over 9 years in the business of Finance Sector

<b>Chairman/ Member of the committee(s) of the Board of Directors of the Company</b>	<ul style="list-style-type: none"> <li>• Stakeholders Relationship Committee- Member</li> <li>• Nomination &amp; Remuneration Committee- Member</li> </ul>
<b>Directorship in other public companies</b>	Nil
<b>Chairman/ Member of the committee(s) of the Board of Directors of other Companies in which he/she is a Director</b>	Nil
<b>Shareholding in the Company</b>	Nil

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

- i) The voting period begins on 12.09.2017 from 9.00 A.M and ends on 14.09.2017 till 5.00P.M. During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date (record date) of 08.09.2017, may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter. The facility for voting through ballot paper / polling paper shall be made available at the AGM and the members as on the "cut-off date" i.e. Record date, attending the meetings who have not cast their vote by remote e-voting shall be able to exercise their right to vote at the meeting through ballot paper / polling paper.
- ii) The shareholders should log on to the e-voting website [www.evotingindia.com](http://www.evotingindia.com) during the voting period.
- iii) Click on "Shareholders" tab.
- iv) Now Enter your User ID
  - a. For CDSL: 16 digits beneficiary ID,
  - b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
  - c. Members holding shares in Physical Form should enter Folio Number registered with the Company.
- v) Next enter the Image Verification as displayed and Click on Login.
- vi) If you are holding shares in demat form and had logged on to [www.evotingindia.com](http://www.evotingindia.com) and voted on an earlier voting of any company, then your existing password is to be used.
- vii) If you are a first time user follow the steps given below:

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

- viii) After entering these details appropriately, click on “SUBMIT” tab.
- ix) Members holding shares in physical form will then directly reach the Company selection screen. However, members holding shares in demat form will now reach ‘Password Creation’ menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- x) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- xi) Click on the EVSN for the relevant **Modern Converters Limited** on which you choose to vote.
- xii) On the voting page, you will see “RESOLUTION DESCRIPTION” and against the same the option “YES/NO” for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.

- xiii) Click on the “RESOLUTIONS FILE LINK” if you wish to view the entire Resolution details.
- xiv) After selecting the resolution you have decided to vote on, click on “SUBMIT”. A confirmation box will be displayed. If you wish to confirm your vote, click on “OK”, else to change your vote, click on “CANCEL” and accordingly modify your vote.
- xv) Once you “CONFIRM” your vote on the resolution, you will not be allowed to modify your vote.
- xvi) You can also take out print of the voting done by you by clicking on “Click here to print” option on the Voting page.
- xvii) If Demat account holder has forgotten the same password then enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
- xviii) Note for Institutional Shareholders:
- Institutional shareholders (i.e. other than Individuals, HUF, NRI etc.) are required to log on to <https://www.evotingindia.com> and register themselves as Corporates.
  - A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).
  - After receiving the login details they have to create a compliance user should be created using the admin login and password. The Compliance user would be able to link the account(s) for which they wish to vote on.
  - The list of accounts should be mailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) and on approval of the accounts they would be able to cast their vote.
  - A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.
- xix) In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions (“FAQs”) and e-voting manual available at [www.evotingindia.com](http://www.evotingindia.com) under help section or write an email to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) or contact them at 1800 200 5533.

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

**Place: Kolkata**

**Date: 9th August, 2017**

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

**Sd/-**

**(Soumitra Trivedi)  
Managing Director**

**MODERN CONVERTERS LIMITED**

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

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

<b>ATTENDANCE SLIP</b>  I/We hereby record my/our presence at the 71 <sup>st</sup> <b>Annual General Meeting</b> of the Company to be held on Friday, 15 <sup>th</sup> <b>September, 2017 at 2.00 P.M.</b> at its registered office at 56E, Hemanta Basu Sarani, Old 4 BBD Bagh East, Room No. 14A, Kolkata - 700001	<b>Folio/DP ID &amp; Client ID No.:</b>
	<b>Name :</b>
	<b>Address :</b>
	<b>Joint holders Name :</b>
	<b>Shares</b>

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

**Signature of Shareholder/Proxy Present**

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

**ELECTRONIC VOTING PARTICULARS**

<b>EVSN</b>  (E-voting Sequence Number)	<b>USER ID</b>	<b>PERMANENT ACCOUNT NUMBER</b>  (PAN)
170817047		

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

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

Commencement of e-voting: From <Tuesday, 12.09.2017 at 9.00 AM >

End of e-Voting: Up to <Thursday, 14.09.2017 at 5.00 PM >

**MODERN CONVERTERS LIMITED**

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

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

CIN : L01132WB1946PLC013314

**PROXY FORM**

**MGT-11**

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

**Name of the shareholder:**

**Registered address:**

**E-mail ID:**

**Folio No. / Client ID:**

**DP ID:**

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

Name _____	Address _____	
Email Id _____	Signature _____	or failing him
Name _____	Address _____	
Email Id _____	Signature _____	or failing him
Name _____	Address _____	
Email Id _____	Signature _____	

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 71<sup>st</sup> Annual General Meeting of the Company, to be held on Friday, 15<sup>th</sup> September, 2017 at 2.00 P.M at its registered office at 56E, Hemanta Basu Sarani, Old 4 BBD Bagh East, Room No. 14A, Kolkata - 700001, West Bengal and at any adjournment thereof in respect of such resolutions as are indicated below:

Resolution No.	Resolutions	Votes (Optional)	
		For	Against
1.	To receive, consider and adopt the audited Balance Sheet of the Company as at March 31, 2017, the Statement of Profit & Loss and the Cash Flow Statements for the year ended on that date and the reports of the Board of Directors' and Auditors' thereon.		
2.	To appoint a Director in place of Mr. Ganga Dhar Sail, who retires by rotation and being eligible, offers himself for re-appointment.		
3.	To ratify the appointment of M/s Gupta Saharia & Co., Chartered Accountants (Firm Registration No.: 103446W) as Statutory auditors.		

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

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

Signature of Shareholder(s).....

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

Affix Revenue Stamp
---------------------------

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

## **DIRECTORS' REPORT**

### **For The Financial Year 2016-17**

Dear Members,

The Board of Directors hereby submits the report of the business and operations of the Company, along with the audited financial statements, for the financial year ended March 31, 2017.

#### **1. Results of our operations**

**(Amount in Rs.)**

<b>Particulars</b>	<b>Figures as at the end of current reporting period</b>	<b>Figures as at the end of previous reporting period</b>
Profit Before Tax	983,618	(1,973,183)
Less: Current Tax	190,645	-
Profit After Tax	792.973	(1,973,183)
Add: Profit/ (Loss) Brought Forward From Previous Year	(3,140,907)	(1,255,344)
Loss carried forward to balance sheet	(2,347,934)	(3,228,527)
Basic/ Diluted Earnings Per Share	0.26	(0.64)

#### **Dividend**

The Directors have not recommended any dividend for the financial year 2016-17.

#### **Transfer of Unclaimed Dividend to Investor Education and Protection Fund**

The provisions of Section 125(5) of the Companies Act, 2013 do not apply on the company as no dividend has been declared during the year.

#### **Reserves**

The Directors have not proposed to transfer any amount to Reserves during the year.

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

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



## **2. Business**

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

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

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

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

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

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

### **Share Capital**

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

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

- **Buy Back of Securities**

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

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

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

- **Preferential Issue of Capital**

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

### **Deposits**

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

### **Particulars of Contracts or Arrangements with Related Parties**

The company has no material individual transactions with its related parties which are covered under section 188 of the Companies Act, 2013, which are not in the ordinary course of business and not undertaken on an arm's length basis during the financial year 2016-2017.

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

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

### **3. Corporate Governance**

Corporate governance is about maximizing shareholder value legally, ethically and sustainably. The goal of corporate governance is to ensure fairness for every stakeholder. We believe sound corporate governance is critical to enhance and retain investor trust. We always seek to ensure that our performance is driven by integrity. Our Board exercises its fiduciary responsibilities in the widest sense of the term. Our disclosures seek to attain the best practices in international corporate governance. We also endeavor to enhance long-term shareholder value and respect minority rights in all our business decisions.

Our Corporate governance report for fiscal 2017 forms part of this Annual Report.

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

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

1. At the Board Meeting held on 13<sup>th</sup> July, 2016 Mr. Govind Gupta resigned from the post of Company Secretary and Mr. Rajeev Chirimar resigned from post of Director of the Company.
2. Mr. Binit Agarwal was regularised at the annual general meeting held on 29<sup>th</sup> September, 2016.

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

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

#### **Formal Annual Evaluation**

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

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

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

The Board met five times during the financial year i.e. 27/05/2016, 13/07/2016, 12/08/2016, 11/11/2016, and 10/02/2017. The maximum interval between any two meetings did not exceed 120 days, as prescribed in the Companies Act, 2013.

#### **Managerial Remuneration:**

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

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

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

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

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

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

As the company does not have net worth of rupees five hundred crore or more, or turnover of rupees one thousand crore or more or a net profit of rupees five crore or more during any financial year, the disclosures as per Rule 9 of Companies (Corporate Social Responsibility Policy) Rules, 2014 is not applicable.

### **Risk management policy**

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

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

The company does have women employees; therefore the clause is applicable and hereby complied with.

### **Committees of the Board**

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

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

The Board has adopted policies and procedures for ensuring the orderly and efficient conduct of its business, including adherence to the Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial disclosures.

### **Significant and material orders**

There are no significant and material orders passed by the regulators or courts or tribunals impacting the going concern status and Company's operations in future.

### **Extract of annual return**

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

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

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

### **Directors' Responsibility Statement**

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

- (a) in the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures;
- (b) the directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company at the end of the financial year and of the profit and loss of the company for that period;
- (c) the directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;
- (d) the directors have prepared the annual accounts on a going concern basis;
- (e) the directors, have laid down internal financial controls to be followed by the company and that such internal financial controls are adequate and were operating effectively, and
- (f) the directors have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

## **4. Auditors**

### **Statutory Auditors**

M/s Gupta Saharia & Co., Chartered Accountants, have been appointed as Statutory Auditors of the company till the conclusion of the Annual General Meeting of the company to be held in the year 2019 (subject to ratification of their re- appointment at every AGM) with remuneration shall be decided as per the Audit Committee. The Auditors' Report for fiscal 2017 does not contain any qualification, reservation or adverse remark. The Auditors' Report is enclosed with the financial statements in this Annual Report.

### **Secretarial Audit Report**

Pursuant to the provisions of Section 204 of the Companies Act, 2013 read with corresponding Rules framed there under, Ms. Shruti Agarwal was appointed as the Secretarial Auditors of the Company to carry out the secretarial audit for the year ending 31st March, 2017. There is no qualification, reservation or adverse remark or disclaimer made by the company secretary in the secretarial audit report.

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

As required by SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the auditors' certificate on corporate governance is enclosed as *Annexure* to the *Board's report*. The auditors' certificate for fiscal year 2017 does not contain any qualification, reservation or adverse remark.

### **Internal Auditor**

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

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

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

### **6. Order of Court**

The company is not subject to any legal proceedings and claims which will have a material or adverse effect on the going concern status or company's operations or financial conditions.

### **7. Acknowledgements**

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

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

**Sd/-  
Soumitra Trivedi  
Managing Director  
(DIN: 00402241)  
Place: Kolkata  
Date: 25/05/2017**

**Sd/-  
Ganga Dhar Sail  
Director & CFO  
(DIN: 00402199)**

**FORM NO. MGT 9**  
**EXTRACT OF ANNUAL RETURN**  
**As on financial year ended on 31.03.2017**

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

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

<b>II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY</b>			
---	--	--	--

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

S. No.	Name and Description of main products / services	NIC Code of the Product/service	% to total turnover of the company
1	Other financial service activities, except insurance and pension funding	649	100.00%

<b>III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES</b>					
--	--	--	--	--	--

SN	Name and address of the Company	CIN/GLN	Holding/ Subsidiary/ Associate	% of shares held	Applicable Section
N.A					

IV. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)

i) Category-wise Share Holding

Category of Shareholders	No of Shares held at the beginning of the year [As on 01/Apr/2016]				No of Shares held at the end of the year [As on 31/Mar/2017]				% change during the Year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
<b>A. Promoters</b>									
<b>(1) Indian</b>									
a) Individual/ HUF	0	47711	47711	1.5440	11250	36461	47711	1.5440	0.0000
b) Central Govt									
c) State Govt(s)									
d) Bodies Corp.	0	19300	19300	0.6246	4000	15300	19300	0.6246	0.0000
e) Banks/Fi									
f) Any other									
<b>Sub-total (A)(1)</b>	0	67011	67011	2.1686	15250	51761	67011	2.1686	0.0000
<b>(2) Foreign</b>									
a) NRIs - Individuals									
b) Other - Individuals									
c) Bodies Corp.									
d) Banks/FI									
e) Any other									
<b>Sub-total (A)(2)</b>	0	0	0	0.0000	0	0	0	0.0000	0.0000
<b>Total shareholding of Promoter (A)=(A)(1)+(A)(2)</b>	0	67011	67011	2.1686	15250	51761	67011	2.1686	0.0000
<b>B. Public Shareholding</b>									
<b>1. Institutions</b>									
a) Mutual Funds									
b) Banks/FI									
c) Central Govt									
d) State Govt(s)									
e) Venture Capital Funds									
f) Insurance Companies									
g) FIs									
h) Foreign Venture Capital Funds									
i) Others (specify)									
Alternate Investment Funds									
Foreign Portfolio Investors									
Provident Funds / Pension Funds									
Qualified Foreign Investor									
<b>Sub-total(B)(1):-</b>	0	0	0	0.0000	0	0	0	0.0000	0.0000

<b>2. Non-Institutions</b>									
a) Bodies Corp.									
i) Indian	3000000	0	3000000	97.0874	2850000	0	2850000	92.2330	-4.8544
ii) Overseas									
b) Individuals									
i) Individual shareholders holding nominal share capital upto Rs. 1 lakh	300	22689	22989	0.7440	300	22689	22989	0.7440	0.0000
ii) Individual shareholders holding nominal share capital in excess of Rs. 1 lakh	0	0	0	0.0000	150000	0	150000	4.8544	4.8544
c) Others (Specify)									
Non Resident Indians									
Qualified Foreign Investor									
Custodian of Enemy Property									
Foreign Nationals									
Clearing Members									
Trusts									
Foreign Bodies-D R									
Foreign Portfolio Investors									
NBFCs registered with RBI									
Employee Trusts									
Domestic Corporate Unclaimed Shares Account									
Investor Education and Protection Fund Authority									
<b>Sub-total(B)(2):-</b>	<b>3000300</b>	<b>22689</b>	<b>3022989</b>	<b>97.8314</b>	<b>3000300</b>	<b>22689</b>	<b>3022989</b>	<b>97.8314</b>	<b>0.0000</b>
<b>Total Public Shareholding (B)=(B)(1)+ (B)(2)</b>	<b>3000300</b>	<b>22689</b>	<b>3022989</b>	<b>97.8314</b>	<b>3000300</b>	<b>22689</b>	<b>3022989</b>	<b>97.8314</b>	<b>0.0000</b>
<b>C. Shares held by Custodian for GDRs &amp; ADRs</b>									
<b>Grand Total (A+B+C)</b>	<b>3000300</b>	<b>89700</b>	<b>3090000</b>	<b>100.0000</b>	<b>3015550</b>	<b>74450</b>	<b>3090000</b>	<b>100.0000</b>	<b>0.0000</b>



ii) Shareholding of Promoters-

Sl No	Shareholder's Name	Shareholding at the beginning of the year [As on 01/Apr/2016]			Shareholding at the end of the year [As on 31/Mar/2017]			% 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	MANJU DEVI CHIRIMAR	20201	0.6538	0.0000	20201	0.6538	0.0000	0.0000
2	RAJEEV CHIRIMAR	15260	0.4939	0.0000	15260	0.4939	0.0000	0.0000
3	KEMI FIBRE INDUSTRIES P LTD	11000	0.3560	0.0000	11000	0.3560	0.0000	0.0000
4	RAJEEV CHIRIMAR HUF	4450	0.1440	0.0000	4450	0.1440	0.0000	0.0000
5	DARJEELING ROPEWAY CO LTD	4300	0.1392	0.0000	4300	0.1392	0.0000	0.0000
6	RADIO SUPPLY STORES P LTD.	4000	0.1294	0.0000	4000	0.1294	0.0000	0.0000
7	SANGITA CHIRIMAR	3300	0.1068	0.0000	3300	0.1068	0.0000	0.0000
8	KESHAV CHIRIMAR	2800	0.0906	0.0000	2800	0.0906	0.0000	0.0000
9	RAGHAV CHIRIMAR	1700	0.0550	0.0000	1700	0.0550	0.0000	0.0000
	TOTAL	67011	2.1686	0.0000	67011	2.1686	0.0000	0.0000

iii) Change in Promoters' Shareholding (please specify, if there is no change)					
Sl No	Name	Shareholding at the beginning [01/Apr/16]/end of the year [31/Mar/17]		Cumulative Shareholding during the year [01/Apr/16 to 31/Mar/17]	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1	DARJEELING ROPEWAY CO LTD				
	01/04/2016	4300	0.1392		
	31/03/2017	4300	0.1392	4300	0.1392
2	KEMI FIBRE INDUSTRIES P LTD				
	01/04/2016	11000	0.3560		
	31/03/2017	11000	0.3560	11000	0.3560
3	RADIO SUPPLY STORES P LTD.				
	01/04/2016	4000	0.1294		
	31/03/2017	4000	0.1294	4000	0.1294
4	RAJEEV CHIRIMAR HUF				
	01/04/2016	4450	0.1440		
	31/03/2017	4450	0.1440	4450	0.1440
5	SANGITA CHIRIMAR				
	01/04/2016	3300	0.1068		
	31/03/2017	3300	0.1068	3300	0.1068
6	MANJU DEVI CHIRIMAR				
	01/04/2016	20201	0.6538		
	31/03/2017	20201	0.6538	20201	0.6538
7	RAJEEV CHIRIMAR				
	01/04/2016	15260	0.4939		
	31/03/2017	15260	0.4939	15260	0.4939
8	KESHAV CHIRIMAR				
	01/04/2016	2800	0.0906		
	31/03/2017	2800	0.0906	2800	0.0906
9	RAGHAV CHIRIMAR				
	01/04/2016	1700	0.0550		
	31/03/2017	1700	0.0550	1700	0.0550

iv) Shareholding Pattern of top ten Shareholders (Other than Directors, Promoters and Holders of GDRs and ADRs):					
SI No	Name	Shareholding at the beginning [01/Apr/16]/end of the year [31/Mar/17]		Cumulative Shareholding during the year [01/Apr/16 to 31/Mar/17]	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1	S. L. CON-FIN PRIVATE LIMITED				
	01/04/2016	150000	4.8544		
	31/03/2017	150000	4.8544	150000	4.8544
2	VACHAN DEALERS AND SUPPLIERS PVT LTD				
	01/04/2016	150000	4.8544		
	31/03/2017	150000	4.8544	150000	4.8544
3	VEDIK VINTRADE PRIVATE LIMITED #				
	01/04/2016	150000	4.8544		
	31/03/2017 - Transfer	-150000	4.8544	0	0.0000
4	BRINDAVAN MARKETING PRIVATE LIMITED				
	01/04/2016	150000	4.8544		
	31/03/2017	150000	4.8544	150000	4.8544
5	BHAGWAT MARCOM PRIVATE LIMITED				
	01/04/2016	150000	4.8544		
	31/03/2017	150000	4.8544	150000	4.8544
6	DREAM INFRAPROPERTIES PRIVATE LIMITED #				
	01/04/2016	150000	4.8544		
	31/03/2017 - Transfer	-150000	4.8544	0	0.0000
7	DURGAPUR CONSTRUCTION PRIVATE LIMITED				
	01/04/2016	150000	4.8544		
	31/03/2017	150000	4.8544	150000	4.8544
8	GRANT SUPPLIERS PRIVATE LIMITED				
	01/04/2016	150000	4.8544		
	31/03/2017	150000	4.8544	150000	4.8544
9	KAANGDAJI FABRICS TRADERS PRIVATE LIMITED.				
	01/04/2016	150000	4.8544		
	31/03/2017	150000	4.8544	150000	4.8544
10	KAMALRAJ HOUSING PVT. LTD.				
	01/04/2016	150000	4.8544		
	31/03/2017	150000	4.8544	150000	4.8544
11	UNIFOUR GARMENTS LLP *				
	01/04/2016	0	0.0000		
	31/03/2017 - Transfer	150000	4.8544	150000	4.8544
12	PEARS MERCANTILES PVT. LTD *				
	01/04/2016	150000	4.8544		
	31/03/2017	150000	4.8544	150000	4.8544
*	Not in the list of Top 10 shareholders as on 01/04/2016 The same has been reflected above since the shareholder was one of the Top 10 shareholders as on 31/03/2017.				
#	Ceased to be in the list of Top 10 shareholders as on 31/03/2017. The same is reflected above since the shareholder was one of the Top 10 shareholders as on 01/04/2016.				

<b>(v) Shareholding of Directors and Key Managerial Personnel:</b>							
SN	Shareholding of each Directors and each Key Managerial Personnel	Date	Reason	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
				No. of shares	% of total shares	No. of shares	% of total shares
1	<b>Rajeev Chirimar</b>						
	At the beginning of the year	01/04/2016		15260	0.49%	-	-
	Changes during the year					-	-
	At the end of the year	31/03/2017		-	-	15,260	0.49%
	* Mr. Rajeev Chirimar Resigned from the post of Director w.e.f 13th July, 2016.						

#### **V. INDEBTEDNESS**

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

(Amt. Rs./Lacs)

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

## VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

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

SN.	Particulars of Remuneration	Name of MD/WTD/ Manager		Total Amount (Rs/Lac)			
		Name	Designation				
1	Gross salary	There was no remuneration paid to the Managing Director, Whole-time Director and/or Manager.					
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961						
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961						
	(c) Profits in lieu of salary under section 17(3) Income- tax Act, 1961						
2	Stock Option						
3	Sweat Equity						
4	Commission						
	- as % of profit - others, specify						
5	Others, please specify						
	Total (A)						
	Ceiling as per the Act						

### B. Remuneration to other Directors

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

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

SN.	Particulars of Remuneration	Name of Key Managerial Personnel			Total Amount (Rs)		
		Name		Govind Gupta			
	Designation	CEO	CFO	CS			
1	Gross salary	NIL	NIL				
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961			37,258	37,258		
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961			-	-		
	(c) Profits in lieu of salary under section 17(3) Income- tax Act, 1961			-	-		
2	Stock Option					-	-
3	Sweat Equity					-	-
4	Commission					-	-
	- as % of profit - others, specify					-	-
5	Others, please specify					-	-
	Total			37,258	37,258		

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

Type	Section of the Companies Act	Brief Description	Details of Penalty / Punishment/ Compounding fees imposed	Authority [RD / NCLT/ COURT]	Appeal made, if any (give Details)
There was no penalty, punishment and compounding of offences with respect to the company, its Directors and other officers.					

For and on behalf of the Board of Directors

Sd/-  
Soumitra Trivedi  
Managing Director  
(DIN: 00402241)

Sd/-  
Ganga Dhar Sail  
Director & CFO  
(DIN: 00402199)

Place: Kolkata  
Dated: 25/05/2017

**Form No. MR-3**  
**Secretarial Audit Report**  
**(For The Financial Year Ended 31st March, 2017)**

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

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

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

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

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

- (i) The Companies Act, 2013 (the Act) and the Rules made thereunder;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the Rules made thereunder;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- (iv) Foreign Exchange Management Act, 1999 and the Rules and Regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act') to the extent applicable to the Company:-
  - a. The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
  - b. The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992;
  - c. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;
  - d. The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;

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

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

**I further report that,** the Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

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

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

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

**Place: Kolkata**  
**Date: 25.05.2017**

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



# **Management Discussion & Analysis Report**

## **OVERALL REVIEW**

In Fiscal 2016-17, the global economic condition remained weak and uncertain. The macro economic situation was bleak and witnessed inflationary pressure. The Indian rupee witnessed high volatility depreciating against USD and causing substantial economic losses. The slide was mainly caused on account of slowing down of economic decisions. Further the global environment also remained subdued.

## **INDUSTRY OUTLOOK**

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

## **CHALLENGES**

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

## **RISKS AND CONCERNS**

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

## **OPERATIONAL REVIEW**

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

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

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

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

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

## **RISK MANAGEMENT**

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

## **ENVIRONMENT AND SAFETY**

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

## **HUMAN RESOURCES**

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

## **CAUTIONARY STATEMENT**

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

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

**Sd/-**  
**Soumitra Trivedi**  
**Managing Director**  
**(DIN: 00402241)**

**Sd/-**  
**Ganga Dhar Sail**  
**Director & CFO**  
**(DIN: 00402199)**

**Place: Kolkata**  
**Date: 25/05/2017**

# MD & CFO CERTIFICATION

The Board of Directors

May 25, 2017

**MODERN CONVERTERS LTD,**

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

We, Soumitra Trivedi, Managing Director (MD) and Ganga Dhar Sail, Chief Financial Officer (CFO) of the Company do hereby certify the following:

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

**Sd/-**

**Soumitra Trivedi**  
**Managing Director (MD)**

**Sd/-**

**Ganga Dhar Sail**  
**Chief Financial Officer (CFO)**

## CERTIFICATE ON CORPORATE GOVERNANCE

---

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

We have examined all relevant records of Modern Converters Limited (the Company) for the purpose of certifying compliance of the disclosure requirements and corporate governance norms as specified for the Listed Companies for the financial year ended 31st March, 2017. We have obtained all the information and explanations to the best of our knowledge and belief, which were necessary for the purpose of this certification.

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

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

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

Place: Kolkata

Date: 25/05/2017

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

Sd/-  
Pawan Gupta  
Partner  
Membership no-071471

# Corporate Governance Report

## **Our corporate governance philosophy**

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

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

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

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

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

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

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

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

May 27, 2016; July 13, 2016; August 12, 2016; November 11, 2016 and February 10, 2017.  
The necessary quorum was present for all the meetings.

The composition of the Board is as under:

Name	Category	Attendance		No. of other Directorships**	No. of Board Committees (other than Modern Converters Ltd )
		Board Meeting	Last AGM		
Soumitra Trivedi	Managing Director	5	Yes	1	Nil
Ganga Dhar Sail	Executive Director	5	Yes	Nil	Nil
Binit Agarwal	Independent Director	5	Yes	Nil	Nil
Renu Sharma	Independent Director	5	Yes	Nil	Nil
Rajeev Chirimar*	Non Executive Director	1	Yes	Nil	Nil

\*Rajeev Chirimar resigned from Directorship w.e.f 13<sup>th</sup> July, 2016.

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

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

Mr. Ganga Dhar Sail retires by rotation at the forthcoming Annual General Meeting. He is eligible for re-appointment. Their particulars are enclosed as an Annexure to the Notice convening the ensuing Annual General Meeting.

### **Definition of independent directors**

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

### **Selection of new directors**

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

### **Training of Board members**

All new non-executive directors inducted to the Board are introduced to our Company culture through

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

The Board's policy is to have separate meetings regularly with independent directors which was held on 10.02.2017 to update them on all business-related issues and new initiatives.

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

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

## **B. Board Committees**

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

### **1. Audit Committee**

Our audit committee comprised three directors as on March 31, 2017:

- Binit Agarwal - Chairman, Non-Executive & Independent Director
- Soumitra Trivedi- Executive & Non Independent Director
- Renu Sharma- Non-Executive & Independent Director

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

### **Terms of Reference**

1. Oversight of the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible;
2. Recommendation for appointment, remuneration and terms of appointment of auditors of the Company;
3. Approval of payment to Statutory Auditors for any other services rendered by the Statutory Auditors;
4. Reviewing, with the management, the annual financial statements and Auditor's Report thereon before submission to the board for approval, with particular reference to:
  - a Matters required to be included in the Director's Responsibility Statement to be included in the Board's report in terms of clause I of sub-section 3 of section 134 of the Companies Act, 2013
  - b. Changes, if any, in accounting policies and practices and reasons for the same

- c. Major accounting entries involving estimates based on the exercise of judgment by management
  - d. Significant adjustments made in the financial statements arising out of audit findings
  - e. Compliance with listing and other legal requirements relating to financial statements
  - f. Disclosure of any related party transactions
  - g. Qualifications in the draft audit report
5. Reviewing, with the management, the quarterly financial statements before submission to the Board for approval;
  6. Reviewing, with the management, the statement of uses / application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document / prospectus / notice and the report submitted by the monitoring agency monitoring the utilization of proceeds of a public or rights issue, and making appropriate recommendations to the Board to take up steps in this matter;
  7. Review and monitor the Auditor's independence and performance, and effectiveness of audit process;
  8. Approval or any subsequent modification of transactions of the Company with related parties;
  9. Scrutiny of inter-corporate loans and investments;
  10. Valuation of undertakings or assets of the Company, wherever it is necessary;
  11. Evaluation of Internal Financial Controls and Risk Management Systems;
  12. Reviewing, with the management, performance of statutory and internal auditors, adequacy of the internal control systems;
  13. Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit;
  14. Discussion with Internal Auditors of any significant findings and follow up there on;
  15. Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the board;
  16. Discussion with Statutory Auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern;
  17. To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors;
  18. To review the functioning of the Whistle Blower mechanism;
  19. Approval of appointment of CFO (i.e., the Whole-Time Finance Director or any other person heading the finance function or discharging that function) after assessing the qualifications, experience and background, etc. of the candidate;
  20. Carrying out any other function as is mentioned in the terms of reference of the Audit Committee.

### **Audit committee attendance**

The audit committee held four meetings during the year ended March 31, 2017. These were held on May 27, 2016; August 12, 2016; November 11, 2016 and February 10, 2017.



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

Name	No. of Meetings during the year 2016-17	
	Held	Attended
Binit Agarwal	4	4
Soumitra Trivedi	4	4
Renu Sharma	4	4
Rajeev Chirimar*	4	1

\*Rajeev Chirimar resigned from Directorship w.e.f 13<sup>th</sup> July, 2016.

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

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

Our nomination and remuneration committee comprised three directors as on March 31, 2017:

- Renu Sharma- Chairman, Non-Executive & Independent Director
- Binit Agarwal- Non-Executive & Independent Director
- Gangadhar Sail- Executive & Non Independent Director

#### **Terms of Reference**

The committee makes recommendations to the Board on candidates for

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

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

The Nomination and remuneration committee held twice meetings during the year ended March 31, 2017. These were held on 13/07/2016 and 10/02/2017.

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

Name	No. of Meetings during the year 2016-17	
	Held	Attended
Renu Sharma	2	2
Binit Agarwal	2	2
Gangadhar Sail	2	2
Rajeev Chirimar*	2	1

\*Rajeev Chirimar resigned from Directorship w.e.f 13<sup>th</sup> July, 2016.

### **Stakeholders Relationship committee**

Our Stakeholders Relationship committee comprised three directors as on March 31, 2017:

- Renu Sharma- Chairman, Non-Executive & Independent Director
- Binit Agarwal- Non-Executive & Independent Director
- Gangadhar Sail- Executive & Non Independent Director.

### **Terms of Reference**

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

### **Stakeholders Relationship committee attendance**

The Stakeholders Relationship committee held four meetings during the year ended March 31, 2017. These were held on May 27, 2016; August 12, 2016; November 11, 2016 and February 10, 2017.

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

Name	No. of Meetings during the year 2016-17	
	Held	Attended
Renu Sharma	4	4
Binit Agarwal	4	4
Gangadhar Sail	4	4
Rajeev Chirimar*	4	1

\*Rajeev Chirimar resigned from Directorship w.e.f 13<sup>th</sup> July, 2016.

### **Status Report of Investor Complaints for the year ended March 31, 2017**

No of Complaints Received–Nil

No of Complaints Resolved–Nil

No of Complaints Pending– Nil

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

The Company has adopted the whistleblower mechanism for directors and employees to report concerns about unethical behavior, actual or suspected fraud, or violation of the Company's code of conduct and ethics. There has been no change to the Whistleblower Policy adopted by the Company during fiscal 2017.

## Disclosures

- i) There was no material individual transaction with related parties such as Promoter, Directors, Key Managerial Personnel, relatives or subsidiary that could have potential conflict of interest with the Company, during the year ended 31st March, 2017. Except from those disclosed in the financial statements for the year ended March 31, 2017.
- ii) The Company follows the mandatory Accounting Standards prescribed by the Institute of Chartered Accountants of India and to the best of its knowledge there are no deviations in the accounting treatments that require specific disclosure.
- iii) The CEO/CFO certificate for the financial year ended March 31, 2017 is annexed hereto.
- iv) There have been no instances of non-compliance on any matter as regards the rules and regulations prescribed by the Securities and Exchange Board of India or any other statutory authority relating to capital markets during the year.
- v) The Company has a specific Whistle blower policy. A certificate from Auditor certifying the compliance by the Company with the provisions of Corporate Governance of the Listing Agreement is annexed hereto.
- vi) A qualified practicing Company Secretary conducted a Reconciliation of Share Capital Audit on quarterly basis reconciling the total Share Capital; all the shares are held in both physical and demat form.
- vii) Pursuant to 40(9) of the SEBI Listing Regulations, 2015 with the Stock Exchange a Company Secretary-in Practice have issued certificates on half yearly basis, confirming due compliance of share transfer formalities by the Company.

## Annual General Meetings

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

Year	Date	Venue	Time	No. of Special Resolution passed
2013-14	27 <sup>th</sup> August, 2014	56E, Hemanta Basu Sarani, 4 BBD Bagh East, Kolkata- 700001	10.00 A.M.	-
2014-15	30 <sup>th</sup> September, 2015	56E, Hemanta Basu Sarani, 4 BBD Bagh East, Kolkata- 700001	2.00 P.M.	-
2015-16	29 <sup>th</sup> September, 2016	56E, Hemanta Basu Sarani, 4 BBD Bagh East, Kolkata- 700001	11.00 A.M.	-

<b>Distribution of Shareholding as on March 31, 2017</b>				
<b>Notional Value of (Rs.)</b>	<b>Shareholders</b>		<b>Equity Shares</b>	
	<b>Number</b>	<b>% of total</b>	<b>Amount (Rs.)</b>	<b>% of total</b>
Upto 5000	511	93.76	2,19,390	0.71
5001 to 10000	3	0.55	20,600	0.07
10001 to 20000	2	0.37	37,000	0.12
20001 to 30000	2	0.37	58,000	0.19
30001 to 40000	1	0.18	40,000	0.13
40001 to 50000	2	0.37	87,500	0.28
50001 to 100000	1	0.18	87,010	0.28
Above 100000	23	4.22	3,03,50,500	98.22
<b>Grand Total</b>	<b>545</b>	<b>100.00</b>	<b>3,09,00,000</b>	<b>100.00</b>

#### **Categories of Shareholders as at March 31, 2017**

<b>Sr. No</b>	<b>Description</b>	<b>No. of Shares</b>	<b>% to Capital</b>
A.	Promoters & Promoters Group		
	- Individuals	47,711	1.54
	- Body Corporate	19,300	0.62
B.	Public Shareholding		
	<b>-Institutions</b>		
	Financial Institutions/Banks	Nil	Nil
	<b>-Non-institutions</b> Body		
	Corporate	2,850,000	92.24
	Individuals	1,72,989	5.60
	<b>Total</b>	<b>3,090,000</b>	<b>100%</b>

#### **Address of Correspondence**

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

Maheshwari Datamatics Pvt. Ltd.

Address: 23, R. N. Mukherjee Road,

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

Tel: 033 22482248

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

## Means of Communication

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

## General Shareholder Information

<b>Date, time and venue of AGM</b>	Friday, 15 <sup>th</sup> September, 2017 at 2.00 P.M. at the registered office of the Company situated at 56E, Hemanta Basu Sarani, Old 4 BBD Bagh East, Room No. 14A, Kolkata - 700001
<b>Financial Year</b>	1 <sup>st</sup> April, 2016 to 31 <sup>st</sup> March, 2017
<b>Dates of Book Closure</b>	9 <sup>th</sup> September, 2017 to 15 <sup>th</sup> September, 2017 (Both the days inclusive)
<b>Dividend Payment Date</b>	Not Applicable
<b>Financial Calendar Period</b>	Board Meeting to approve quarterly financial results (Tentative Schedule)
Quarter ending 30 <sup>th</sup> Jun 2017	-Mid August, 2017
Quarter ending 30 <sup>th</sup> Sep 2017	-Mid November, 2017
Quarter ending 31 <sup>st</sup> Dec 2017	-Mid February, 2018
Quarter ending 31 <sup>st</sup> Mar 2018	-End May, 2018

<b>Listing on Stock Exchanges</b>	The Calcutta Stock Exchange Limited and BSE Ltd.
<b>Listing Fees</b>	Listing fees paid to the Exchange upto 31 <sup>st</sup> March, 2018
<b>Stock Code</b>	CSE- 23151 and BSE: 539762
<b>Registered Office</b>	56E, Hemanta Basu Sarani, Old 4 BBD Bagh East, Room No. 14A, Kolkata - 700001
<b>Compliance officer &amp; Contact Address</b>	Soumitra Trivedi 56E Hemanta Basu Sarani Old, 4 BBD Bagh East, Kolkata- 700001 Tel. No: 033- 6503 5876 Email Id: info@modernconvertors.com

## **Declaration**

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

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

**MODERN CONVERTERS LIMITED**

Sd/-  
**Soumitra Trivedi**  
Managing Director

**Date: 25/05/2017**  
**Place: Kolkata**

## INDEPENDENT AUDITOR'S REPORT

To the Members of

**MODERN CONVERTERS LTD**

**Report on the Financial Statements for the F.Y. 2016-17**

We have audited the accompanying financial statements of Modern Converters Ltd, ("the Company"), which comprise the Balance Sheet as at March 31, 2017, Profit and Loss Account, and the Cash Flow Statement for the year the ended, and a summary of the 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 and presentation of these Financial Statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

### **Auditor's Responsibility**

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

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

We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the 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 control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

## 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 31st March, 2017, and its statement of profit & loss and cash flows for the year ended on that date.

## Report on Other Legal and Regulatory Requirements

1. As required by Companies (Auditors Report) Order 2016 ('the order') issued by Central Government of India in terms of subsection (11) of section 143 of the Act, we enclose in the "Annexure 1" a statement on the matters specified in paragraphs 3 & 4 of the said order, to extent applicable.
2. As required by section 143(3) of the Act, we report that:
  - a) We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
  - b) In our opinion proper books of account as required by law have been kept by the Company so far as appears from our examination of those books
  - c) The Balance Sheet, Statement of Profit and Loss and statement of Cash Flow 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 Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
  - e) In our opinion there are no observations or comments on the financial, which may have an adverse effect on the functioning of the company.
  - f) On the basis of the written representations received from the directors as on 31st March, 2017 taken on record by the Board of Directors, none of the director is disqualified as on 31st March, 2017 from being appointed as a director in terms of Section 164 (2) of the Act.
  - g) With respect to the adequacy of the Internal Financial Controls over financial reporting of the Company and the operating effectiveness of such controls, we give our separate Report in "Annexure2"
  - h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
    - I. The Company does not have any pending litigations which would impact its financial position.
    - II. The Company does not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
    - III. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.



- IV. The Company has provided requisite disclosures in the financial statements as regards its holding and dealings in Specified Bank Notes as defined in the Notifications S.O 3407(E) dated the 8th November, 2016 of the Ministry of Finance, during the period from 8th November, 2016 to 30th December, 2016. Based on audit procedures performed and the representations provided to us by the Management we report that the disclosures are in accordance with the books of accounts maintained by the Company and as produced to us by the Management.

Place: Kolkata

Date: 25/05/2017

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

Sd/-  
Pawan Gupta  
Partner  
Membership no-071471

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

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

- (i) a) Based on our scrutiny of the Company's Book of Account and other records and according to the information and explanations received by us from the management, we are of the opinion that the question of commenting on maintenance of proper records of fixed assets and physical verification of fixed assets does not arise since the company had no fixed assets as on 31st March, 2017 nor at any time during the financial year ended on 31st March, 2017.  
  
b) According to the information and explanations received by us, as the company owns no immovable properties, the requirement on reporting whether title deeds is held in the name of the company or not is not applicable.
- (ii) As explained to us, the inventory has been physically verified at reasonable intervals during the year by the management. In our opinion, the frequency of verification is reasonable. The discrepancies noticed on verification between the physical stocks and the book records were not material.
- (iii) The Company has not granted loans, secured or unsecured to any companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under section 189 of the Companies Act, 2013. Hence the reporting requirement under clause (iii) of the said order does not arise.
- (iv) Based on our scrutiny of the Company's records and according to the information and explanations received by us from the management, we are of the opinion that in respect of loans and guarantees given, investments made, and securities purchased by the company, the provisions of section 185 and 186 of the Companies Act, 2013 have been complied with.
- (v) In our opinion and according to information and explanations given to us, the Company has not accepted any deposits from the public and hence the reporting requirement under clause (v) of the said order does not arise.
- (vi) According to the information and explanations provided by the management, the company is not engaged in production of any such goods or provision of any such services for which maintenance of cost records has been prescribed by the Central Government under section 148(1). Hence the reporting requirement under clause (iv) of the said order does not arise.
- (vii) a) Based on our scrutiny of the Company's Book of Account and other records and according to the information and explanations received by us from the management, we are of the opinion that the company is regular in depositing with appropriate authorities undisputed statutory dues applicable to it and no undisputed amounts payable in respect of any statutory dues were outstanding as at 31st March, 2017 for a period of more than six months from the date they became payable.  
  
b) According to the records of the company and the information and explanations received by us from the management, there are no disputed statutory dues outstanding in the name of the company.

- (viii) According to the records of the company, the Company has neither borrowed any amount from any financial institution, bank or government nor issued any debentures till 31st March, 2017. Hence, in our opinion the reporting requirement under clause (viii) of the said order does not arise.
- (ix) According to the records of the company, the company has neither raised any moneys by way of Initial Public Offer or Further Public Offer (including debt instrument) nor has the company raised any term loans. Hence, in our opinion the reporting requirement under clause (ix) of the said order does not arise.
- (x) Based upon the audit procedures performed and information and explanations given by the management, neither any fraud on the company by its officers or employees nor any fraud by the company has been noticed or reported during the course of our audit. Hence, in our opinion the reporting requirement under clause (x) of the said order does not arise.
- (xi) According to the records of the company, no Managerial remuneration has been paid or provided during the year under audit. Hence, in our opinion the reporting requirement under clause (xi) of the said order does not arise.
- (xii) In our opinion and to the best of our information and according to the explanations provided by the management, we are of the opinion that the company is not a Nidhi Company. Hence, in our opinion the reporting requirement under clause (xii) of the said order does not arise.
- (xiii) According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with Sections 177 and 188 of the Act where applicable and details of such transactions have been disclosed in the financial statements as required by the applicable accounting standards.
- (xiv) Based on our scrutiny of the Company's Book of Account and other records and according to the information and explanations received by us from the management, we are of the opinion that the company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review. Hence, the reporting requirement under clause (xiv) of the said order does not arise.
- (xv) Based on our scrutiny of the Company's Book of Account and other records and according to the information and explanations received by us from the management, we are of the opinion that the company has not entered into any non-cash transactions with its directors or persons connected with him. Hence, the reporting requirement under clause (xv) of the said order does not arise.
- (xvi) In our opinion and to the best of our information and according to the explanations provided by the management, we are of the opinion that the company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934. Hence, the reporting requirement under clause (xvi) of the said order does not arise.

Place: Kolkata

Date: 25/05/2017

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

**Sd/-**  
Pawan Gupta  
Partner  
Membership no. 071471

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

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

We have audited the internal financial controls over financial reporting of the Modern Converters Limited, the Company as of 31<sup>st</sup> March, 2017 in conjunction with our audit of the financial statement of the Company for the year ended on that date.

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

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

#### **Auditors’ Responsibility**

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

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

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

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

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

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

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

## **Opinion**

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31-Mar-2017, based on the internal control over financial reporting criteria established by the Company, considering the essential components of internal control stated in the Guidance Note issued by the ICAI.

Place: Kolkata

Date: 25/05/2017

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

Sd/-  
Pawan Gupta  
Partner  
Membership no. 071471

# MODERN CONVERTERS LIMITED

BALANCE SHEET AS AT 31ST MARCH, 2017

(AMOUNT IN RS.)

Particulars	Note No	Figures as at the end of current reporting period	Figures as at the end of previous reporting period
<b>I. EQUITY AND LIABILITIES</b>			
<b>(1) Shareholder's Funds</b>			
(a) Share Capital	1	30,900,000	30,900,000
(b) Reserves and Surplus	2	5,771,066	4,978,093
<b>(2) Current Liabilities</b>			
(a) Short-term borrowings	3	-	7,250,000
(b) Trade payables	4	-	2,400,000
(c) Other current liabilities	5	123,342	90,588
(d) Short Term Provisions	6	188,441	-
<b>Total</b>		<b>36,982,849</b>	<b>45,618,681</b>
<b>II. ASSETS</b>			
<b>(1) Non-current assets</b>			
(a) Long Term Loans & Advances	7	-	-
(b) Deferred Tax Assets	8	-	2,203
<b>(2) Current assets</b>			
(a) Inventories	9	637,698	372,048
(b) Trade Recievables	10	32,128,499	39,298,257
(c) Cash and cash equivalents	11	3,637,362	99,115
(d) Short term loans and advances	12	574,290	892,383
(e) Other Current Assets	13	5,000	4,954,674
<b>Total</b>		<b>36,982,849</b>	<b>45,618,681</b>

Significant Accounting Policies & Notes to Accounts

21

This is the Balance Sheet referred to in our report of even date

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

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

Sd/-  
**Soumitra Trivedi**  
Managing Director  
(DIN: 00402241)

Sd/-  
**Ganga Dhar Sail**  
Director & CFO  
(DIN: 00402199)

Sd/-  
Pawan Gupta  
Partner  
Mem No:- 071471

Place: Kolkata  
Dated: 25/05/2017

## **MODERN CONVERTERS LIMITED**

### **PROFIT & LOSS A/C AS AT 31ST MARCH, 2017**

(Amount in rs.)

Particulars	Note No	Figures as at the end of current reporting period	Figures as at the end of previous reporting period
I. Revenue from operations	14	288,786	607,260
II. Other Income	15	1,830,776	3,521,548
<b>III. Total Revenue(I+II)</b>		2,119,562	4,128,808
IV. Expenses:			
Direct Expenses- purchases	16	674,809	2,802,672
Changes in Inventories	17	(265,650)	(372,048)
Employee Benefit Expenses	18	348,916	164,212
Depreciation & Ammortisation Expenses	19	-	-
Others expenses	20	377,869	3,507,155
<b>V. Total Expenses</b>		1,135,944	6,101,991
<b>VI. Profit before tax (III-V)</b>		983,618	(1,973,183)
VII. Tax expense:			
(1) Current tax		188,441	-
(2) Deffered tax		2,204	-
<b>VIII. Profit/(Loss) for the period (VI-VII)</b>		792,973	(1,973,183)
IX. Earning per equity share:			
(1) Basic		0.26	(0.64)
(2) Diluted		0.26	(0.64)

Significant Accounting Policies & Notes to Accounts

21

This is the Profit & Loss Account referred to in our report of even date

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

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

Sd/-  
Pawan Gupta  
Partner  
Mem No:- 071471

Sd/-  
**Soumitra Trivedi**  
**Managing Director**  
**(DIN: 00402241)**

Sd/-  
**Ganga Dhar Sail**  
**Director & CFO**  
**(DIN: 00402199)**

Place: Kolkata  
Dated: 25/05/2017

## **MODERN CONVERTERS LIMITED**

### CASH FLOW STATEMENT ANNEXURE TO BALANCE SHEET FOR THE YEAR ENDED ON 31.03.2017

(Amount in Rs.)

	Figures as at the end of current reporting period	Figures as at the end of previous reporting period
<b>A. CASH FLOW FROM OPERATING ACTIVITIES</b>		
Net Profit/(Loss) before tax	983,618	(1,973,183)
<u>Adjustment for :</u>		
(a) Depreciation	-	-
(b) Interest Received	(612,773)	(2,729,152)
(c) Dividend Received	-	-
(d) Loss on Fixed Assets	-	-
(e) Loss on sale of investment	-	-
<b>OPERATING PROFIT BEFORE WORKING CAPITAL CHANGES</b>	<b>370,845</b>	<b>(4,702,335)</b>
<u>Adjustment for :</u>		
(a) Trade and Other Receivables	7,169,758	(26,998,190)
(b) Inventories	(265,650)	(372,048)
(c) Other Current Assets	4,949,674	25,073,491
(d) Trade Payables	(2,400,000)	(8,020,200)
(e) Short term borrowings	(7,250,000)	7,250,000
(f) Other Current Liabilities	32,754	(561,203)
<b>CASH GENERATED FROM OPERATING ACTIVITIES BEFORE EXTRAORDINARY ITEMS</b>	<b>2,607,382</b>	<b>(8,330,485)</b>
Extraordinary/ Prior Period Items		
(a) Priorperiod Expenses/Income	-	-
(b) Income Tax/Deferred Tax	-	(24,774)
<b>NET CASH FLOW FROM OPERATING ACTIVITIES</b>	<b>2,607,382</b>	<b>(8,355,259)</b>
<b>B. CASH FLOW FROM INVESTING ACTIVITIES</b>		
(a) Purchase/ sale of Fixed Assets	-	-
(b) Purchase of Investments	-	-
(c) Sale of Investments	-	-
(d) Dividend Received	-	-
<b>NET CASH FLOW FROM INVESTING ACTIVITIES</b>	<b>-</b>	<b>-</b>
<b>C. CASH FLOW FROM FINANCING ACTIVITIES</b>		
(a) Share Application Money Received	-	-
(b) Interest (Paid)/Received	612,773	2,729,152
(c) Increase in Short term Loans and Advances	318,092	(892,383)
(d) Increase in Long term Loans and Advances	-	4,005,000
(e) Unpaid Dividend Transferred to IEPF Acocunt	-	-
<b>NET CASH FLOW FROM FINANCING ACTIVITIES</b>	<b>930,865</b>	<b>5,841,769</b>
Net Increase (Decrease) in Cash (A + B + C)	3,538,247	(2,513,490)
Opening Balance of Cash & Cash Equivalents	99,115	2,612,605
Closing Balance of Cash & Cash Equivalents	3,637,362	99,115



AUDITOR'S REPORT

**We have checked the attached cash flow statement of MODERN CONVERTERS LTD for the year ended 31st March, 2017 from the books and records maintained by the company in the ordinary course of business and have subject to comparative figures for the year ended 31st March,2016.**

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

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

Sd/-  
Pawan Gupta  
Partner  
Mem No:- 071471

Sd/-  
Soumitra Trivedi  
Managing Director  
(DIN: 00402241)

Sd/-  
Ganga Dhar Sail  
Director & CFO  
(DIN: 00402199)

Place: Kolkata  
Dated: 25/05/2017

**MODERN CONVERTERS LIMITED**  
Notes forming part of the financial statements

NOTE NO-1

**SHARE CAPITAL**

Particulars	Figures as at the end of current reporting period		Figures as at the end of previous reporting period	
	Number of shares	Amount (Rs.)	Number of shares	Amount (Rs.)
(a) Authorised Equity shares of nominal value of Rs.10/- each	3,120,000	31,200,000	3,120,000	31,200,000
Preference shares of nominal value of Rs.10/- each	30,000	300,000	30,000	300,000
	3,150,000	31,500,000	3,150,000	31,500,000
(b) Issued Equity shares of Rs.10/- each fully paid up	3,090,000	30,900,000	3,090,000	30,900,000
(c) Subscribed and fully paid up Equity shares of Rs.10/- each with voting rights	3,090,000	30,900,000	3,090,000	30,900,000
<b>Total</b>	<b>3,090,000</b>	<b>30,900,000</b>	<b>3,090,000</b>	<b>30,900,000</b>

Details of shares held by each shareholder holding more than 5% shares:				
Class of shares / Name of shareholder	As on 31/03/2017		As on 31/03/2016	
	Number of shares held	% holding in that class of shares	Number of shares held	% holding in that class of shares
Nil				

(Amount in Rs.)

	Figures as at the end of current reporting period	Figures as at the end of previous reporting period
<b>NOTE NO - 2</b>		
<b><u>RESERVE &amp; SURPLUS</u></b>		
Opening Balance	7,819,000	7,819,000
Capital Redemption Reserve Fund	300,000	300,000
<b><u>Profit &amp; Loss Account</u></b>		
As Per Last Balance Sheet	(3,140,907)	(1,255,344)
Add: Provision for earlier years	-	87,620
	(3,140,907)	(1,167,724)
Add : Profit/(Loss) of the year	792,973	(1,973,183)
	5,771,066	4,978,093
<b>NOTE NO - 3</b>		
<b><u>SHORT TERM BORROWINGS</u></b>		
Short- term borrowings	-	7,250,000
	-	7,250,000
<b>NOTE NO - 4</b>		
<b><u>TRADE PAYABLES</u></b>		
Sundry Creditors	-	2,400,000
	-	2,400,000
<b>NOTE NO - 5</b>		
<b><u>OTHER CURRENT LIABILITIES</u></b>		
Audit Fees Payable	32,000	21,000
Unpaid Dividend	-	32,918
Preference Share Redemption	36,670	36,670
Unexpired Premium	54,672	-
	123,342	90,588
<b>NOTE NO - 6</b>		
<b><u>SHORT TERM PROVISION</u></b>		
Provision for Income Tax	188,441	-
	188,441	-
<b>NOTE NO - 7</b>		
<b><u>LONG TERM LOANS &amp; ADVANCES</u></b>		
Security Deposit	-	-
Loans & Advances	-	-
	-	-
<b>NOTE NO - 8</b>		
<b><u>OTHER NON CURRENT ASSETS</u></b>		
Deferred Tax Assets	-	2,203
	-	2,203
<b>NOTE NO - 9</b>		
<b><u>INVENTORIES (At cost or Net Realizable value whichever is lower)</u></b>		
Closing Stock (As per inventories taken, valued and certified by the management)	637,698	372,048
	637,698	372,048

(Amount in Rs.)

<b>NOTE NO - 10</b>		
<b><u>TRADE RECIEVABLES</u></b>		
Sundry Debtors (Unsecured considered good)	32,128,499	39,298,257
	32,128,499	39,298,257
<b>NOTE NO - 11</b>		
<b><u>CASH &amp; CASH EQUIVALENTS</u></b>		
Cash Balance in Hand (As certified by the management)	294,024	3,645
Cash Balance at Bank		
HDFC Bank	3,310,749	62,652
HDFC Bank Unpaid Dividend	32,589	32,818
	3,637,362	99,115
<b>NOTE NO - 12</b>		
<b><u>SHORT TERM LOANS AND ADVANCES</u></b>		
TDS	574,290	892,383
	574,290	892,383
<b>NOTE NO - 13</b>		
<b><u>OTHER CURRENT ASSETS</u></b>		
Fixed Deposits	-	4,730,000
Security Deposits	5,000	5,000
Interest Receivable	-	219,674
	5,000	4,954,674
<b>NOTE NO - 14</b>		
<b><u>REVENUE FROM OPERATIONS</u></b>		
Sale of Shares & Debentures	288,786	607,260
	288,786	607,260
<b>NOTE NO - 15</b>		
<b><u>OTHER INCOME</u></b>		
Dividend	4,500	-
NFO Profit	948,704	437,616
Interest	612,773	2,729,152
Brokerage Reserval	264,800	-
Profit on dealing in shares	-	354,780
	1,830,776	3,521,548
<b>NOTE NO - 16</b>		
<b><u>COST OF MATERIAL CONSUMED</u></b>		
Purchases	674,809	2,802,672
	674,809	2,802,672
<b>NOTE NO - 17</b>		
<b><u>CHANGE IN STOCK</u></b>		
Opening Stock	372,048	-
Less: Closing Stock	637,698	372,048
	(265,650)	(372,048)

(Amount in Rs.)

<b>NOTE NO - 18</b>		
<b><u>EMPLOYEE BENEFIT EXPENSES</u></b>		
Salary & Bonus	348,916	164,212
	348,916	164,212
<b>NOTE NO - 19</b>		
<b><u>DEPRECIATION &amp; AMORTIZATION EXPENSES</u></b>		
Share Issue Expenses	-	-
	-	-
<b>NOTE NO - 20</b>		
<b><u>OTHERS EXPENSES</u></b>		
Accounting Charges	96,000	-
Advertising Expenses	10,572	12,960
Audit Fees	11,000	11,000
Demat Charges	-	27
Bank Charges	1,150	115
Depository Expenses	59,877	30,354
General Expenses	56,911	-
Income tax for Earlier years	9,813	-
Listing Fees	-	3,137,490
Postage and Telegram	-	33,229
Printing & Stationery	11,053	23,490
Professional Fees	13,500	26,035
Security Transaction Fees	-	1,791
Share Dealing Expenses	94,985	19,164
Interest	-	200,000
Telephone Expenses	13,009	-
Website Expenses	-	11,500
	377,869	3,507,155

## **Note 21: Notes forming part of the financial statements**

### **Corporate Overview**

MODERN CONVERTERS LTD, incorporated on 26/02/1946, having its registered office at 56E HEMANTA BASU SARANI, OLD 4 BBD BAGH EAST, ROOM NO 14A, KOLKATA - 700001. The Directors of the company are GANGA DHAR SAIL, SOUMITRA TRIVEDI, BINIT AGARWAL and RENU SHARMA.

### **Significant accounting policies**

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

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

#### **Use of estimates**

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

#### **Revenue Recognitions**

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

#### **Employee Benefits**

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

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

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

### **Earnings per share**

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

### **Cash and Cash equivalents**

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

### **Disclosures on Specified Bank Notes (SBNs)**

The details of Specified Bank Notes (SBNs) held and transacted during the period from November 8, 2016 to December 30, 2016 is given below, as required in terms of Ministry of Corporate Affairs, Notification No.GSR 308(E) dated March 30, 2017:

<b>Particulars</b>	<b>SBNs*</b>	<b>Amount (in Rs)</b>	
		<b>Other Denomination Notes</b>	<b>Total</b>
Closing Cash in hand as on 08.11.2016	-	4,645.22	4,645.22
Add: Permitted Receipts	-	-	-
Add: Cash Withdrawal from Bank	-	-	-
Less: Permitted Payments	-	-	-
Less: Cash Deposit in Banks	-	-	-
Closing Balance as on 30.12.2016	-	4,645.22	4,645.22

\*The term SBNs (Specified Bank Notes) shall have the same meaning provided in the notification of the Government of India, in the Ministry Finance, Department of Economic Affairs number S.O.3407(E), dated November 8, 2016.

### **Cash Flow Statements**

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

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

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

Sd/-  
Pawan Gupta  
Partner  
Mem No:- 071471

Place: Kolkata  
Dated: 25/05/2017

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

**Sd/-**  
**Soumitra Trivedi**  
**Managing Director**  
**(DIN: 00402241)**

**Sd/-**  
**Ganga Dhar Sail**  
**Director & CFO**  
**(DIN: 00402199)**