



# NITIRAJ ENGINEERS LIMITED

(CIN: - U31909MH1999PLC119231)

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## ANNUAL REPORT 2016-17

### 18<sup>th</sup> ANNUAL GENERAL MEETING

**On Thursday, the 28<sup>th</sup> day of September 2017**

At the Catholic Gymkhana Ltd , 47A , Netaji Subhas Road next to the Taraporevala Aquarium, Mumbai -400 002. (Place Other than Registered Office within the City)

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### Registered Office:-

306 A, BABHA BLDGN MARG

NEAR POLICE STATION MUMBAI - 400011 (MH) IN

Contact No:- +91-2562-239080 , Fax No:- 02562-239332

Website:- [www.nitiraj.net](http://www.nitiraj.net) , E-Mail Id:- [investor@nitiraj.net](mailto:investor@nitiraj.net)

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**COMPANY INFORMATION****Board of Directors**

- Chairman & Managing Director : MR. RAJESH RAGHUNATH BHATWAL
- Whole Time Director : MRS. SHAKUNTALA RAJESH BHATWAL
- & Women Director
- Whole Time Director : MR. HUNG SIN CHUNG HUANYI
- Independent Director : MR. ANIL NANDKISHOR BANGAD
- Independent Director : MR. PRADEEP CHANDRAKANT SHAH
- Independent Director : MR. SHABBIR SADRUDDIN MASANI
  
- Chief Financial Officer : MR. KAILAS MADANLAL AGRAWAL  
E-mail: [expenses@nitiraj.net](mailto:expenses@nitiraj.net)
  
- Company Secretary & Compliance Officer : MR. SURAJ BADRILAL TIWARI  
E-mail: [investor@nitiraj.net](mailto:investor@nitiraj.net)
  
- Registered Office : 306 A Babha Bldgn M, Marg Near Police Station,  
Mumbai-400011 Maharashtra India  
website: [www.nitiraj.net](http://www.nitiraj.net)  
E-mail: [investor@nitiraj.net](mailto:investor@nitiraj.net)
  
- Corporate Office at : City Survey No. 496  
A/3, 4, Behind Gurudwara,  
Dhule-424001  
Email: [investor@nitiraj.net](mailto:investor@nitiraj.net)
  
- Statutory Auditors : P.D.DALAL & CO.,  
Chartered Accountants 11,Town Centre I, Andheri  
Kurla Road, Marol, Andheri (East), Mumbai-  
400059  
E-mail Id: askakaria@gmail.com
  
- Secretarial Auditors : Piyush Anilkumar Wani  
Practicing Company Secretaries  
1255/1, Behind Manik Chowk  
Nandurbar-425412  
E-mail Id: [cspiyushwani@gmail.com](mailto:cspiyushwani@gmail.com)
  
- Shares listed with : National Stock Exchange of India Limited,  
(SME EMERGE)

- Registrar & Share Transfer Agents : Bigshare Services Private Limited  
E-2 & 3, Ansa Industrial Estate, Saki-Vihar Road.  
Sakinaka, Andheri(E), Mumbai- 400 072
- Bankers : HDFC Bank Limited, Dhule.

### BOARD COMMITTEES

- Audit Committee

Mr. Pradeep chandrakant shah : chairman  
Mr. Rajesh raghunath bhatwal : member  
Mr. Anil nandkishor bangad : member

- Nomination and Remuneration Committee

Mr. Pradeep chandrakant shah : chairman  
Mr. Rajesh raghunath bhatwal : member  
Mr. Anil nandkishor bangad : member

- Stakeholders Relationship Committee

Mr. Pradeep chandrakant shah : chairman  
Mr. Rajesh raghunath bhatwal : member  
Mr. Anil nandkishor bangad : member

- Corporate Social Responsibility Committee

Mr. Rajesh raghunath bhatwal : chairman  
Mrs. Shakuntala rajesh bhatwal : member  
Mr. Pradeep chandrakant shah : member

- Internal Complaints Committee

Mr. Rajesh raghunath bhatwal : chairman  
Mrs. Shakuntala rajesh bhatwal : member  
Mr. Pradeep chandrakant shah : member



## 18<sup>th</sup> Annual General Meeting

- Sexual Harassment Committee

Mr. Rajesh raghunath bhatwal : chairman

Mrs. Shakuntala rajesh bhatwal : member

Mr. Pradeep chandrakant shah : member



## NOTICE OF THE 18<sup>TH</sup> ANNUAL GENERAL MEETING

To,  
The Members,  
**NITIRAJ ENGINEERS LIMITED**  
(CIN- U31909MH1999PLC119231)  
306 A BABHA BLDGN M MARG  
NEAR POLICE STATION  
MUMBAI - 400011

**NOTICE** is hereby given that the 18<sup>th</sup> Annual General Meeting of **NITIRAJ ENGINEERS LIMITED** will be held on Thursday, 28th September, 2017 at 10:30 a.m. at the Catholic Gymkhana Ltd. 47A, Netaji Subhas Road, Next to the Taraporevala Aquarium, Mumbai – 400 002. (Other than Registered Office within the City)

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**TO TRANSACT THE FOLLOWING BUSINESS: -**

### **ORDINARY BUSINESS:**

1. To consider and if thought fit, to pass with or without modification(s), the following resolution as an Ordinary Resolution:
  - a) “**RESOLVED THAT** the Standalone Audited Financial Statements of the Company for the year 2016-17 together with the Reports of the Board of Directors’ and Auditors’ thereon of the Company for the year 2016-17 as presented to the meeting, be and hereby, approved and adopted.”
  - b) “**RESOLVED THAT** the Consolidated Financial Statements of the Company for the year 2016-17 together with the Reports of the Auditors’ thereon of the Company for the year 2016-17 as presented to the meeting, be and hereby, approved and adopted.”
2. To consider re-appointment of Mr. Hung Sin Chung Huanyi (holding DIN : 01953871), who retires by rotation in terms of Section 152(6) of the companies Act,2013 and being eligible offers herself for re- appointment For details of Director seeking re-appointment at the Annual General meeting please refer Annexure I

### 3. APPOINTMENT OF AUDITOR

To appoint M/s. P. D. Dalal & Co., for the Financial Year 2017-18, as Statutory Auditor of the Company

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

“**RESOLVED THAT** pursuant to the provisions of Sections 139, 141 and 142 of the Companies Act, 2013, M/s. P. D. Dalal & Co., Chartered Accountants, Mumbai (Firm Registration No: 102047W), be and is hereby re-appointed as the Statutory Auditor of the Company and have confirmed their eligibility to be appointed as Auditor in terms of Provision of Section 141 of the Act, and Rule 4 of the Rules to audit the accounts upto the conclusion of the forthcoming Annual General Meeting of the Company, on a remuneration to be decided by the Board or its Committee with the Audit of the Account of the Company for the Financial Year ended March 31<sup>st</sup> 2018.

**By order of the Board of Directors**  
**NITIRAJ ENGINEERS LIMITED**

**(Rajesh Raghunath Bhatwal)**  
**Managing Director**  
**DIN- 00547575**

**Place :** Dhule

**Date :** 04<sup>th</sup> September 2017

Registered Office:- 306 A BABHA BLDGN  
M MARG NEAR POLICE STATION  
MUMBAI MH 400011

**NOTES:**

1. A member entitled to attend and vote at the Annual General Meeting is entitled to appoint a proxy to attend and vote on poll instead of himself / herself and a proxy need not be a member of the Company. The instrument of Proxy in order to be effective should be deposited at its Registered Office of the Company not later than forty-eight hours before the commencement of the Meeting.
2. A person can act as a proxy on behalf of members not exceeding fifty and holding in aggregate not more than ten percent of the total share capital of the Company carrying voting rights. A member holding more than ten percent of the total share capital of the Company carrying voting rights may appoint a single person as proxy and such person shall not act as a proxy for any other person or shareholders.
3. In-terms of Section 101 and 136 of the Companies Act, read together with Rules made there under electronic copy of the Annual Report and the notice of the Annual General Meeting of the Company along with attendance slip and proxy form are being sent to all the members whose email IDs are registered with the Company/ Depository Participants(s) for communication purposes, unless any member has requested for a hard copy of the same on our e-mail ID **investor@nitiraj.net**. For members who have not registered their email address, physical copies of the above documents are being sent in the permitted mode.
4. Corporate Members intending to send their authorized representative to attend AGM are requested to send a duly certified copy of their Board Resolution authorizing their representatives to attend and vote at AGM
5. Members desiring any information relating to the Accounts are requested to write to the Company well in advance so as to enable management to keep the information ready.
6. Members are requested to notify any change in their addresses to the Company immediately. Members holding shares in electronic form are requested to advise change of addresses to their Depository Participants.
7. Members are requested to affix their signatures at the space provided on the attendance slip annexed to proxy form and handover the slip at the entrance of the meeting hall
8. Members may also note that the notice of the Annual General Meeting and the Annual Report will also be available on the Company's website for their download (**www.nitiraj.net**). The physical copies of the aforesaid documents will also be available at the Company's Registered Office at 306 A Babha Bldgn, M Marg, Near Police Station, Mumbai - 400011, during office hours on working days except Saturdays between 11.00 a.m. to 1.00 p.m. for inspection. Even after registering for



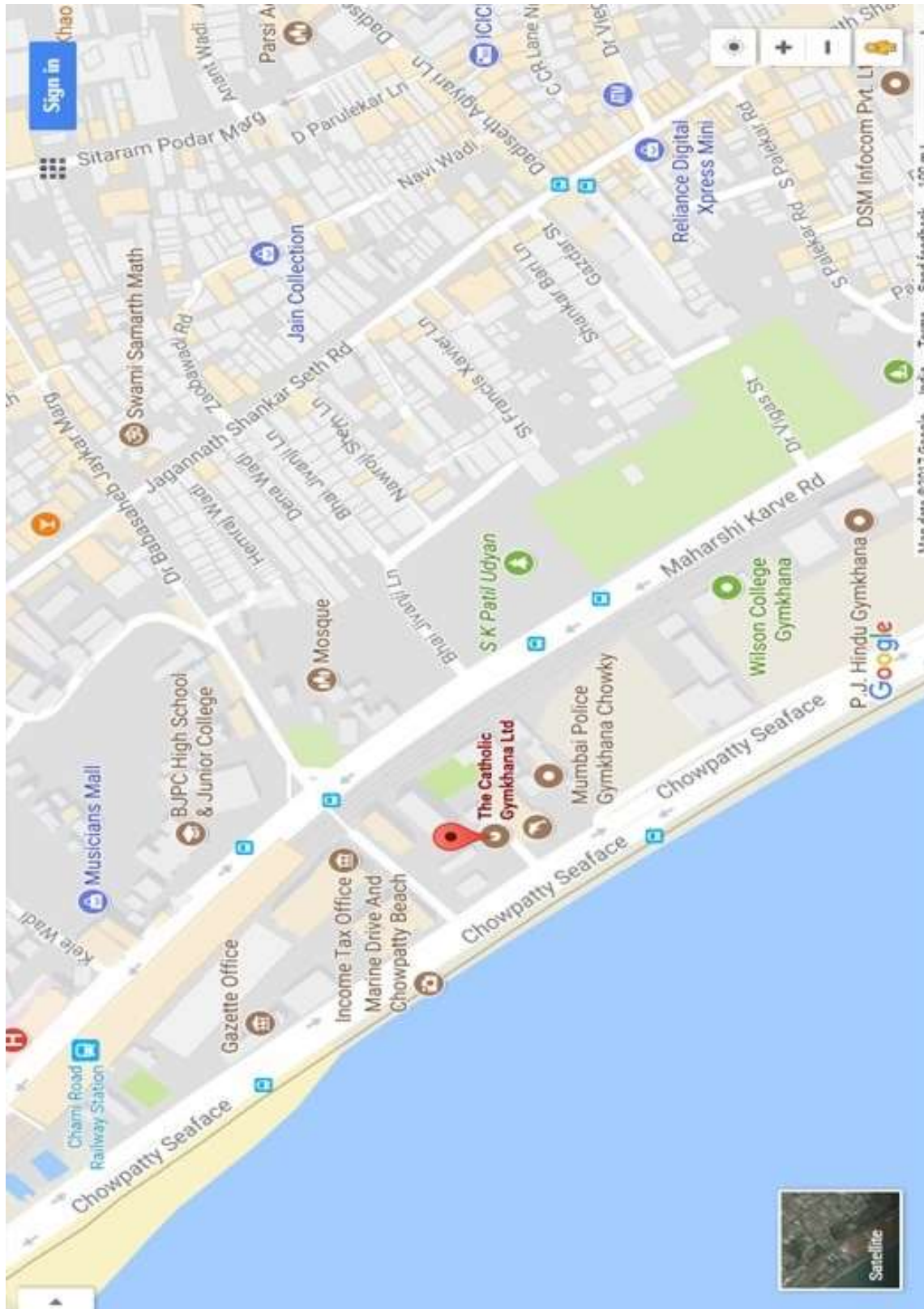
e-communication, members are entitled to receive such communication in physical form, upon making a request for the same, by post free of cost.

9. Pursuant to provision of Section 91 of the Companies Act, 2013 and Listing Agreement, the Register of Members and Share Transfer Book will remain closed from 23<sup>rd</sup> September 2017 to 28<sup>th</sup> September 2017(Both days inclusive)
10. Notice of AGM along with Annual Report 2016-17 is being sent by electronic mode to those members who is registered as a members as on 18<sup>th</sup> August 2017 as per list provided by Registrar and Share Transfer Agent , M/s. Bigshare Services Private Limited.
11. With reference to Rule 20 of the Companies (Management and Administration) Amendment Rule 2015 your Company is listed on SME Platform of NSE is not required to provide e-voting process for the consolidation of resolution, proposed at the General Meeting.
12. The Board of Directors has appointed CA Piyush Agrawal, Chartered Accountants (Membership No. 135041) as scrutinizer to scrutinize the voting at the meeting and remote e-voting process in a fair transparent manner,

**Details of the Directors seeking re-appointment at the AGM of the Company  
Pursuant to Regulation 36(3) of the (Listing Obligation and Disclosure Requirement)  
Regulation 2015**

<b>Name of the Director</b>	<b>HUNG SIN CHUNG HUANYI</b>
<b>DIN</b>	<b>01953871</b>
<b>Date of Birth</b>	<b>15/11/1964</b>
<b>Date of Appointment of the Board</b>	<b>01/07/2003</b>
<b>Brief Resume, Qualification and nature of expertise in functional areas</b>	Mr. Yi Hung Sin is the Whole-time Director of our Company. Aged 52 years, Mr. Sin has done B.E. Computer from University of Mumbai. He has been with the Company since its inception and has overseen various operational activities including production planning, marketing, liaison with government agencies and sourcing of raw materials.
<b>Directorship in other Public Companies</b>	NIL
<b>Membership/Chairmanship of Committee of other Public Companies</b>	NIL
<b>No. of Shares held in the Company</b>	6,00,000

## Route Map to venue of AGM





## LETTER TO SHAREHOLDERS

Dear Shareholders,

We take immense pleasure by sharing with you about the performance of your company and present the Annual Report for the financial year 2016-17.

We would like to state that your company is progressing to achieve new milestones in its journey towards growth through total excellence. NITIRAJ ENGINEERS LIMITED has pursued business excellence through passion and expansion project successfully thereby improved its cost competitiveness and profitability.

Your company engaged in the manufacturing of electronic weighing scales, currency counting machines and electronic meters since incorporation. Over the years we believe that we have established a strong customer base and good marketing setup. Further, our group has sufficient marketing expertise and wide marketing network, which is and would be channeled for our business and future expansion, if any. We have dedicated divisions for marketing different types of products and for different geographical locations. The sales division and export division are responsible for marketing of our products. All the divisions have well trained and adequate teams to handle daily activities and are supervised regularly.

We would like to assure that we will continuously seek opportunities and make our best efforts to contribute towards the growth and success of the organization.

We extend our sincere appreciation to our colleagues on the board for their wise and matured counsel for the smooth functioning of the company. We would like to express our profound gratitude to all our stakeholders, our customers, business associates, employees, bankers, vendors and shareholders who have reposed their trust in us and given us constant support.

With warm regards,  
Yours sincerely,

Sd/-  
Rajesh Bhatwal,  
Managing Director,  
Nitiraj Engineers Limited

## CHAIRMAN'S MESSAGE

It gives me great pleasure to welcome you to the 18th Annual General Meeting of your Company and share with you the progress your Company has made, despite the several challenges posed by the National & global economy.

While the economic climate throughout the industry has remained challenging during the 2 years gone by, the period including the Fiscal Years 2016-17 and 2017-18 was a period of steady revival and consolidation for us. During this period we faced major reforms like demonitization, shifting and setting up our new manufacturing unit, shift over to our new ERP, initiation of GeM – Government e-Marketplace and implementation of GST. However, learning from every situation and moving forward, we have kept up the developments in our projects and also tried to evolve with the changing market.

### Looking Ahead

As we step into new fiscal, with the powerful reforms mentioned above and a diverse customer base across geographies, coupled with the learning's of the last year, I am sure that your Company will continue to consolidate and grow in the years to come. This is very evident from orders bagged from various high value customers and new projects being developed as per market requirements. The Company has taken up several initiatives to embrace growth by aggressive business strategies and new business models.

### Growth Strategy and Way Forward

- To launch new products in the market. These include :
  - (i) EMFR (Electro-Magnetic Force Restoration) based Analytical Weighing Scales.
  - (ii) Pocket Hanging Scale with Bluetooth and Android App.
  - (iii) Person Scale with Bluetooth and Android App.
  - (iv) Currency Value Counter.
  - (v) Biometric Attendance Systems.
  - (vi) Total Body Analysis Scale.
  - (vii) Handheld terminals.
- To widen our presence in India by growing our marketing network.
- To develop newer product-centric market segments.
- To set up a new manufacturing unit with modern and comprehensive production capabilities.
- To initiate E-commerce activities and logistics models to expand our customer reach.

- To increase product offerings across all business segments through Domestic & International Partnerships.

**Concluding Note**

I am confident that Nitiraj Engineers, with its committed associates, excellent customers, wide product range and strong and stable management team will continue to deliver significant value to all its stakeholders in the years to come and will achieve every milestone in the journey to success.

I would like to thank all our shareholders, investors, employees, customers and all other stakeholders, who have always stood by us. With our focused business strategy, dynamic management team and a pool of professional talent, we are poised for growth.

I look forward to your continued support in the coming years to take this Company to the next level of growth and a Leader in Electronic Weighing Scales and Systems in India.

**Yours Sincerely,**

Sd/-

**Rajesh Raghunath Bhatwal**  
**Chairman & Managing Director**

## DIRECTORS REPORT

To,  
The Members,  
NITIRAJ ENGINEERS LIMITED.  
306 A Babha Bldgn M Marg  
Near Police Station  
Mumbai - 400011

Your Directors delightfully presents the 18<sup>th</sup> Annual Report on the business and operation of the Company together with the Audited Financial Accounts for the year ended 31<sup>st</sup> March, 2017.

### 1. FINANCIAL HIGHLIGHT

Financial results of your Company for the year ended 31st March 2017 are summarized below.

(Amount in Lacs)

Particulars	2016-17	2015-16
Income from Operations (A)	534.93	563.94
Other Income (B)	30.86	14.82
Total revenue (A) + (B)	<b>538.01</b>	<b>565.43</b>
Earnings before Interest, Tax, Depreciation and Amortization (EBITDA)	825.73	873.68
Finance costs	50.69	74.50
Depreciation and amortization expense	89.75	95.46
Profit before exceptional item and Tax	685.30	703.72
Exceptional Item	0.00	0.00
Profit before Tax (PBT)	685.29	703.72
Tax expense	225.00	168.00
Profit for the year (PAT)	460.29	535.72

### 2. STATE OF COMPANY'S FINANCIAL AFFAIRS:-

During the year under review, the Company has recorded an revenue of Rs. 538 Lakhs as compared to the previous year amount of Rs. 565 Lakhs. The Expenditure incurred including depreciation during the year was Rs. 469.48 Lakhs as against the amount of Rs. 495.05 Lakhs during the previous year.





Hence, the Company has earned a Net Profit after tax of Rs. 460.29 Lakhs as compared to the previous year amount of Rs. 535.72 Lakhs. The Board has taken all necessary steps to expand its activities by making new technologies and innovations and also by adding new services and products.

### **3. NATURE OF BUSINESS**

Your Company was incorporated as “**Nitiraj Engineers Private Limited**” under the Companies Act, 1956 vide Certificate of Incorporation dated April 01, 1999 issued by the Registrar of Companies, Maharashtra, Mumbai, India. Further, Your Company was converted from Private Limited to a Public Limited Company vide shareholder’s resolution dated June 08, 2015 and consequently the name of your Company was changed to “**NITIRAJ ENGINEERS LIMITED**” pursuant to a Fresh Certificate of Incorporation dated June 22<sup>nd</sup>, 2015. The Corporate Identification Number (CIN) of my Company is U31909MH1999PLC119231. **NITIRAJ ENGINEERS LIMITED** is in the business of wide range of production of Electronic Weighing Scales, Currency Counting Machine and Electronic Fare Meters etc. We focus to be the most innovative, and technocratic brands to the Industry & Society. Our products are time tested and proven to be effective for business results with people involvement. We provide service products/solutions that are Customized, Cost & Time effective for Business Effectiveness.

### **4. CHANGE IN THE NATURE OF BUSINESS**

During the year the Company has not changed its business.

### **5. DIVIDEND**

The company has declared Interim dividend to the shareholders but In order to conserve its financial resources to meet its growth plan, Your Board could not recommend any Final dividend for the year under review.

### **6. LISTING**

The Equity Shares of the Company are listed on SME Emerge Platform of NSE Limited w.e.f. 09<sup>th</sup> March, 2017. The Company is regular in payment of Annual Listing Fees. The Company has paid Listing fees up to the year 2017-18.

**7. ALLOTMENT OF 22,00,800 EQUITY SHARES TO PUBLIC THROUGH INITIAL PUBLIC OFFER (IPO):**

The IPO of the Company was oversubscribed. The Company after obtaining necessary approvals and finalization the Basis of allotment in consultation with NSESME have allotted 22, 00,800 Equity Shares of Rs. 10/- each at an issue price of Rs. 100/- per share including premium of Rs. 90/- per share to the public through Initial Public Offer (IPO) after complying provisions and guidelines under the Companies Act, 2013, SEBI (ICDR) & SEBI (LODR). The Post IPO Paid up Share capital of the Company is 22, 00,800 Equity Shares of Rs. 10/- each.

**8. DEMATERIALISATION OF EQUITY SHARES:**

All the Equity Shares of the Company are in dematerialized form with either of the depositories viz. NSDL and CDSL. The ISIN No. allotted is **INE439T01012**.

**9. RESERVES**

The Board of the Company has decided to carry Rs. 460.28 Lacs to the Reserves of the Company as on 31<sup>st</sup> March 2017 and total reserves including the securities premium and cash subsidy is Rs. 4941.52 Lac's.

**10. THE BOARD AND KMP :****(a) Composition of the Board of Directors :**

The Company has following composition of the Board

1. Mr. Rajesh Bhatwal	Managing Director and Executive Director
2. Mrs. Shakuntala Bhatwal	Whole Time Director and Women Director
3. Mr. Hung Sin Chung Huanyi	Whole Time Director Executive Director
4. Mr. Anil Nandkishor Bangad	Independent Director Non-Executive Director`
5. Mr. Pradeep Chandrakant Shah	Independent Director Non-Executive Director
6. Mr. Shabbir Sadruddin Masani	Independent Director Non-Executive Director

**(b) Independent Directors :**

Pursuant to the provisions of Sections 149, 152 read with Schedule IV and all other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Qualification of Directors) Rules, 2014 Mr. Anil Nandkishor Bangad (DIN: 07186755), Mr Pradeep Chandrakant Shah (DIN: 07186761), continue as Independent Directors and Mr. Shabbir Sadruddin Masani (DIN: 07553206) appointed in 2016 as Independent Directors of the Company



The Company has received necessary declaration from each Independent Director of the Company under Section 149(7) of the Companies Act, 2013 (the Act) that they meet with the criteria of their independence laid down in Section 149(6) of the Act.

**(c) Retirement by Rotation :-**

In terms of Section 152 of the Companies Act, 2013 Mr. Hung Sin Chung Huanyi (DIN: 01953871), Director of the Company is liable to retire by rotation at the forthcoming Annual General Meeting and being eligible, offered himself for re-appointment.

The Board confirms that none of the Directors of the Company is disqualified from being appointed as Director in terms of Section 164 of the Companies Act, 2013 and necessary declaration has been obtained from all the Directors in this regard.

**(d) Change in Designation/ Resignation of Director**

- Mrs. Shakuntala Bhatwal's designation was changed from Director to Whole Time Director of the Company with effect from February 1, 2017, in the Board Meeting held on February 01, 2017 and the same was regularized by the members of the Company in the Extra-Ordinary General Meeting held on February 05<sup>th</sup> 2017.
- Mr. Hung Sin Chung Huanyi designation was changed from Director to Whole Time Director of the Company with effect from February 1, 2017, in the Board Meeting held on February 01, 2017 and the same was regularized by the members of the Company in the Extra-Ordinary General Meeting held on February 05<sup>th</sup> 2017.

**(e) Appointment and Changes of Key Managerial Personnel during the Year**

- Pursuant to the provisions of Section 2(18) of the Companies Act, 2013 read with Companies (Appointment and Remuneration of Managerial Personnel) Amendment Rules, 2014, Mr. Rajesh Bhatwal, was appointed as Chief Financial Officer of the Company with effect from 30<sup>th</sup> June, 2016. The same Mr. Rajesh Bhatwal resigned from post of Chief Financial Officer as on 16<sup>th</sup> August 2017 and Mr. Kailas Agrawal was appointed as Chief Financial Officer of the Company since 16<sup>th</sup> August 2017  
Pursuant to the provisions of Section 2(18) of the Companies Act, 2013 read with Companies (Appointment and Remuneration of Managerial Personnel) Amendment Rules, 2014, Ms. Rachna Kothari was appointed as Company Secretary of the Company with effect from 01<sup>st</sup> June, 2016. The same Ms. Rachna Kothari resigned from post of Company Secretary as on 30<sup>th</sup> May 2017 and Mr. Suraj Tiwari was appointed as Company Secretary of the Company since 10<sup>th</sup> August 2017.

**11. DISCLOSURE UNDER SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION & REDRESSAL) ACT, 2013. :-**

The Company has always believed in providing a safe and harassment free workplace for every individual working in premises and always endeavors to create and provide an environment that is free from discrimination and harassment including sexual harassment

During the year ended 31<sup>st</sup> March, 2017, the Company has not received any complaint pertaining to sexual harassment.

**12. DETAILS OF REMUNERATION TO DIRECTORS :-**

The remuneration paid to the Directors is in accordance with the recommendations of Nomination and Remuneration Committee formulated in accordance with Section 178 of the Companies Act, 2013 and any other re-enactment(s) for the time being in force.

**13. DECLARATION BY INDEPENDENT DIRECTORS:-**

Every Independent Director, at the first meeting of the Board in which he participates as a Director and hereafter at the first meeting of the Board in every Financial Year, gives a declaration that he meets the criteria of independence as provided under law.

**14. DETAILS OF REMUNERATION TO DIRECTORS**

The information relating to remuneration of Directors and details of the ratio of the remuneration of each Director to the median employee's remuneration and other details as required pursuant to section 197(12) of the Act read along with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 is given in Annexure.

**15. COMMITTEES OF THE BOARD**

*Currently, the Board has Six Committees :-* the Audit Committee, Nomination & Remuneration Committee, Corporate Social Responsibility Committee, Stakeholders Relationship Committee and Internal Complaints Committee, Sexual Harassment Committee. All Committees, except the Corporate Social Responsibility Committee, Internal Complaints Committee and, Sexual Harassment Committee consist of Independent Directors.

**(a) Audit Committee**

The Board has constituted Audit Committee as required under Companies Act, 2013. The Composition of the Committee is as under:

<b>Name of the Member</b>	<b>Designation</b>
MR. PRADEEP CHANDRAKANT SHAH	Chairman
MR. ANIL NANDKISHOR BANGAD	Member
MR. RAJESH RAGHUNATH BHATWAL	Member

**The role of the Audit Committee shall include the following:**

1. Oversight of my Company's financial reporting process and the disclosure of its financial information to ensure that the financial statements are correct, sufficient and credible;
  2. Recommending to the Board, the appointment, re-appointment and, if required, the replacement or removal of the statutory auditor and the fixation of audit fees;
  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 my Board for approval, with particular reference to:
    - (a) Matters required to be included in the Director's Responsibility Statement to be included in my Board's report in terms of clause (c) of sub-section 3 of section 134 of the Companies Act;
    - (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; and
- (g) Qualifications in the draft audit report.
- Reviewing, with the management, the quarterly financial statements before submission to my Board for approval;
  
  - 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 my Board to take up steps in this matter;
- Reviewing and monitoring the auditor's independence and performance, and effectiveness of audit process;
  - Approval or any subsequent modification of transactions of the listed entity with related parties;
  - Scrutiny of inter-corporate loans and investments;
  - Valuation of undertakings or assets of the listed entity, wherever it is necessary;
  - Evaluation of internal financial controls and risk management systems;
  - Reviewing, with the management, performance of statutory and internal auditors, adequacy of the internal control systems;
5. Reviewing with the management, performance of statutory and internal auditors, and adequacy of the internal control systems;
  6. 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;
  7. Discussion with internal auditors any significant findings and follow up there on; 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;
  8. 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;
  9. 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;
  10. To review the functioning of the Whistle Blower mechanism, in case the same is existing;
  11. Approval of appointment of CFO (i.e., the whole-time Finance Director or any other person heading the finance function or discharging that function) after assessing the qualifications, experience & background, etc. of the candidate.
  12. Carrying out any other function as is mentioned in the terms of reference of the

Audit Committee.

**(b) Nomination and Remuneration Committee**

- The Board has constituted Nomination and Remuneration Committee as required under Companies Act, 2013. The Composition of the Committee is as under:

<b>Name of the Member</b>	<b>Designation</b>
MR. PRADEEP CHANDRAKANT SHAH	Chairman
MR. ANIL NANDKISHOR BANGAD	Member
MR. RAJESH RAGHUNATH BHATWAL	Member

- In terms of the provisions of Section 178(3) of the Companies Act, 2013, the Nomination and Remuneration Committee is responsible for formulating the criteria for determining the qualifications, attributes and Independence of a Director. The Nomination and Remuneration Committee is also responsible for recommending to the Board a policy relating to the remuneration of the Directors, Key Managerial Personnel and Senior Management. In line with the requirement, the Board has adopted a Nomination and Remuneration Policy for Directors, Key Managerial Personnel and Senior Management which is as follows.

**Objectives of the Policy**

The objectives of this policy are as detailed below:

- To formulate the criteria for determining qualifications, competencies, positive attributes and independence for appointment of a Director (Executive / Non-Executive) and recommend to the Board policies relating to the remuneration of the Directors, Key Managerial Personnel and other employees.
- The policy also addresses the following items: Committee member qualifications; Committee member appointment and removal; Committee structure and operations; and Committee reporting to the Board.

- To formulate the criteria for evaluation of performance of all the Directors on the Board;
- To devise a policy on Board diversity; and
- Identifying persons who are qualified to become Directors and who may be appointed in senior management in accordance with the criteria laid down, and recommend to the board of Directors their appointment and removal.
- Whether to extend or continue the term of appointment of the independent director, on the basis of the report of performance evaluation of independent Directors.
- To lay out remuneration principles for employees linked to their effort, performance and achievement relating to the Company's goals.

### **Remuneration Policy**

- The Company's remuneration policy is driven by the success and performance of the individual employees and the Company. Compensation philosophy is to align Directors and Nitiraj Minds compensation with my business objectives, so that compensation is used as a strategic tool that helps us recruit, motivate and retain highly talented individuals who are committed to my core values. I believe that my compensation programs are integral to achieving my goals. Through its compensation program, the Company endeavors to attract, retain, develop and motivate a high performance workforce. The Company follows a compensation mix of fixed pay, benefits and performance based variable pay. Individual performance pay is determined by business performance of the Company. The Company pays remuneration by way of salary, benefits, perquisites and allowances (fixed component) and performance incentives, commission (variable component) to its Chairman, Managing Director and other Executive Directors. Annual increments are decided by the Nomination & Remuneration Committee within the salary scale approved by the Board and Shareholders.

**(c) Stakeholder Relationship Committee:-**

- The Board has constituted Stakeholder Relationship Committee as required under Securities Exchange Board of India (Listing obligations and Disclosure Requirements) Regulations, 2015 (“Regulations”).

**The Composition of the Committee is as under:**

<b>Name of the Member</b>	<b>Designation</b>
MR. PRADEEP CHANDRAKANT SHAH	Chairman
MR. ANIL NANDKISHOR BANGAD	Member
MR. RAJESH RAGHUNATH BHATWAL	Member

Set forth below are the terms of reference of my Stakeholders Relationship Committee.

1. Considering and resolving grievances of shareholders, debenture holders and other security holders;
2. Redressal of grievances of the security holders of my Company, including complaints in respect of transfer of shares, non-receipt of declared dividends, balance sheets of my Company, etc.;
3. Allotment of Equity Shares, approval of transfer or transmission of equity shares, debentures or any other securities;
4. Issue of duplicate certificates and new certificates on split/consolidation/renewal, etc.
5. Overseeing requests for dematerialization and re-materialization of shares; and
6. Carrying out any other function contained in the equity listing agreements as and when amended from time to time.

**Investor Grievance Redressal Policy**

The Company has adopted an internal policy for Investor Grievance handling, reporting and solving.

**17. VIGIL MECHANISM FOR DIRECTORS AND EMPLOYEES:**

Your Company is committed to highest standards of ethical, moral and legal business conduct. Accordingly, the Board of Directors has formulated a Whistle Blower Policy which is in compliance with the provisions of Section 177(10) of the Companies Act, 2013. Employees can raise concerns regarding any discrimination, harassment, victimization, any other unfair practice being adopted against them or any instances of fraud by or against your Company. Any incidents that are reported are investigated and suitable action taken in line with the Whistle Blower Policy.

**18. RISK MANAGEMENT POLICY**

The Company has formulated a Risk Management Policy for dealing with different kinds of risks which it faces in day to day operations of the Company. Risk Management Policy of the Company outlines different kinds of risks and risk mitigating measures to be adopted by the Board. The Company has adequate internal control systems and procedures to combat the risk. The Risk management procedure will be reviewed by the Audit Committee and Board of Directors on time to time basis.

**19. POLICY ON PRESERVATION OF THE DOCUMENTS**

The Company has formulated a Policy pursuant to Regulation 9 of the Securities Exchange Board of India (Listing obligations and Disclosure Requirements) Regulations, 2015 (“Regulations”) on Preservation of the Documents to ensure safekeeping of the records and safeguard the Documents from getting manhandled, while at the same time avoiding superfluous inventory of Documents.

**20. POLICY ON CRITERIA FOR DETERMINING MATERIALITY OF EVENTS**

The Policy is framed in accordance with the requirements of the Regulation 30 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (Regulations).



The objective of the Policy is to determine materiality of events or information of the Company and to ensure that such information is adequately disseminated in pursuance with the Regulations and to provide an overall governance framework for such determination of materiality.

**21. OBLIGATION OF COMPANY UNDER THE SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION AND REDRESSAL) ACT, 2013**

In order to prevent Sexual Harassment of Women at Workplace a new act “The Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013” has been notified on 9th December, 2013. Under the said Act every Company is required to set up an Internal Complaints Committee to look into complaints relating to sexual harassment at work place of any women employee.

The Company has adopted “Anti-Sexual Harassment Policy” constituted “Redressed Committee” as required under section 4 (1) of Sexual harassment of women at work place (prevention, prohibition and redressal) Act, 2013.

During the year under review, no complaint of harassment at the workplace was received by the Committee.

**22. AUDITORS :**

**(a) Statutory Auditors:-**

M/s. P. D. Dalal & Co, Chartered Accountants, Mumbai, Firm Registration Number 102047W, were re-appointed as Statutory Auditors of the Company in the Annual General Meeting held on 30/09/2016 to hold office until the conclusion of the upcoming Annual General Meeting. It has been recommended to re-appoint M/s. P.D.Dalal & Co., Chartered Accountants as Statutory Auditors of the Company until the conclusion of the forthcoming next Annual General Meeting of the Company

In this regard the Company has received certificate from the Auditors to the effect that if they are appointed it would be in accordance with the provisions of section 141 of the Companies Act, 2013.

Accordingly, proposal for their re-appointment as Statutory Auditors is being placed before the shareholders for approval at the 18th Annual General Meeting.

**(b) Internal Auditors :-**

M/s. Santosh B. Gandhi and Co., (FRN 116435W) Chartered Accountants, Pune were appointed as the Internal Auditors of the Company for the Financial Year 2017-18, who are acting independently. As the Board proposes to appoint them as Internal Auditors for the Financial Year 2017-18. These Auditors Report directly to the Chairman of the Board of Directors.

Mr. Santosh B. Gandhi and Co., Chartered Accountant, Pune having experience of more than 15 year in the field of Auditing and Taxation were appointed as Internal Auditors of the Company for the Financial Year 2017-18, who are acting independently and also responsible for regulatory and legal requirements relating to D.P Operations and the Internal Audit relating to the Pension Fund Regulatory Authority of India of the company.

**(c) Secretarial Auditors:**

CS. Piyush Anilkumar Wani, Practicing Company Secretaries, Membership No. 46049 and Certificate Practice Number 19225 Nandurbar were appointed as Secretarial Auditors of the Company as per provisions of Section 204 of the Companies Act, 2013 and Rules made there under for the Financial Year 2016-17. The Secretarial Audit Report for the Financial Year 2016 - 17 form part of the Annual Report as Annexures to the Board Report. As the Board is satisfied with the performance of these Secretarial Auditors, the Board proposes to appoint them as Internal Auditors for the Financial Year 2017-18 also.

**23. AUDITORS' REPORT****(a) Statutory Audit Report :-**

M/s. P. D. Dalal and Co., Chartered Accountants, Mumbai, Firm Registration Number 102047W have issued their Report for the Financial Year ended 31st March 2017.

The Statutory Auditors have the following qualification in their report.

- I. The accounting of Gratuity Liability and Leave Encashment Liability on cash basis is not in accordance with Accounting Standard 15 on "Employee Benefits" issued by the Institute of Chartered Accountants of India.

Act

- **Clarification:** - The Company has started making provision from current year in the books of accounts as reported to board by the company official.

**Disclosure about Cost Audit**

The Central Government has not prescribed the maintenance of Cost records under section 148(1) of the Companies Act, 2013, for any of the services rendered by the Company.

**(b) Secretarial Audit :-**

A Secretarial Audit Report given by **CS Piyush Anilkumar Wani**, Company Secretary is annexed with the report and is enclosed as **Annexures**.

There is some qualification, reservation, adverse remark or disclaimer by the Secretarial Auditors in their report and hence following explanation or comments of the Board is required in this matter.

***1. The Company has not filed various e-forms within due date with Registrar of Companies.***

- **Clarification:-** It was in process of filling the same with ROC, but to some issues and Validity of Digital Signature of respective authority Company could not file the same with Registrar of Companies

***2. The Company has not uploaded Corporate Governance Report, Reconciliation Share Capital Audit, and Utilization Certificate with NSE as on ended 31<sup>st</sup> March 2017.***

- **Clarification:-** As Company Listed on Stock Exchange on 09<sup>th</sup> March 2017, the company was in process of developing the corporate governance of the company.

**24. MANAGEMENT DISCUSSION ANALYSIS :-**

Management Discussion & Analysis is given as an Annexures A

The Board has been continuing its efforts and taken the required steps in the following areas:

1. Industry Structure and Development
2. Growth Strategy.
3. Segment-Wise Performance
4. Internal Control Systems and their adequacy
5. Strengths, Weaknesses, Opportunities and Threats
6. Financial Performance with respect to Operational Performance
8. Strict Compliances
9. Talent Management, Leadership Development, and Talent Retention.
10. Learning and Development

**25. CREDIT & GUARANTEE FACILITIES :-**

- The Company has been availing secured loans, overdraft facilities and bank guarantee facilities from HDFC Bank Limited, from time to time for the business requirements.

**26. INTERNAL AUDIT CONTROLS AND THEIR ADEQUACY**

- The Company has a proper and adequate system of internal controls, commensurate with the size scale and complexity of its operations. This ensures that all transactions are authorized, recorded and reported correctly, and assets are safeguarded and protected against loss from unauthorized use or disposition. In addition, there are operational controls and fraud risk controls, covering the entire spectrum of internal financial controls.
- To maintain its objectivity and independence the Internal Audit function reports to the Chairman of the audit committee of the Board and to the Chairman and Managing Director.

- The internal Audit department monitors and evaluate the efficiency and adequacy of the internal control system in the Company, its compliance with operating systems, accounting procedures and policies at all locations of the Company. Based on the report of internal audit functions, process owner undertake corrective actions in their respective areas and thereby strengthen the controls. Significant audit observations and recommendations along with corrective actions thereon are presented to the audit committee of the Board.

#### **Adequacy of internal financial controls with reference to the financial statements**

- The Company has internal Auditors and the Audit Committee constituted are in place to take care of the same. During the year, the Company continued to implement their suggestions and recommendations to improve the control environment. Their scope of work includes review of processes for safeguarding the assets of the Company, review of operational efficiency, effectiveness of systems and processes, and assessing the internal control strengths in all areas. Internal Auditors findings are discussed with the process owners and suitable corrective actions taken as per the directions of Audit Committee on an ongoing basis to improve efficiency in operations.

#### **27. CORPORATE GOVERNANCE**

- Your Company has been complying with the principles of good Corporate Governance over the years. In compliance with Regulation 34 of the SEBI (LODR) Regulations 2015, a separate report on Corporate Governance forms an integral part of this report as Annexures.

##### **Board diversity**

- The Company recognizes and embraces the importance of a diverse board in its success. We believe that a truly diverse board will leverage differences in thought, perspective, knowledge, skill, regional and industry experience, cultural and geographical background, age, ethnicity, race and gender, which will help us, retain our competitive

advantage..

## **28. DETAILS OF SUBSIDIARIES JOINT VENTURE OR ASSOCIATES**

- The Company has following associated Company as per accounting standard 23 of ICAI.

***HYPER DRIVE INFORMATION TECHNOLOGIES PRIVATE LIMITED*** (CIN U72200KA2005PTC036535) as the holding of the company directly by way if holding is exceeding 25% of the Share Holding and also the same is disclosed in Part B of Annexure and also in related party as per AS 18 of the ICAI Act.

## **29. DETAILS OF SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS OR COURTS OR TRIBUNALS IMPACTING THE GOING CONCERN STATUS AND COMPANY'S OPERATIONS IN FUTURE:.**

- There were no significant and material Orders passed by the Regulators or Courts or Tribunals impacting the going concern status and Company's operations in future.

## **30. DEPOSITS FROM PUBLIC**

- The Company has not accepted any Deposits within the ambit of Section 73 of the Companies Act, 2013 and The Companies (Acceptance of Deposits) Rules, 2014.

## **31. PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS UNDER SECTION,186**

- The particulars of loans, guarantees and investments have been disclosed in the financial statements.

## **32. CONSOLIDATED FINANCIAL STATEMENTS:**

- In accordance with Accounting Standard AS-21, the Consolidated Financial Statements are furnished herewith and form part of this

Report and Accounts. The same is separately attached with Audit Report.

**33. INSURANCE:**

- All the assets of the Company wherever necessary and to the extent required have been adequately insured.

**34. EMPLOYEE RELATIONS:**

- The relationship with the staff and workers continued to be cordial during the entire year. The Directors wish to place on record their appreciation of the valuable work done and co-operation extended by them at all levels. Further, the Company is taking necessary steps to recruit the required personnel from time to time.

**35. STATUS OF UTILIZATION OF PROCEEDS RAISED FROM IPO :**

- The Company has raised an amount of Rs.2200.80 Lacs through Initial Public Offer by getting itself listed on the Emerge Platform of National Stock Exchange of India Limited. The table below depicts the status of the utilization of the proceeds raised by the Company from IPO:
- During the year ending 31st March, 2017 the company had raised Rs.2200.80 Lacs by way of initial public offer by issuing 2200800 equity shares having face value of Rs.10 each at a premium of Rs.90 which was fully subscribed. Pursuant to the provisions of clause 43 of the listing agreement with the exchange, the disclosure is as follows:

**The utilization of the issue proceeds as on 31<sup>st</sup> March 2017 is as under:**

Utilization planned as per prospectus

[Amt Rs.Lacs]

Particulars	Utilization planned as per prospectus	Utilization of IPO proceeds as on 31 <sup>st</sup> March, 2017	Balance Amount to be utilized as on 31 <sup>st</sup> March, 2017
Development of new products	525.00	-	525.00
Setting up manufacturing Unit for the existing and new range of products	575.00	200.35	374.65
Expansion of Marketing Network and Brand building	500.00	-	500.00
General Corporate Purposes	500.00	-	500.00
Issue Expenses	100.80	54.56	46.24
<b>Total</b>	<b>2200.80</b>	<b>254.91</b>	<b>1945.89</b>

- \* The above un-utilised proceeds from the Issue have been deployed in Mutual Funds and partly are in the Bank Account.



**36. PARTICULARS OF CONTRACTS OR ARRANGEMENTS WITH RELATED PARTIES:**

- All transactions entered into with the related parties as defined under the Companies Act, 2013 during the financial year were in the ordinary course of business and on arm's length pricing basis as per the management representation certificate provided to auditor of the company and do not attract the provisions of Section 188 of the Companies Act, 2013. There are no materially significant transactions with the related parties during the financial year which are in conflict with the interest of the Company and hence, enclosing of form AOC-2 is not required, Suitable disclosure as required by the Accounting Standards (AS 18) has been made in the notes to the Financial Statements.

**Policy on Related Party Transactions**

- The Company has developed a Related Party Transactions Policy for purpose of identification and monitoring of such transactions.
- The objective of this Policy is to set out (a) the materiality thresholds for related party transactions and; (b) the manner of dealing with the transactions between the Company and its related parties based on the Act, Clause 23 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and any other laws and regulations as may be applicable to the Company. The policy on related party transactions as approved by the Board is uploaded on the Company's website and can be accessed at [http://husys.net/pdf/Related\\_Party\\_Transactions\\_Policy\\_Husys.pdf](http://husys.net/pdf/Related_Party_Transactions_Policy_Husys.pdf).

**PARTICULARS OF EMPLOYEES**

- There are no employees drawing remuneration in excess of the limits prescribed under Rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.
- Information as required under the provisions of Rules 5(2) & 5(3) of the Companies (Appointment and Remuneration of Managerial

Personnel) Rules, 2014, are set out in **Annexures** to the Directors' Report.

**37. MATERIAL CHANGES AND COMMITMENT IF ANY AFFECTING THE FINANCIAL POSITION OF THE COMPANY OCCURRED BETWEEN THE END OF THE FINANCIAL YEAR TO WHICH THESE FINANCIAL STATEMENTS RELATE AND THE DATE OF THE REPORT:**

- There are no material changes and commitments affecting the financial position of the Company from the financial year ended 31st March, 2017 to the date of signing of the Director's Report except that Chief Financial officer Mr. Rajesh Bhatwal has resigned from post and Mr. Kailas Agrawal appointed as Chief Financial Officer of the Company and Mr. Suraj Tiwari appointed as Company Secretary in place of Ms. Rachna Kothari.

**38. TRANSFER OF AMOUNTS TO INVESTOR EDUCATION AND PROTECTION FUND**

- Your Company did not have any funds lying unpaid or unclaimed for a period of seven years. Therefore, there are no funds which are required to be transferred to Investor Education and Protection Fund (IEPF).

**39. LISTING WITH STOCK EXCHANGES**

- At present the equity shares of the Company are listed on the ITP-SME EMERGE Platform of National Stock Exchange at Mumbai. The Company confirms that it shall pay Annual Listing Fees due to the National Stock Exchange for the year 2016-17.

**40. CORPORATE SOCIAL RESPONSIBILITY**

- The key philosophy of all CSR initiatives of the Company is guided by three core commitments of Scale, Impact and Sustainability. During the year, the Company has spent an amount of Rs. 20, 00,000/- during the Financial Year 2016-17, which is to be mandatorily spent by the Company on CSR activities as per the provisions of Section 135 of the Companies Act, 2013. The amount was donated to Jawahar Medical Foundation registered as trust and having the 80 G

Registration and the same providing the Free Medical Check up to general public at large and the same is as per our CSR Policy adopted.

- Your Company's CSR Policy Statement and Annual Report on the CSR Activities undertaken during the Financial Year ended 31st March, 2017, in accordance with Section 135 of the Companies Act, 2013 and Companies (Corporate Social Responsibility Policy) Rules, 2014 is annexed to this report as Annexures..

#### **41. INSIDER TRADING REGULATIONS**

- Based on the requirements under SEBI (Prohibition of Insider Trading) Regulations, 1992 read with SEBI (Prohibition of Insider Trading) Regulations, 2015, as amended from time to time, the code of conduct for prevention of insider trading and the Code for Corporate Disclosures ("Code"), as approved by the Board from time to time, are in force by the Company. The objective of this Code is to protect the interest of shareholders at large, to prevent misuse of any price sensitive information and to prevent any insider trading activity by dealing in shares of the Company by its Directors, designated employees and other employees. The Company also adopts the concept of Trading Window Closure, to prevent its Directors, Officers, designated employees and other employees from trading in the securities of NITIRAJ ENGINEERS LIMITED at the time when there is unpublished price sensitive information.

#### **42. DEPOSITORY SYSTEM**

- As the Members are aware, Your Company's shares are trade-able compulsorily in electronic form and your Company has established connectivity with both National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL). In view of the numerous advantages offered by the depository system, the members are requested to avail the facility of Dematerialization of the Company's shares on NSDL & CDSL. The ISIN allotted to the Company's Equity shares is INE439T01012.

#### **43. EXTRACT OF ANNUAL RETURN**

- In accordance with Section 134(3)(a) of the Companies Act, 2013, an Extract of the Annual Return as per Section 92 (3) of the Companies

Act, 2013 and Rule 12(1) of the Companies (Management and Administration) Rules, 2014 in the prescribed Format MGT-9 is appended as Annexure - 7 to the Board's Report.

#### **44. DIRECTORS' RESPONSIBILITY STATEMENT**

Pursuant to Section 134 (5) of the Companies Act, 2013, Board of Directors of the Company,

- (a) In preparation of the Annual Accounts for the financial year ended 31st March 2017, the applicable Accounting Standards have been followed along with proper explanation to material departures;
- (b) The Directors have selected Accounting Policies, consulted the Statutory Auditors 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 as at end of the financial year and of the profit or loss of the Company, for that period.
- (c) The Directors have taken proper and sufficient care to the best of their knowledge and ability for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities and
- (d) The Directors have prepared the Annual Accounts of the company on a going concern basis;
- (e) The Directors, had laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and were operating effectively; and
  - There is a proper system to ensure compliance with the provisions of all applicable laws and that such systems are adequate and operating effectively.

#### **45. CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO :-**

- The particulars as prescribed under Sub Section (3)(m) of Section 134 of the Companies Act, 2013, read with the Companies (Accounts) Rules, 2014.

**A. Conservation of Energy:**

The Company's core activity is Production of Weighing Scales and related which is power consuming sector. The Company is making every effort to conserve the usage of power. Also in the year April 2016 Company has installed solar Electricity Plant in its Corporate Office Dhule, by which Company is trying to save electricity

**B. Technology Absorption (R&D, Adaptation and Innovation):**

1. Efforts, in brief, made towards technology absorption, adaptation and innovation:
  - (i) Continuous research to upgrade existing products and to develop new products and services.
  - (ii) To enhance its capability and customer service the Company continues to carry out R & D activities in house.
  
2. Benefits derived as a result of the above efforts:
  - (i) Introduction of new and qualitative products.
  - (ii) Upgrade of existing products.
  
3. Future plan of action:

Nitiraj will continue to invest in and adopt the best processes and methodologies suited to its line of business and long-term strategy. Training employees in the latest appropriate technologies will remain a focus area. The Company will continue to leverage new technologies and also on the expertise available.

**B. Foreign Exchange Earnings and Outgo**

The Foreign Exchange earned in terms of actual inflows during the year and the Foreign Exchange outgo during the year in terms of actual Outflows

(Amount in Rupees)

Particulars	2016-2017	2015-2016
Foreign Exchange Earnings	23,88,676	22,46,808
Foreign Exchange Outgo	4,84,99,618	5,34,46,660

**46. POST BALANCE SHEET EVENTS**

- Mr. Kailas Agrawal was appointed as Chief Financial Officer of the Company pursuant to the provisions of the Companies Act 2013 and Rules made thereunder in the Board Meeting held on August 16, 2017.
- Mr. Suraj Tiwari was appointed as Company Secretary of the Company pursuant to the provisions of the Companies Act 2013 and Rules made thereunder in the Board Meeting held on August 16, 2017.

**47. ACKNOWLEDGMENTS**

- Your Directors express their sincere gratitude for the assistance and co-operation extended by Banks, Government Authorities, Shareholders, Suppliers and Customers. Your Directors also wish to place on record their appreciation of the contribution made by the employees at their levels towards achievements of the Company's goals.

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

<b>Date: 04/09/2017</b>	<b>Sd/- Rajesh Raghunath Bhatwal Managing Director</b>	<b>Sd/- Shakuntala Bhatwal Whole-Time Director</b>
<b>Place: Dhule</b>	<b>DIN: 00547575</b>	<b>DIN: 01953906</b>

**PARTICULARS PURSUANT TO SECTION 197(12) OF THE COMPANIES ACT, 2013 READ WITH RULE 5 OF THE COMPANIES (APPOINTMENT & REMUNERATION OF MANAGERIAL PERSONNEL) RULES, 2014**

- I.** The ratio of the remuneration of each director to the median employee's remuneration for the financial year and such other details as prescribed is as given below:

Sr. No.	Name	Ratio
1.	Mr. Rajesh Bhatwal (Managing Director)	6.80
2.	Mrs. Shakuntala Bhatwal (Whole time Director)	0.91
3.	Mr. Hung Sin (Whole Time Director)	0.84

- II.** The percentage increase in remuneration of each director, Chief Financial Officer, Chief Executive Officer, Company Secretary or Manager, if any, in the financial year :

Sr. No.	Name	Designation	% in Increase
1.	Mr. Rajesh Bhatwal	Managing Director	(-) 12.23%
2.	Mrs. Shakuntala Bhatwal	Whole time Director	(+) 19.00%
3.	Mr.	Whole time Director	(-) 26.58%
3.	Mr. Kailas Agrawal	Chief Finance Officer	(+) 14%
4.	Mr. Suraj Tiwari	Company Secretary	NA

- III.** The percentage increase in the median remuneration of employees in the financial year :15%
- IV.** The number of permanent employees on the rolls of company: 307
- V.** If remuneration is as per the remuneration policy of the company: Yes

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

**Date: 04/09/2017**

Sd/-  
**Rajesh Raghunath Bhatwal**  
**Managing Director**

Sd/-  
**Shakuntala Bhatwal**  
**Whole-Time Director**

**Place: Dhule**

**DIN: 00547575**

**DIN:**  
**01953906**



**CEO AND CFO CERTIFICATION**

To,  
NITIRAJ ENGINEERS LIMITED  
306 A Babha Bldgn M Marg  
Near Police Station  
Mumbai – 400011.

Dear Members of the Board,

We have reviewed the Financial Statements and the cash flow statement of Steel City Securities Limited for the year ended 31st March, 2017 and to the best of our knowledge and belief:

- (a) these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
- (b) 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.

There are, to the best of our knowledge and belief, no transactions entered into by the Company during the year which are fraudulent, illegal or violative of the Company's Code of Conduct. We accept responsibility for establishing and maintaining internal controls for financial reporting and we have evaluated the effectiveness of the Company's internal control systems pertaining to financial reporting and we have not come across any reportable deficiencies in the design or operation of such internal controls. We have indicated to the Auditors and the Audit Committee:

- (a) that there are no significant changes in internal control over financial reporting during the year;
- (b) that there are no significant changes in accounting policies during the year; and
- (c) that there are no instances of significant fraud of which we have become aware

FOR NITIRAJ ENGINEERS LIMITED

Place :- Mumbai

Date :- 04/09/2017

Sd/-

Mr. Rajesh Bhatwal

Sd/

Mr. Kailas Agrawal



Managing Director

18<sup>th</sup> Annual General Meeting  
Chief Financial Officer

## **DECLARATION FOR COMPLIANCE WITH CODE OF CONDUCT**

Dear Members of the Nitiraj Engineers Limited,

I hereby declare that all the Members of the Board and Senior Management Personnel of the Company are aware of the provisions of the Code of Conduct laid down by the Board. All the Board Members and Senior Management Personnel have affirmed compliance with the Code of Conduct.

**FOR NITIRAJ ENGINEERS LIMITED**

Place :- Mumbai

Date :- 04/09/2017

Sd/-

Mr. Rajesh Bhatwal

Managing Director

DIN- 00547575

**ANNEXURES****Form AOC-1**

**(Pursuant to first proviso to sub-section (3) of Section 129  
read with Rule 5 of Companies (Accounts) Rules, 2014)**

Statement containing salient features of the financial statement of  
Subsidiaries/Associate Companies/Joint Ventures

**ASSOCIATE**

Statement pursuant to Section 129 (3) of the Companies Act, 2013 related to Associate  
Companies and Joint Ventures.

<b>Sr. No.</b>	<b>Name of Associate</b>	<b>HYPER DRIVE INFORMATION TECHNOLOGIES PRIVATE LIMITED - Associate Company</b>
<b>1.</b>	Latest Audited Balance Sheet date	31.03.2017
<b>2.</b>	Shares of Associate/Joint Ventures held by the company on the year end	3334 Equity Shares face value of Rs. 10/- each
	Amount of Investment in Associates/Joint Venture (3334 Equity Shares of Rs. 10/- each at premium of Rs. 5990/- each unquoted investment. It includes goodwill paid on acquisition Rs. 3,12,557)	Rs. 2,00,04000/-
	Extent of Holding%	25%
<b>3.</b>	Description of how there is significant influence	Common Promoters and Directors.
<b>4.</b>	Reason why the associate/joint venture is not consolidated	NA
<b>5.</b>	Net worth attributable to shareholding as per latest. audited Balance Sheet as on 31 <sup>st</sup> March 2017.	Rs. 77822908

<b>6.</b>	Profit/Loss for the year	
	i. Considered in Consolidation	Rs. 1608/-
	ii. Not Considered in Consolidation	NA

In terms of our report attached

**FOR NITIRAJ ENGINEERS LIMITED**

**For P.D. DALAL & Co.**

Chartered Accountants

Firm Registration 102047W

**(Aashish S. Kakaria)**

*Partner*

*Membership No.102915*

**Rajesh Bhatwal**

*Managing*

*Director*

**Shakuntala Bhatwal**

*Whole Time and*

*Women Director*

**Kailas Agrawal**

*Chief Financial*

*Officer*

**PLACE :-** Mumbai

**DATE :-** 04/09/2017

**ANNEXURES****FORM NO. AOC -2**

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

Form for Disclosure of particulars of contracts/arrangements entered into by the company with related parties referred to in sub section (1) of section 188 of the Companies Act, 2013 including certain arm's length transaction under third proviso thereto.

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

<b>Sr. No.</b>	<b>Particulars</b>	<b>Details</b>
<b>1.</b>	Name (s) of the related party & nature of relationship	HYPER DRIVE INFORMATION TECHNOLOGIES PRIVATE LIMITED
<b>2.</b>	Nature of contracts/arrangements/transaction	1. Development of ERP Software for operation of Company.  2. Purchase of Equity Shares
<b>3.</b>	Duration of the contracts/arrangements/transaction	NA
<b>4.</b>	Salient terms of the contracts or arrangements or transaction including the value, if any	NA
<b>5.</b>	Justification for entering into such contracts or arrangements or transactions'	NA
<b>6.</b>	Date of approval by the Board	NA
<b>7.</b>	Amount paid as advances, if any	NA
<b>8.</b>	Date on which the special resolution was passed in General meeting as required under first proviso to section 188	NA



18<sup>th</sup> Annual General Meeting

In terms of our report attached  
**For P.D. DALAL & Co.**  
Chartered Accountants  
Firm Registration 102047W

**FOR NITIRAJ ENGINEERS LIMITED**

<b>(Aashish S. Kakaria)</b> <i>Partner</i> <i>Membership No.102915</i>	<b>Rajesh Bhatwal</b> <i>Managing</i> <i>Director</i>	<b>Shakuntala Bhatwal</b> <i>Whole Time and</i> <i>Women Director</i>	<b>Kailas Agrawal</b> <i>Chief Financial</i> <i>Officer</i>
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**PLACE :-** Mumbai

**DATE :-** 04/09/2017

## Annexure -

**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]****I REGISTRATION & OTHER DETAILS:**

CIN	U31909MH1999PLC119231
Registration Date	01/04/1999
Name of the Company	NITIRAJ ENGINEERS LIMITED
Category/Sub-category of the Company	Company Limited by Shares/Public Company
Address of the Registered office & contact details	306-A, BABHA BLDGN, M MARG, NEAR POLICE STATION, MUMBAI-400011
Whether Listed Company	Yes
Name, Address & contact details of the Registrar & Transfer Agent, if any.	BIGSHARE SERVICES PRIVATE LIMITED, SEBI Registration No: INR000001385 E-2, Ansa Industrial Estate, Saki-Vihar Road, Andheri (E), Mumbai - 400 072. Tel: 022-40430200; Fax: 022-28475207 Website: <a href="http://www.bigshareonline.com">www.bigshareonline.com</a>

**II PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY**

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

S. No.	Name and Description of main products / services	NIC Code of the Product/ service	% to total turnover of the Company
1.	<b>WEIGHING MACHINERY</b>	<b>C</b>	<b>100 %</b>
2.	<b>OTHER OFFICE MACHINES</b>	<b>C</b>	

**III PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES**

SNo.	Name and Address of the Company	CIN/GLN	Holding/ Subsidiary/ Associate	% of Shares Held	Applicable Section
1	HYPER DRIVE INFORMATION TECHNOLOGIES PRIVATE LIMITED, Bangalore, Karnataka	U72200KA2005PTC036535	Associate	25%	Section 2(6) of Companies Act, 2013

**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 01/04/2016]				No. of Shares held at the end of the year [As on 31/03/2017]				% Change during the year
	De-mat	Physical	Total	% of Tot. Shares	De-mat	Physical	Total	% of Tot. Shares	
<b>A. Promoters</b>									
(1) Indian									
a) Individual/ HUF	0	54,00,000	54,00,000	90%	54,00,000	0	54,00,000	65.84%	-24.16
b) Central Govt.	0	0	0	0	0	0	0	0	0
c) State Govt.(s)	0	0	0	0	0	0	0	0	0
d) Bodies Corp.	0	0	0	0	0	0	0	0	0
e) Banks / FI	0	0	0	0	0	0	0	0	0
f) Any other	0	0	0	0	0	0	0	0	0
Sub-total (A)(1):	0	54,00,000	54,00,000	90%	54,00,000	0	54,00,000	65.84%	-24.16
(2) Foreign									
a) NRIs -Individuals	0	0	0	0	0	0	0	0	0
b) Other - Individuals	0	0	0	0	0	0	0	0	0
c) Bodies Corp.	0	0	0	0	0	0	0	0	0
d) Banks/FI	0	0	0	0	0	0	0	0	0
e) Any other	0	0	0	0	0	0	0	0	0
Sub-total (A)(2):	0	0	0	0	0	0	0	0	0
Total shareholding of Promoter (A)= (A)(1) + (A)(2)	0	54,00,000	54,00,000	90%	54,00,000	0	54,00,000	65.84%	-24.16



<b>B. Public Shareholding</b>									
<b>1. Institutions</b>									
a) Mutual Funds	0	0	0	0	0	0	0	0	0
b) Banks / FI	0	0	0	0	0	0	0	0	0
c) Central Govt.	0	0	0	0	0	0	0	0	0
d) State Govt(s)	0	0	0	0	0	0	0	0	0
e) Venture Capital Funds	0	0	0	0	0	0	0	0	0
f) Insurance Companies	0	0	0	0	0	0	0	0	0
g) FIIs	0	0	0	0	0	0	0	0	0
h) Foreign Venture Capital Funds	0	0	0	0	0	0	0	0	0
i) Others (specify)	0	6,00,000	6,00,000	10 %	28,00,800	0	28,00,800	34.16 %	24.16
<b>Sub-total (B)(1):</b>	0	6,00,000	6,00,000	100%	82,00,800	0	82,00,800	0	100%
<b>2. Non-Institutions</b>									
<b>a) Bodies Corp.</b>									
i) Indian	0	0	0	0	0	0	0	0	0
ii) Overseas	0	0	0	0	0	0	0	0	0
<b>b) Individuals</b>									
i) Individual sh. holders holding nominal sh. capital up to Rs. 1 lakh	0	0	0	0	0	0	0	0	0
ii) Individual shareholders holding nominal share capital in excess of Rs. 1 lakh	0	0	0	0	0	0	0	0	0
c) Others (specify)	0	0	0	0	0	0	0	0	0
Non Resident Indians	0	0	0	0	0	0	0	0	0
Overseas Corporate Bodies	0	0	0	0	0	0	0	0	0
Foreign Nationals	0	0	0	0	0	0	0	0	0
Clearing Members	0	0	0	0	0	0	0	0	0
Trusts	0	0	0	0	0	0	0	0	0
Foreign Bodies-D R	0	0	0	0	0	0	0	0	0
<b>Sub-total (B)(2):</b>	0	0	0						
				0	0	0	0	0	0

Total Public Shareholding (B)=(B)(1) + (B)(2)	0	6,00,000	6,00,000	100%	82,00,800	0	82,00,800	0	100%
C. Shares held by Custodian for GDRs & ADRs	0	0	0	0	0	0	0	0	0
Grand Total (A+B+C)	0	6,00,000	6,00,000	100%	82,00,800	0	82,00,800	0	100%

**(ii) Shareholding of Promoter-**

SN	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in shareholding during the year
		No. of Shares	% of total Shares of the Company	% of Shares Pledged / encumbered to total sh.	No. of Shares	% of total Shares of the Company	% of Shares Pledged / encumbered to total sh.	
1	Mr. Rajesh Bhatwal	33,07,500	55.00%	0	33,49,500	40.84%	0	14.16%
2	Ms. Shakuntala Bhatwal	18,00,000	30.00%	0	18,16,800	22.15%	0	7.85%
3	Ms. Meerabai Bhatwal	49,900	0.83%	0	49,900	0.60%	0	0.23%
4	Mr. Aalok Bhatwal	2,40,000	4.00%	0	2,40,000	2.93%	0	1.07%
5	Ms. Deepa Bhatwal (Khatri)	2,500	0.04%	0	2,500	0.03%	0	0.01%
6	Ms. Prachi Bhatwal	100	-	0	100	-	0	-
	<b>TOTAL</b>	54,00,000	90%	0	54,58,800	66.55%	0	23.45%

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

Particulars	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
	No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
At the beginning of the year	54,00,000	90%	-	-
Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc.):	58,800 shares Purchase from open Market in NSE	1.08%	54,58,800	66.55%

At the end of the year	-	-	54,58,800	66.55%
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**(iv) Shareholding Pattern of top ten Shareholders: (Other than Directors, Promoters and Holders of GDRs and ADRs):**

SN	Name of the Shareholders	Shareholding at the beginning of the year 01.04.2016		Increase / Decrease in Shareholding		Cumulative Shareholding at end of the year 31.03.2017	
		No. of shares	% of total shares of the Company	Increase	Decrease	No. of shares	% of total shares of the Company
1.	ALACRITY SECURITIES LIMITED	0	0	147600	-	147600	1.79
2.	DEVHARI EXPORTS INDIA LIMITED	0	0	120000	-	120000	1.46
3.	SURESH JUGRAJ MUTHA	0	0	69600	-	69600	0.84
4.	BHANSALI VALUE CREATIONS PRIVATE LIMITED	0	0	63600	-	63600	0.77
5.	ASHISH VISHWAS RAWANDALE	0	0	52800	-	52800	0.64
6.	VENTURA SECURITIES LIMITED	0	0	45600	-	45600	0.55
7.	PRASHANT PRITHVIRAJ JAIN	0	0	33600	-	33600	0.40
8.	LATISH M NAIR	0	0	33600	-	33600	0.40
9.	NILESH BALKRISHNA KABARE	0	0	31200	-	31200	0.38
10.	PUSHPA BALKRISHNA KABARE	0	0	31200	-	31200	0.38

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

SN	Name of Directors/ Key Managerial Personnel	Shareholding at the beginning of the year 01.04.2016		Increase / Decrease in shareholding		Cumulative Shareholding at end of the year 31.03.2017	
		No. of shares	% of total shares of the Company	Increase	Decrease	No. of shares	% of total shares of the Company
1	Mr. Rajesh Bhatwal	33,07,500	55.00 %	42000	-	33,49,500	40.84%
2	Ms. Shakuntala Bhatwal	18,00,000	30.00%	16800	-	18,16,800	22.15%
3	Mr. Hung Sin Chung Huanyi	6,00,000	10.00%	-	-	6,00,000	7.31%

**(VI) Indebtedness**
**Indebtedness of the Company including interest outstanding/accrued but not due for payment.**

(Amount in Rupees)

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>	-	-	-	-

• As per Audited Balance Sheet there was no indebtedness in the Books of Accounts.

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

(Amount in Rupees)

S.No	Particulars of Remuneration	Name of MD/WTD/ Manager			Total Amount
		Mr. Rajesh Bhatwal	Mrs. Shakuntala Bhatwal	Mr. Hung Sin Chung Huanyi	
	Gross salary				
1	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	36,02,765/-	4,81,965/-	4,44,165/-	45,28,895/-
	(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 (Professional Fees)	9,00,000	9,00,000	-	-
	<b>Total (A)</b>	<b>45,02,765/-</b>	<b>13,81,965</b>	<b>4,44,165/-</b>	<b>Rs. 63,28,895/-</b>

The remuneration is within the limits as per section 197 of the Companies Act, 2013 read along with Schedule V and is approved by the Shareholders by way of a Special Resolution.

**B. Remuneration to other Directors.**

(Amount in Rupees)

S.No.	Particulars of Remuneration	Name of Directors			Total Amount
		Mr. Anil Bangad	Pradeep Shah	Mr. Shabbir Masani	
	Independent Directors				
1	Fee for attending board committee meetings	-	-	-	-
	Commission	-	-	-	-
	Others, please specify	-	-	-	-
	<b>Total (1)</b>	-	-	-	-
2	Other Non-Executive Directors	-	-	-	-
	Fee for attending board committee meetings	-	-	-	-
	Commission	-	-	-	-

Others, please specify	-	-	-	-
<b>Total (2)</b>	-	-	-	-
Total (B)=(1+2)	-	-	-	-
<b>Total Managerial Remuneration (A+B)</b>	-	-	-	-

The remuneration is within the limits as per section 197 of the Companies Act, 2013 read along with Schedule V and is approved by the Shareholders by way of a Special Resolution.

### C. Remuneration to key managerial personnel other than MD/Manager/WTD

S.No	Particulars of Remuneration	Key Managerial Personnel		
		CS*	CFO*	Total (in Rs)
		Mr. Suraj Tiwari	Mr. Kailas Agrawal	
	Gross salary			
1	(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	-	-	-
	<b>Total</b>	-	-	-

#### Notes:

\* Mr. Kailas Agrawal has been appointed as CFO of the Company with effect from 16<sup>th</sup> August, 2017.

\* Mr. Suraj Tiwari has been appointed as Company Secretary of the Company with effect from 10<sup>th</sup> August, 2017.

**VI Penalties / Punishment/ Compounding of Offences:**

There were no penalties/punishment/compounding of offences for breach of any section of Companies Act as against the Company or its Directors or other officers in default, if any during the year.

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)
<b>A. COMPANY / DIRECTORS / OTHER OFFICER IN DEFAULT</b>					
Penalty	NIL	NIL	NIL	NIL	NIL
Punishment	NIL	NIL	NIL	NIL	NIL
Compounding	NIL	NIL	NIL	NIL	NIL

**ANNEXURE-**  
**FORM NO. MR-3**  
**SECRETARIAL AUDIT REPORT**

FOR THE FINANCIAL YEAR ENDED MARCH 31, 2017

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

**To,**

**The Members**

**NITIRAJ ENGINEERS LIMITED**

306 A Babha Bldgn M Marg

Near Police Station

Mumbai – 400011.

I have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **M/s. NITIRAJ ENGINEERS LIMITED having the (CIN:- U31909MH1999PLC119321)** (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 Company’s books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of Secretarial Audit, I hereby report that in my opinion, the Company has, during the audit period covering the financial year ended on March 31, 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 financial year ended on March 31, 2017 according to the provisions of:

- i. The Companies Act, 2013 (the Act) and the rules made there under;
- ii. The Securities Contracts (Regulation) Act, 1956 (‘SCRA’) and the rules made there under;
- iii. The Depositories Act, 1996 and the Regulations and Bye-laws framed



there under;

- iv. Foreign Exchange Management Act, 1999 and the rules and regulations made there under to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
- v. The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-
  - a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
  - b) Securities and Exchange Board of India (Listing Obligations And Disclosure Requirements) Regulations, 2015, and the Listing Agreements entered into by the Company with the Stock Exchanges;
  - c) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992;
  - d) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
  - e) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;
  - f) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 and The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014;
  - g) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 –
    - *The Company has not issued or listed any debt securities during the year.*
  - h) 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 –
    - The Company has appointed M/s. Bigshare Services Private Limited., as Registrar to an Issue and Share Transfer Agent. The Share Transfer Agent has maintained all record of share Transfer thereto in Electronic Form as provided under the Regulation
  - i) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009 ;and
  - j) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998 - .

*-The Company has not undertaken any buy back of shares during the year under review.*

I am of the opinion that the Management has complied with the following Laws specifically applicable to the Company:

- (a) The Payment of Wages Act, 1936
- (b) The Minimum Wages Act, 1948
- (c) Employees Provident Funds and Miscellaneous Provisions Act, 1952
- (d) The Payment of Bonus Act, 1965
- (e) The Payment of Gratuity Act, 1972
- (f) The Contract Labour (Regulation & Abolition) Act, 1970
- (g) The Child Labour (Prohibition & Regulation) Act, 1986
- (h) The Industrial Employment (Standing Order) Act, 1946
- (i) The Employee Compensation Act, 1923
- (j) Information Technology Act, 2000 and the Rules made there under
- (k) Factories Act and other Labour Laws namely provident Fund Act, ESI Act 1948 and other applicable Laws *The Manufacturing division of Nitiraj Engineers Limited is located at Shimla-Kalka Highway, Near Corporation Bank, Khasra No. 961/890 Sector-1, Parwanoo, Tah. Kasouli, Dist Solan( H.P.) 173220.*
- (l) The Company has obtained consent from Himachal Pradesh Pollution Control Board and certificate is valid upto 31st March 2018.

I further report that as the Company is engaged into Weighing Scales, Note counting Machines, and Digital Meter Fairs hence Special Act applicable to Company is as per following

***Legal Metrology Act, 2008***

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 National Stock Exchange (SME Platform);

The Company has got listed with National Stock Exchange on the SME Segment / Platform on 09th March 2017.

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

1. *The Company has not filed some e-forms with Registrar of Companies within due dates and also Company has not filed the same as upto Audit Period which are as per following. The current situation is that same has been filed with additional fees.*
  - a. *Form MGT-14 and Form DIR-12 for CFO Appointment*
  - b. *Form MGT-14 for Approval of Account for the Financial Year 2016-17*
  - c. *Form MGT-14 for Interest of Directors and obtaining MBP-1*
  - d. *Company has not filed Form MGT-14 and Form DIR-12 for change in designation of Mrs. Shakuntala Bhatwal and Mr. Yang Suk Yang from Director and Whole Time Director.*
  - e. *In Form MGT-7 attachments are not as per format for the FY 16-17.*
2. *Company has not submitted some necessary information and reports to NSE Emerge as per SEBI (Listing Obligation and Disclosure Requirements) Regulation 2015 as on ended 31.03.2017.*

**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 are carried out in compliance with the provisions of the Act.

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

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

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

I further report that during the audit period the company has no specific events / actions in pursuance of the above referred laws, rules, regulations, guidelines, standards, etc. having a major bearing on the company's affairs.

**Place: Nandurbar**

**Date: 31/08/2017**

Sd/-

**CS PIYUSH A. WANI**

**Company Secretary**

ACS No.: 46049

C P No.: 19225

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

**ANNEXURE-**

To,  
The Members  
Nitiraj Engineers Limited,  
Mumbai

My report of even date is to be read along with this letter:

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

**Place:** Nandurbar  
**Date:** 04/09/2017

Sd/-  
**CS PIYUSH A. WANI**  
**Company Secretary**  
ACS No.: 46049  
C P No.: 19225

## REPORT ON CORPORATE GOVERNANCE

### INTRODUCTION

NITIRAJ ENGINEERS LTD., established in 1999, is one of the leading manufacturers of Electronic Weighing Scales and Systems and Digital Fare Meters, Currency Counting Machines etc. Company has sophisticated, state-of-the-art in-house facility for continuous research, consistent production and stringent quality control. Company caters to all India market through its closely knit sales and service network comprising of company's branch offices and dealers.

### Strength & Business Network

At present company is producing more than 1,00,000 scales per year. 286 professionals are working with the company. It has more than 10,50,000 satisfied customers in the country. Over the years, NITIRAJ has made a point to meet every customer's need speedily and effectively. Wide product range well connected sales and service network of 13 Branch offices, 430 Dealers are part of NITIRAJ family. Company's manufacturing unit is located at Parwanoo, Himachal Pradesh, Registered Office at Mumbai and Corporate Office at Dhule in Maharashtra. Company has distributors in Middle East and SAARC Countries. Our products are compatible with world standards.

### 1. COMPANY'S PHILOSOPHY ON CORPORATE GOVERNANCE :-

The Nitiraj's activities are carried out in accordance with Good Corporate Practices and the Company is constantly striving to better them by adopting the best practices. Corporate Governance is about commitment to values, ethical business conduct and about considering all Stakeholders' interest in conducting the Business. Your Company continues to lay great emphasis on the broad principles of Corporate Governance of the following:

The Company believes that good Corporate Governance Practices enable the Management to direct and control the affairs of the Company in an efficient manner and to achieve the Company's goal of maximizing value for all its Stakeholders. The Company will continue to focus its resources, strengths and strategies to achieve its vision of becoming a leading Weighing Scales, Note Counting Machine, and Digital Meter manufacturing Company in India, while upholding the core values of transparency, integrity, honesty and accountability, which are fundamental to Nitiraj Engineers

Limited.

**2. DIRECTORS & KEY MANAGERIAL PERSONNEL (KMP):****i. As on 31.03.2017, the strength of the Board of Directors & Key Managerial Personnel is as follows:**

Category	Name of Directors and Key Managerial Personnel	DIN/ PAN	Designation
Promoter Executive	RAJESH RAGHUNATH BHATWAL	00547575	Managing Director
Promoter Executive	SHAKUNTALA RAJESH BHATWAL	01953906	Whole Time Director & Women Director
Executive Director	HUNG SIN CHUNG HUANYI	01953871	Whole Time Executive Director
Independent Non Executive	ANIL NANDKISHOR BANGAD	07186755	Director
Independent Non Executive	PRADEEP CHANDRAKANT SHAH	07186761	Director
Independent Non Executive	SHABBIR SADRUDDIN MASANI	07553206	Director
Key Managerial Person (KMP)	KAILAS MADANLAL AGRAWAL	ANIPA3541K	Chief Financial Officer
Key Managerial Person (KMP)	SURAJ BADRILAL TIWARI	AONPT3130K	Company Secretary

**ii. Meetings of the Board & Committees:**

- a) Total compliance of procedures relating to the Board Meetings and the meetings of the Committees thereof,
- b) The meetings are usually held at the Registered Office of the Company, and
- c) The Draft Minutes are circulated to the members of the Board/Committees for their comments and will be duly recorded in the concerned books.

### A. MEETINGS OF THE BOARD OF DIRECTORS

During FY 2016-17, Eleven Board Meetings were held. The details of Directors, their attendance at Board Meetings and at the previous Annual General Meeting of the Company are, given below.

Name of Directors	Category	Entitled to Attend Board Meetings	to Board Meetings Attended	Whether Present at Previous AGM Held on
RAJESH RAGHUNATH BHATWAL	Promoter Executive	11	11	YES
SHAKUNTALA RAJESH BHATWAL	Promoter Executive	11	11	YES
HUNG SIN CHUNG HUANYI	Executive Director	11	10	YES
ANIL NANDKISHOR BANGAD	Independent Non Executive	11	10	YES
PRADEEP CHANDRAKANT SHAH	Independent Non Executive	11	11	YES
SHABBIR SADRUDDIN MASANI	Independent Non Executive	9	8	YES

### 3. SHAREHOLDING OF PROMOTERS AND THEIR RELATIVES (Promoter Group)

The following are the details of the shares held by Promoters and their Relatives (Promoter Group) in the Company:

S. No.	Name of the Promoter/ Relative of Promoter	No. of Shares Held	% of Shares Held
1.	MR. RAJESH BHATWAL	33,49,500	40.84%
2.	MS. SHAKUNTALA BHATWAL	18,16,800	22.15%
3.	MS. MEERABAI BHATWAL	49,9000	0.60%
4.	MR. AALOK BHATWAL	2,40,000	2.93%
5.	MS. DEEPA BHATWAL	2,500	0.03%



	(KHATRI)		
6.	MS. PRACHI BHATWAL	100	-

#### 4. COMMITTEES OF THE BOARD:

Currently, the Board has Six Committees: the Audit Committee, Nomination & Remuneration Committee, Corporate Social Responsibility Committee, Stakeholders Relationship Committee and Internal Complaints Committee and Sexual Harassment Committee. All Committees, except the Corporate Social Responsibility Committee, Internal Complaints Committee and Sexual Harassment Committee consist entirely of Independent Directors.

The composition of the Committees and compliances, as per the applicable provisions of the Act and Rules, are as follows:

Name of the Committee	Composition of the Committee	Highlights of Duties, Responsibilities and Activities
<b>Audit Committee</b>	<b>Mr. Pradeep Chandrakant Shah</b>  <b>Mr. Rajesh Raghunath Bhatwal</b> <b>Mr. Anil Nandkishor Bangad</b>	1. The recommendation for appointment, remuneration and terms of appointment of Auditors of the Company  2. Review and monitor the Auditor's independence and performance, and effectiveness of audit process  3. Examination of the financial statement and the Auditors' Report thereon  4. Approval or any subsequent modification of transactions of the Company with Related Parties  5. Scrutiny of Inter-Corporate Loans and Investments
<b>Nomination and Remuneration Committee</b>	<b>Mr. Pradeep Chandrakant Shah</b>  <b>Mr. Rajesh Raghunath Bhatwal</b>  <b>Mr. Anil Nandkishor Bangad</b>	1. The level and composition of remuneration is reasonable and sufficient to attract, retain and motivate Directors of the quality required to run the Company successfully;  2. Relationship of remuneration to performance is clear and meets appropriate performance benchmarks; and

		3. Remuneration to Directors, Key Managerial Personnel and senior management involves a balance between fixed and incentive pay reflecting short and long-term performance objectives appropriate to the working of the Company and its goals
<b>Stakeholders relationship Committee</b>	<b>Mr. Pradeep Chandrakant Shah</b>  <b>Mr. Rajesh Raghunath Bhatwal</b>  <b>Mr. Anil Nandkishor Bangad</b>	1. The Committee reviews and ensures Redressal of Investor Grievances.  2. The Committee noted that all the Grievances of the Investors have been resolved during the year.
<b>Corporate Social Responsibility Committee</b>	<b>Mr. Rajesh Baghunath Bhatwal</b>  <b>Mrs. Shakuntala Rajesh Bhatwal</b>  <b>Mr. Pradeep Chandrakant Shah</b>	1. Recommend to the Board, a Corporate Social Responsibility Policy which shall indicate the activities to be undertaken by the company as specified in Schedule VII  2. Recommend the amount of expenditure to be incurred on the activities referred to in clause (a) and  3. Monitor the Corporate Social Responsibility Policy of the company from time to time.

### 5. EMPLOYEES:

Continuous Employee Training Programs including seminars conducted for upgrading their skills and knowledge in their respective areas.

### 6. INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY:

The Company including Subsidiaries has an adequate Internal Control System is designed to ensure operational efficiency, protection, conservation of resources, accuracy and promptness in financial reporting and compliance with laws and regulations. To maintain its objectivity and independence, the Internal Audit function reports to the Chairman of the Audit Committee of the Board & to the Chairman and Managing Director.

### 7. CLIENTS:

Highest priority and commitment to meet clients' requirements as stated in the Quality

Policy of the Company.

#### **8. OTHER STAKEHOLDERS:**

The Company is always concern about Clients, Franchisers, Customers, Suppliers, Competitors, Creditors and Local Community and strives to meet all expectations reasonably.

#### **9. SOCIETY:**

The Company is proactive towards Corporate Social Responsibility since the date of its incorporation.

#### **10. CORPORATE SOCIAL RESPONSIBILITY INITIATIVES:**

Pursuant to the provision of section 135 of the Companies Act, 2013 read with the Companies (Corporate Social Responsibility Policy) Rules, 2014, the Company has spent an amount of Rs. 50,00,000 on CSR activities during the Financial Year 2016-17 including an amount of Rs. 25,00,000 which remained unspent during the Financial Year 2015-16.

#### **11. GENERAL SHAREHOLDER INFORMATION:**

a) Financial Year: 2016-17

b) Name and Address of the Stock Exchange where the Shares are Listed:

**National Stock Exchange of India Limited, (Emerge Platform)  
Exchange Plaza, C-1, Block G,  
Bandra Kurla Complex, Bandra (E),  
Mumbai- 400 051.**

#### **12. DISCLOSURES:**

a) The related party details are disclosed in the notes to financial statements. The Register of Contracts containing the transactions in which Directors are interested is regularly placed before the Board for its approval.

b) During the last three years, there were no strictures or penalties imposed either by Securities and Exchange Board of India or the Stock Exchange or any Regulatory Authority for noncompliance of any matter related to the Capital Market.

c) To the extent possible, the Company has complied with the mandatory requirement of



this clause.

d) The Company has complied with all applicable Accounting Standards in preparation of its financial statements pursuant to the amended Schedule III of Companies Act, 2013.

e) Complied with the various statutory provisions and submitted the required information to the concerned authorities relating to the business affairs of the Company from time to time

## Auditors' Certificate on Corporate Governance

To,  
The Members of,  
**NITIRAJ ENGINEERS LIMITED,**  
Mumbai.

I have examined the compliance of conditions of Corporate Governance by M/s. NITIRAJ ENGINEERS LIMITED ("the Company") for the year ended on 31<sup>st</sup> March, 2017 as stipulated in Chapter IV of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 pursuant to the Listing Agreement of the Company with National Stock Exchange of India Limited.

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

In my opinion, and to the best of our information and according to the explanations given to us, we Certify that the Company has complied with the conditions of Corporate Governance as stipulated in Chapter IV of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 pursuant to the Listing Agreement of the Company with National Stock Exchange of India Limited.

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

Date: 04/09/2017  
Place: Nandurbar

*Sd/-*  
**CS Piyush Anilkumar Wani**  
Practicing Company Secretary  
M. No.: 46049  
COP. No.: 19225

**ANNEXURES****Annual Report on Corporate Social Responsibility (CSR)****[Pursuant to Section 135 of the Companies Act, 2013]**

Over the years, we have been focusing on sustainable business practices encompassing economic, environmental and social imperatives that not only cover our business, but also that of the communities around us. Our Corporate Social Responsibility (CSR), thus, is not limited to philanthropy, but also includes large initiatives that lead to social development.

**REPORTING : -**

The period for which CSR is being reported is from 01/04/2016 to 31/03/2017. It does not include any information about associate company. The Company has its own CSR policy.

During the year under review the Company has been carrying out the CSR activities through its own and as per the guidelines laid down in the CSR policy of the Company.

The Company has a Board Committee (CSR committee) that provides oversight of CSR policy execution to ensure that the CSR objectives of the Company are met. CSR committee comprises:

<b>Name of the Member</b>	<b>Designation</b>
MR. PRADEEP CHANDRAKANT SHAH	Chairman
MR. ANIL NANDKISHOR BANGAD	Member
MR. RAJESH RAGHUNATH BHATWAL	Member

Sr. No.	Particulars	Rs.	Rs.
	Details as per Audited Book of Account		
1	Amount to be spent on CSR Activities		0.00/-
2	Amount unspent during the F. Y. 2015-16		25,00,000/-
3	<b>Less:</b> Details of CSR spent during the financial year 2016-17.		
	Amount utilised	25,00,000/-	
	<b>Balance Unspent amount as on 31.03.2017</b>		<b>NIL</b>

**FOR NITIRAJ ENGINEERS LIMITED****PLACE :-** Mumbai**DATE :-** 04/09/2017**Rajesh Bhatwal***Managing Director***Shakuntala Bhatwal***Whole Time and  
Women Director*

**Annexure –  
MANAGEMENT DISCUSSION AND ANALYSIS**

**1. SUMMARY**

In this section, unless the context otherwise requires, a reference to "we", "us" and "our" refers to Nitiraj Engineers Limited. Unless otherwise stated or the context otherwise requires, the financial information used in this section is derived from our restated financial information. This section should be read together with "Risk Factors" on page 12 and "Industry Overview" on page 80 of this Prospectus..

**2. OVERVIEW**

We are an ISO 9001:2008 certified company, engaged in the manufacture and sale of wide range of Electronic Weighing Scales and Systems, Currency Counting Machines and Electronic Fare Meters. Our product portfolio range caters to both industrial and domestic consumption. Our products are manufactured at our manufacturing unit located at Parwanoo, Himachal Pradesh. We also have manufacturing facility at Silvassa, UT which is not under active use currently. We supply our products under the brand through our large network of dealers to our customers in India as well as abroad.

Our Company was originally incorporated as Nitiraj Engineers Private Limited under Part IX of the Companies Act, 1956 and the Certificate of Incorporation was issued by the Assistant Registrar of Companies, Maharashtra, Mumbai on April 1, 1999. Subsequently, our Company was converted into a Public Limited Company pursuant to Shareholders' Resolution passed at the Extra Ordinary General Meeting of Members of the Company held on June 8, 2015 and the name of our Company was changed to Nitiraj Engineers Limited vide a fresh Certificate of Incorporation dated June 22, 2015 issued by the Deputy Registrar of Companies, Maharashtra, Mumbai. The Registered Office of our Company is located at Mumbai and Corporate Office is located at Dhule in the State of Maharashtra.

Our Company now produces more than 1,00,000 Scales per year and have more than one million customers. We have been catering to customers' evolving needs effectively and have wide product range with well connected sales and service network of 13 branches and over 430 dealers.



### **3. PLANT LOCATION:**

The manufacturing facility of our Company is located at Plot No. 11-A, Sector - 2, Parwanoo, Tehsil Kasauli, Dist Solan, Himachal Pradesh.

Research & Development, Servicing, Purchases, Sales, Customer Support, Administration and Accounts are being handled from our corporate office at Dhule, Maharashtra.

### **4. RESEARCH AND DEVELOPMENT:**

We have well equipped Research & Development Department at the Corporate Office situated at Dhule, Maharashtra. Team of qualified and experienced engineers equipped with modern facilities are engaged in designing and developing electronic hardware and software.

At our Tool Room section in the Parwanoo site, designing & development related to mechanical and plastic parts are undertaken. This tool room is equipped with modern facilities like Vertical Machining Centres (VMCs), Electrical Discharge Machining (EDM), Wire-cut, profile projector as well as sophisticated designing software.

The R & D team carries out regular research and analysis alongwith client studies enabling us to be at par with international players so that there is an ongoing innovation which is reflected in all our products.

### **5. COMPETITION:**

Domestically, we believe that there are no listed companies in India which are engaged in the same business with an equivalent product mix as our Company. However, we face competition from several Indian manufacturers like Devishree Mudran Pvt. Ltd. (Dolphin), Apple Weighinfra Limited, Precision Electronics Instrument Co. (Gold Tech), Sansui Electronics Pvt. Ltd. etc. The major factors which affect competition in our business are product quality, pricing and client servicing. Internationally, competition comes from low-cost products, which are manufactured in China and quality products, which are manufactured in Germany, Italy, Japan etc.

## **6. BRANCH NETWORKS:**

Our Company's strength lies in the Sales Network, comprising of over 84 personnel spread over 13 branch offices across India.

Front-ender (Sales Executive) is the link between customer and the company. Proper communication from front-ender through middle management to the top management, brings out clear requirements of the customers.

We conduct seminars for our Sales people at regular intervals where people from the field interact with each other and share their field experiences. We also update our Sales people with new product developments at these seminars and also seek their suggestions in improving the products of our Company.

## **7. SWOT ANALYSIS:**

### **STRENGTH**

- Successful and growth oriented business history of over 25 years.
- A well renowned brand in field of electronic weighing scales.
- Wide variety of products catering to various client segments.
- ISO 9001:2008, BIS certification and approvals from Legal Metrology Department of Govt. Of India.
- Large marketing, service and dealer network, with 13 branch offices and 400+ dealers across India.
- More than 1 million customers.
- In-house R&D, Tool Room and Moulding facility.
- Continuous new product development

### **WEAKNESS**

- Low entry barrier.
- Dependence on fiscal incentives for better margins.

**OPPORTUNITIES**

- Huge potential in marketing of specialised weighing scales for Infant and Child care run by Aanganwadis and other Government establishments.
- Demand of weighing scale systems spurred by high growth in retail and logistics sector.
- Growth in financial sector and preference for automated currency counting and detection machines.

**THREATS**

- Competition from unorganized sector in low-end products

**8. FUTURE PROSPECTS**

Based on our strengths and dedicated management team we believe that we are well positioned to take advantage of the immense opportunities available for growth of our business. As part of our strategy of continuous new product development we are embarking on a program to extend and expand our product offerings. The proceeds of the present issue will be substantially utilized in development of new products and increase in the marketing network which is expected to bring benefits of enduring nature to our Company.

**9. BUSINESS STRATEGY PROCESS**

Our business is handled from our corporate office at Dhule, Maharashtra. The corporate office is also divided into different departments to handle sales and billing processes from different avenues. The Research and Development department is also situated within the corporate office

Our sales activity is channelized through these following streams:

- I) Sales from Branch Offices
- II) Sales made by Dealers
- III) Sales to the Institutions.

**DECLARATION OF INDEPENDENCE**

To,  
The Board of Directors,  
NITIRAJ ENGINEERS LIMITED  
Mumbai.

Subject: Declaration of independence under sub-section (6) of section 149 of the Companies Act, 2013 and the Regulation 16 of SEBI(LODR), Regulation, 2015

I, Anil Nandkishor Bangad (DIN: 07186755), hereby certify that I am a Non-Executive Independent Director of Nitiraj Engineers Limited, Mumbai and I comply with all the criteria of independent director as envisaged in the SEBI (Listing Obligation and Disclosure Requirements) Regulation, 2015 and the Companies Act, 2013.

**I certify that:**

1. I possess relevant expertise and experience to be an independent director in the Company;
2. I am/was not a promoter of the company or its holding, subsidiary or associate company;
3. I am not related to promoters / directors / persons occupying management position at the board level or level below the board in the company, its holding, subsidiary or associate company;
4. Apart from receiving director sitting fees / remuneration, I have/had no pecuniary relationship / transactions with the company, its promoters, its directors, its senior management or its holding, subsidiary or associate company, or their promoters, or directors, during the two immediately preceding financial years or during the current financial year;
5. Not any of my relatives has or had any pecuniary relationship or transaction with the company, its holding, subsidiary or associate company, or their promoters, or directors, amounting to 2% or more of its gross turnover or total income or 50 Lacs or such higher amount as may be prescribed, whichever is lower, during the two immediately preceding financial years or during the current financial year;
6. Neither me nor any of my relatives:
  - holds or has held the position of a key managerial personnel or is or has been employee/executive of the company or its holding, subsidiary or associate company in any of the three financial years immediately preceding the financial year;
  - is or has been an employee or proprietor or a partner, in any of the three financial years immediately preceding the financial year of;
  - a firm of auditors or company secretaries in practice or cost auditors of the company or its holding, subsidiary or associate company; or

- any legal or a consulting firm that has or had any transaction with the company, its holding, subsidiary or associate company amounting to 10% or more of the gross turnover of such firm;
  - holds together with my relatives 2% or more of the total voting power of the company; or
  - Is a Chief Executive or director, by whatever name called, of any non-profit organization that receives 25% or more of its receipts from the company, any of its promoters, directors or its holding, subsidiary or associate company or that holds 2% or more of the total voting power of the company; or
7. I am not a material supplier, service provider or customer or a lessor or lessee of the company;
8. I am not less than 21 years of age.

### **Declaration**

I undertake that I shall seek prior approval of the Board if and when I have any such relationship/ transactions, whether material or non-material. If I fail to do so I shall cease to be an independent director from the date of entering in to such relationship / transactions.

Further, I do hereby declare and confirm that the above said information are true and correct to the best of my knowledge as on the date of this declaration of independence and I shall take responsibility for its correctness and shall be liable for fine if any imposed on the Company, its directors, if the same found wrong or incorrect in future. I further undertake to intimate immediately upon changes, if any, to the Company for updating of the same.

**Thanking You,  
Yours faithfully,**

**Sd/-  
Anil Nandkishor Bangad  
(DIN: 07186755)  
Non-Executive and Independent Director**

**Date:  
Place:**

**DECLARATION OF INDEPENDENCE**

To,  
The Board of Directors,  
NITIRAJ ENGINEERS LIMITED  
Mumbai.

Subject: Declaration of independence under sub-section (6) of section 149 of the Companies Act, 2013 and the Regulation 16 of SEBI(LODR), Regulation, 2015

I, Pradeep Chandrakant Shah (DIN: 07186761), hereby certify that I am a Non-Executive Independent Director of Nitiraj Engineers Limited, Mumbai and I comply with all the criteria of independent director as envisaged in the SEBI (Listing Obligation and Disclosure Requirements) Regulation, 2015 and the Companies Act, 2013.

**I certify that:**

9. I possess relevant expertise and experience to be an independent director in the Company;
10. I am/was not a promoter of the company or its holding, subsidiary or associate company;
11. I am not related to promoters / directors / persons occupying management position at the board level or level below the board in the company, its holding, subsidiary or associate company;
12. Apart from receiving director sitting fees / remuneration, I have/had no pecuniary relationship / transactions with the company, its promoters, its directors, its senior management or its holding, subsidiary or associate company, or their promoters, or directors, during the two immediately preceding financial years or during the current financial year;
13. Not any of my relatives has or had any pecuniary relationship or transaction with the company, its holding, subsidiary or associate company, or their promoters, or directors, amounting to 2% or more of its gross turnover or total income or 50 Lacs or such higher amount as may be prescribed, whichever is lower, during the two immediately preceding financial years or during the current financial year;
14. Neither me nor any of my relatives:
  - holds or has held the position of a key managerial personnel or is or has been employee/executive of the company or its holding, subsidiary or associate company in any of the three financial years immediately preceding the financial year;
  - is or has been an employee or proprietor or a partner, in any of the three financial years immediately preceding the financial year of;
  - a firm of auditors or company secretaries in practice or cost auditors of the company or its holding, subsidiary or associate company; or

- any legal or a consulting firm that has or had any transaction with the company, its holding, subsidiary or associate company amounting to 10% or more of the gross turnover of such firm;
  - holds together with my relatives 2% or more of the total voting power of the company; or
  - Is a Chief Executive or director, by whatever name called, of any non-profit organization that receives 25% or more of its receipts from the company, any of its promoters, directors or its holding, subsidiary or associate company or that holds 2% or more of the total voting power of the company; or
15. I am not a material supplier, service provider or customer or a lessor or lessee of the company;
16. I am not less than 21 years of age.

### **Declaration**

I undertake that I shall seek prior approval of the Board if and when I have any such relationship/ transactions, whether material or non-material. If I fail to do so I shall cease to be an independent director from the date of entering in to such relationship / transactions.

Further, I do hereby declare and confirm that the above said information are true and correct to the best of my knowledge as on the date of this declaration of independence and I shall take responsibility for its correctness and shall be liable for fine if any imposed on the Company, its directors, if the same found wrong or incorrect in future. I further undertake to intimate immediately upon changes, if any, to the Company for updating of the same.

**Thanking You,  
Yours faithfully,**

**Sd/-  
Pradeep Chandrakant Shah  
(DIN: 07186761)  
Non-Executive and Independent Director**

**Date:  
Place:**

**DECLARATION OF INDEPENDENCE**

To,  
The Board of Directors,  
NITIRAJ ENGINEERS LIMITED  
Mumbai.

Subject: Declaration of independence under sub-section (6) of section 149 of the Companies Act, 2013 and the Regulation 16 of SEBI(LODR), Regulation, 2015

I, Shabbir Sadruddin Masani (DIN: 07553206), hereby certify that I am a Non-Executive Independent Director of Nitiraj Engineers Limited, Mumbai and I comply with all the criteria of independent director as envisaged in the SEBI (Listing Obligation and Disclosure Requirements) Regulation, 2015 and the Companies Act, 2013.

**I certify that:**

17. I possess relevant expertise and experience to be an independent director in the Company;
18. I am/was not a promoter of the company or its holding, subsidiary or associate company;
19. I am not related to promoters / directors / persons occupying management position at the board level or level below the board in the company, its holding, subsidiary or associate company;
20. Apart from receiving director sitting fees / remuneration, I have/had no pecuniary relationship / transactions with the company, its promoters, its directors, its senior management or its holding, subsidiary or associate company, or their promoters, or directors, during the two immediately preceding financial years or during the current financial year;
21. Not any of my relatives has or had any pecuniary relationship or transaction with the company, its holding, subsidiary or associate company, or their promoters, or directors, amounting to 2% or more of its gross turnover or total income or 50 Lacs or such higher amount as may be prescribed, whichever is lower, during the two immediately preceding financial years or during the current financial year;
22. Neither me nor any of my relatives:
  - holds or has held the position of a key managerial personnel or is or has been employee/executive of the company or its holding, subsidiary or associate company in any of the three financial years immediately preceding the financial year;
  - is or has been an employee or proprietor or a partner, in any of the three financial years immediately preceding the financial year of;
  - a firm of auditors or company secretaries in practice or cost auditors of the company or its holding, subsidiary or associate company; or



- any legal or a consulting firm that has or had any transaction with the company, its holding, subsidiary or associate company amounting to 10% or more of the gross turnover of such firm;
- holds together with my relatives 2% or more of the total voting power of the company; or
- Is a Chief Executive or director, by whatever name called, of any non-profit organization that receives 25% or more of its receipts from the company, any of its promoters, directors or its holding, subsidiary or associate company or that holds 2% or more of the total voting power of the company; or

23. I am not a material supplier, service provider or customer or a lessor or lessee of the company;

24. I am not less than 21 years of age.

### **Declaration**

I undertake that I shall seek prior approval of the Board if and when I have any such relationship/ transactions, whether material or non-material. If I fail to do so I shall cease to be an independent director from the date of entering in to such relationship / transactions.

Further, I do hereby declare and confirm that the above said information are true and correct to the best of my knowledge as on the date of this declaration of independence and I shall take responsibility for its correctness and shall be liable for fine if any imposed on the Company, its directors, if the same found wrong or incorrect in future. I further undertake to intimate immediately upon changes, if any, to the Company for updating of the same.

**Thanking You,  
Yours faithfully,**

**Sd/-  
Shabbir Sadruddin Masani  
(DIN: 07553206)  
Non-Executive and Independent Director**

**Date:  
Place:**



18<sup>th</sup> Annual General Meeting

**ATTENDANCE SLIP OF 18<sup>TH</sup> ANNUAL GENERAL MEETING  
NITIRAJ ENGINEERS LIMITED**

**CIN: U31909MH1999PLC119231**

**306-A, Babha Bldgn, M-Marg, Near Police Station, Mumbai-400011**

**Date:**

**Folio No:**

**DP/Client-ID No.:**

**Full Name of the Shareholder/ First Holder:** \_\_\_\_\_  
\_\_\_\_\_ (as appearing on share certificate/recorded with DP)

**Registered Address:** \_\_\_\_\_  
\_\_\_\_\_ **PIN -** \_\_\_\_\_

**Total number of Shares held (in number):**

**Share Certificate Nos.,**                      **From-** \_\_\_\_\_ **To-** \_\_\_\_\_  
(In case of physical holding)

I certify that I am a registered shareholder/proxy for the registered Shareholder of the Company and hereby record my presence at the 18<sup>th</sup> Annual General Meeting of the Company on Thursday, 28<sup>th</sup> September, 2017 at 10:30 a.m. at The Catholic Gymkhana Ltd. 47A, Netaji Subhas Road, Next to the Taraporevala Aquarium, Mumbai-400 002.

\_\_\_\_\_  
Member's/Proxy's name in Block Letters

\_\_\_\_\_  
Member's/Proxy's Signature

Note: Please fill this attendance slip and hand it over at the entrance of the hall.



**Form No. MGT-11  
PROXY FORM**

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

**To,  
NITIRAJ ENGINEERS LIMITED**

CIN: U31909MH1999PLC119231  
306-A, Babha Bldgn, M-Marg,  
Near Police Station, Mumbai-400011

**Folio No.:** \_\_\_\_\_  
**DP/Client-ID No.:** \_\_\_\_\_

Name of the Member(s): .....  
Registered Address: .....  
E-mail ID: .....

I/We being (a) shareholder (s) of the above named company holding (No.) \_\_\_\_\_ shares do hereby appoint

1) Name: .....  
Address: .....  
E-mail ID: .....  
Signature: ....., or failing him/her

2) Name: .....  
Address: .....  
E-mail ID: .....  
Signature: ....., or failing him/her



3) Name: ..... (optional)

Address: .....

E-mail ID: .....

Signature: .....

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the Annual General Meeting of the Nitiraj Engineers Limited to be held at 10:30 a.m. on the 28<sup>th</sup> day of September, 2017 at The Catholic Gymkhana Ltd. 47A, Netaji Subhas Road, Next to the Taraporevala Aquarium, Mumbai-400 002 and at any adjournment thereof.

Dated this \_\_\_\_\_ day of \_\_\_\_\_

Signature of Member

1)

2)

3)

Signature of Proxy holder(s)

No instrument of proxy shall be valid unless in the case of an individual shareholder, it is signed by him or by his attorney duly authorised in writing, or in the case of joint holders, it is signed by the shareholders first named in the Register or his attorney duly authorised in writing, or in the case of a Company, it is executed under its common seal, if any, or signed by its attorney duly authorized in writing.

Provided that an instrument of proxy shall be sufficiently signed by any shareholder, who is, for any reason, unable to write his name, if his mark is affixed thereto and attested by a Judge, Magistrate, Justice of the Peace, Registrar or Sub-Registrar of Assurances, or other Government Gazetted Officer.

A proxy, unless appointed by a Company, should be a Director of the Central Board/Member of the Local Board/Shareholder of the Nitiraj Engineers Limited, other than an officer or employee of the Nitiraj Engineers Limited.

No Proxy shall be valid unless it is duly stamped and unless it, together with the power of attorney or other authority (if any) under which it is signed, or a copy of that power of attorney or authority certified by a Notary Public or a Magistrate, is deposited with the Central Office or other office designated from time to time by the Chairman or Managing Director in this behalf, not less than 7 clear days before the date fixed for the meeting. (In case a power of attorney is already registered with the Company, the Folio No. and Registration No. of the power of attorney is also to be mentioned).

**Notes:**

- I. *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*
- II. *A single person can be proxy of not more than 50 shareholders and holding in aggregate not more than 10% of total share capital of the company. A shareholder holding more than 10% of total share capital of the company, can appoint a single person as its proxy, however, such person cannot be appointed as proxy of any other shareholder.*
- III. *The Nitiraj Engineers Limited, Secretarial Dept., Registered Office- 306-A, Babha Bldgn, M Marg, Near Police Station, Mumbai-400011 is authorized to accept the proxy form, power of attorney, authority or any other documents in this regard.*

## Independent Auditor's Report

To  
The Members,  
Nitiraj Engineers Limited,  
Mumbai

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

We have audited the accompanying standalone financial statements of Nitiraj Engineers Limited, which comprise the Balance sheet as at 31<sup>st</sup> March, 2017 and the Statement of Profit and Loss and the Cash Flow Statement of the company for the year then ended and a summary of significant accounting policies and other explanatory information.

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

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation and presentation of these standalone financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; 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 an opinion on these standalone financial statements based on our audit. We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made there under.

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making

those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on whether the company has in place an adequate internal financial controls system over financial reporting and the operating effectiveness of such controls. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial statements.

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

### **Opinion**

**According to Note 2A(g) on the Significant Accounting Policies the accounting of Gratuity Liability and Leave Encashment Liability on cash basis is not in accordance with Accounting Standard 15 on "Employee Benefits" issued by the Institute of Chartered Accountants of India.**

Subject to the above, in our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the 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 31<sup>st</sup> March, 2017, its profit for the year ended on that date and its Cash Flows for the same period.

### **Emphasis of Matters**

There is no matter in the Notes to the financial Statements , which require the immediate attention of the members apart from the above non compliance of the AS 15 issued by the Institute of Chartered Accountants of India

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

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the Annexure-A a statement on the matters specified in the paragraph 3 and 4 of the Order, to the extent applicable.
2. As required by Section 143 (3) of the Act, we report that:
  - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
  - (b) in our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
  - (c) the balance sheet, the statement of profit and loss and the Cash Flow dealt with by this Report are in agreement with the books of account;

- (d) in our opinion, the aforesaid standalone financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014;
- (e) on the basis of the written representations received from the directors as on 31<sup>st</sup> March 2017 taken on record by the Board of Directors, none of the directors are disqualified as on 31 March 2017 from being appointed as a director in terms of Section 164 (2) of the Act; and
- (f) With respect to the adequacy of the Internal Financial Controls over financial reporting of the company and the operating effectiveness of such controls, refer to our separate report in Annexure B
- (g) In our opinion and to the best of our information and according to the explanations given to us 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, we report as under
- i. the Company has no pending litigations having impact on its financial position;
  - ii. the Company does not have any material foreseeable losses, on long-term contracts including derivative contracts; and
  - iii. there has been no amount, required to be transferred, to the Investor Education and Protection Fund by the Company.
  - iv. The Company has not provided the disclosure in the standalone Ind AS financial statements as regards its holding and dealings in Specified Bank Notes as defined in the Notification S.O. 3407(E) dated the November 8, 2016 of the Ministry of Finance, during the period from November 8, 2016 to December 30, 2016. As explained to us the company was having several branches and locations across the country from where cash deposits were made. Thus it was not possible for the company to keep a track of the denominations of the notes in each location.

*Mumbai*  
*29<sup>th</sup> May, 2017*

For and on behalf  
**P. D. DALAL & CO.,**  
*Chartered Accountants,*  
Firm Reg No.102047W

(Aashish S. Kakaria)  
*Partner*  
Membership No.102915





## **Annexure A to the Independent Auditors Report**

The Annexure referred to in our Independent Auditors' Report to the members of the Nitiraj Engineers Limited on the standalone financial statements for the year ended 31<sup>st</sup> March, 2017, we report that:

- (i) (a) In our opinion the Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets on the basis of available information.
- (b) As informed to us the Company has a regular programme of physical verification of its fixed assets by which fixed assets are verified in a phased manner over a period of three years. In accordance with this programme, certain fixed assets were verified during the year and no material discrepancies were noticed on such verification. In our opinion, this periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its assets.
- (c) According to the information and explanations given to us the title deeds of the Immovable properties are held in the name of the company.
- (ii) As explained to us the inventory has been physically verified by the management during the year at reasonable intervals. In our opinion the frequency of such verification is reasonable. No material discrepancies noticed on physical verification of inventories as compared to the book record.
- (iii) In our opinion the Company has not granted any loans, secured or unsecured to companies, firms or other parties covered in the register maintained under section 189 of the Companies Act, 2013 ('the Act'). Therefore, sub clauses (a), (b) and (c) are not applicable.
- (iv) In our opinion and according to the information and explanations given to us the company has not given any loan or guarantee or security. In respect of investments made the company has complied with the provisions of section 186 of the Act.
- (v) In our opinion and according to the information and explanations given to us the company has not accepted any deposits during the year from the public within the meaning of provisions of section 73 to 76 of the companies act 2013 and the rules framed thereunder and there fore, the provisions of clause (v) of the Order are not applicable to the company.
- (vi) The maintenance of cost records under sub section(1) of section 148 of the Companies Act, 2013 is not applicable in view of rule 3 of the Companies Act (Cost Records and Audit) Amendment Rules 2014 and therefore, the provisions of clause (vi) of the Order are not applicable to the Company.
- (vii) In our opinion and according to the information and explanations given to us, there is an adequate internal control system commensurate with the size of the Company and the nature of its business with regard to purchase of inventory and fixed assets and sale of goods. We have not observed any major weakness in the internal control system during the course of the audit.
- (viii) The Central Government has not prescribed the maintenance of cost records

under section 148 (1) of the Act, for any of the services rendered by the Company.

- (ix) (a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, amounts deducted/accrued in the books of account in respect of undisputed statutory dues including provident fund, income tax, sales tax, wealth tax, service tax, duty of customs, value added tax, cess and other material statutory dues have been regularly deposited during the year by the Company with the appropriate authorities. As explained to us, the Company did not have any dues on account of employees' state insurance and duty of excise.

According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, income tax, sales tax, wealth tax, service tax, duty of customs, value added tax, cess and other material statutory dues were in arrears as at 31<sup>st</sup> March, 2017 for a period of more than six months from the date they became payable.

- (b) According to the information and explanations given to us, there are no material dues of income tax, sales tax, wealth tax, service tax, duty of customs, duty of excise, value added tax and cess which have not been deposited with the appropriate authorities on account of any dispute.
- (c) According to the information and explanations given to us there were no amounts which were required to be transferred to the investor education and protection fund in accordance with the relevant provisions of the Companies Act, 1956 (1 of 1956) and rules there under.
- (d) According to the information and explanations given to us, the company had raised Rs.2200.80 lacs by way of initial public offer by issuing 2200800 equity shares having face value of Rs.10 each at a premium of Rs.90 during the Financial Year 2016 - 2017.
- (x) The Company does not have any accumulated losses at the end of the financial year and has not incurred cash losses in the financial year and in the immediately preceding financial year.
- (xi) The Company has not defaulted in repayment of dues to financial institutions or banks. The company did not have borrowings by way of debentures.
- (xii) In our opinion the Company did not raise any money by way of Debt Instruments and term loans during the year.
- (xiii) In our opinion and according to the information and explanations given to us the company has paid or provided managerial remuneration in accordance with the requisite approval mandated by the provisions of section 197 read with schedule V of the Companies Act, 2013
- (xiv) In our opinion and according to the information and the explanations given to us, the Company is not a Nidhi company and therefore, the provisions of clause (xii) of the order are not applicable to the company.
- (xv) In our opinion and according to the information and the explanations given to us, and based on our examination of the records of the company, all transactions with the related parties are in compliance with section 177 and 188 of the Act where applicable and the details have been disclosed in the

financial statements as required by the applicable accounting standards.

- (xvi) In our opinion and according to the information and explanations given to us, the company has not entered into any non-cash transactions with directors or persons connected with him.
- (xvii) The company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934.

For and on behalf  
**P. D. DALAL & CO.,**  
*Chartered Accountants,*  
Firm Reg No.102047W

*Mumbai*  
*29<sup>th</sup> May, 2017*

(Aashish S. Kakaria)  
*Partner*  
Membership No.102915

## **Annexure "B" to the Independent Auditors Report**

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls over financial reporting of Nitiraj Engineers Limited as of 31st March, 2017 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

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

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

### **Auditors' Responsibility**

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

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

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

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

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the

preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of 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 procedure may deteriorate.

### **Opinion**

In our opinion, the company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 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 on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India.

*Mumbai*  
*29<sup>th</sup> May, 2017*

For and on behalf  
**P. D. DALAL & CO.,**  
*Chartered Accountants,*  
Firm Reg No.102047W

(Aashish S. Kakaria)  
*Partner*  
Membership No.102915

**Nitiraj Engineers Limited (Standalone)**  
**Balance Sheet as at 31 March, 2017**

[All Amounts Rs.]

Particulars	Note No.	As at 31.03.2017		As at 31.03.2016	
<b>EQUITY AND LIABILITIES</b>					
<b>Share Holders Funds</b>					
Share Capital	" 3 "	82,008,000		60,000,000	
Reserves & Surplus	" 4 "	494,152,407	<b>576,160,407</b>	256,293,208	<b>316,293,208</b>
<b>Current Liabilities</b>					
Short Term Borrowings	" 5 "	-		71,889,890	
Trade Payables	" 6 "	75,536,963	<b>75,536,963</b>	63,281,922	<b>135,171,809</b>
<b>TOTAL</b>			<b>651,697,370</b>		<b>451,465,017</b>
<b>ASSETS</b>					
<b>Non-Current Assets</b>					
Fixed Assets					
Tangible Assets	" 7 "	99,676,680		82,351,158	
Intangible Assets		8,362,940	<b>108,039,620</b>	4,995,520	<b>87,346,678</b>
Non-Current Investments					
Long Term Loans And Advances	" 8 "	220,104,925		10,102,925	
	" 9 "	72,684,872	<b>292,789,797</b>	44,148,055	<b>54,250,980</b>
<b>Current Assets</b>					
Inventories	"10"	114,310,764		198,421,996	
Trade Receivables	"11"	54,233,452		104,059,722	
Cash And Cash Equivalents	"12"	75,487,635		6,531,801	
Other Current Assets	"13"	6,836,106	<b>250,867,954</b>	853,840	<b>309,867,359</b>
<b>TOTAL</b>			<b>651,697,370</b>		<b>451,465,017</b>

See accompanying notes forming part of the financial statements

**For P.D.Dalal & Co.,**  
Chartered Accountants,  
Firm Registration No.102047W

**For Nitiraj Engineers Limited,**

(Aashish S. Kakaria)  
Partner  
Membership No.102915

(Rajesh R. Bhatwal) (Shakuntala R. Bhatwal)  
Managing Director Director  
Din No.00547575 Din No.01953906

Mumbai  
May 29, 2017

## Nitiraj Engineers Limited

Notes on the financial statements for the year ended 31 March, 2017

Particulars	As at 31.03.2017	As at 31.03.2016
<b>NOTE 3 - SHARE CAPITAL</b>		
Authorised Share Capital 9000000 Equity Shares of Rs. 10 each Pursuant to the members resolution the authorised capital of the company was increased from Rs.1 crore to Rs.6 crores and subsequently to Rs.9 crores by creation of additional 8000000 shares	90,000,000	90,000,000
<b>Issued, Subscribed &amp; Paid - up</b> 6000000 Equity Shares of Rs. 10 each, fully paid- up	<b>60,000,000</b>	<b>60,000,000</b>
The Company issued 2200800 fresh equity shares of face value of Rs.10 each by way of an Initial Public Offering during the year at a premium of Rs.90 per share	22,008,000	-
All Shares are Equity Shares of a Single Class having equal voting rights and other rights, preferences and restrictions including restrictions on distribution of dividend and repayment of capital.		
<b>EQUITY SHARES CAPITAL A/C</b>	<b>82,008,000</b>	<b>60,000,000</b>
Reconciliation of shares - (No. of shares)		
Equity shares at the beginning of the year	6,000,000	1,000,000
Add : Issue of shares during the year	2,200,800	5,000,000
Less : Shares forfeited / cancelled during the year	-	-
Equity shares at the end of the year	<b>8,200,800</b>	<b>6,000,000</b>
More than 5% shares held by each shareholder at the end		
<b>Name of shareholder</b>	<b>No of shares held</b>	
1. Mr. Rajesh Raghunath Bhatwal	3,349,500	3,305,000
2. Mrs. Shakuntala Rajesh Bhatwal	1,816,800	1,800,000
3. Mr. Yi Hung Sing	600,000	600,000
<b>NOTE 4 - RESERVES &amp; SURPLUS</b>		
<b>I Securities Premium Account</b>		
Balance at The Beginning of The Year		
Add : Amount received on Public Issue of Equity Shares	198,072,000	
Less : Utilised / During The Year		
Balance at The End of The Year	<b>198,072,000</b>	-
<b>II GENERAL RESERVE</b>		
Balance at the beginning of the year		
Add : Additions / Transfer during the year		-
Less : Utilised / during the year	-	-
Balance at the end of the year	-	-
<b>III SURPLUS / (DEFICIT) IN THE STATEMENT OF PROFIT AND LOSS</b>		
Balance at the beginning of the year	256,131,455	252,559,279
Add : Profit / (Loss) during the year	46,028,362	53,572,176
Add : MAT Credit available	(4,143,596)	-
	298,016,221	306,131,455
Less : Transfer to Reserve during the year	-	-
Interim Dividend paid during the year	1,800,000	-
Tax on the above Dividend	297,567	-
Bonus Shares Issued during the year	-	50,000,000
	2,097,567	50,000,000
Balance at the end of the year	295,918,654	256,131,455
<b>IV CAPITAL RESERVES</b>		
Cash Subsidy	161,753	161,753
	<b>494,152,407</b>	<b>256,293,208</b>



## Nitiraj Engineers Limited

Notes on the financial statements for the year ended 31 March, 2017

Particulars	As at 31.03.2017	As at 31.03.2016
<b>NOTE 5 - SHORT TERM BORROWINGS</b>		
Secured loans repayable on demand from bank		
Cash Credit hypothecation loan from Banks		
HDFC BANK LTD DHULE	-	71,889,890
(Secured against Hypothecation of Stock, Debtors, Equitable Mortgage of Nasik and Dhule Property, and Personal Guarantee of Directors)		
	<b>-</b>	<b>71,889,890</b>
<b>NOTE 6 - TRADE PAYABLE</b>		
Sundry Creditors	17,884,955	26,505,019
Advances from Customers	14,568,791	4,602,442
Other Liabilities	43,083,217	32,174,461
	<b>75,536,963</b>	<b>63,281,922</b>
<b>NOTE 8 - NON CURRENT INVESTMENTS</b>		
<b>OTHER INVESTMENTS</b>		
<b>INVESTMENTS (Unquoted) (Long Term ) (At cost)</b>		
690 Shares of 10 each of Merchant Co-op. Bank Ltd	6,905	6,905
<b>In Associates</b>		
Equity Shares of Hyper Drive Information Technologies Private Limited	20,004,000	10,002,000
3334 Equity Shares of Rs.10 each at a premium of Rs.5990 per share (Unquoted) (Long Term )		
<b>In Mutual Funds - Quoted</b>		
HDFC MUTUAL FUND	40,000,000	-
[NAV Rs.4,00,77,262 as at 31st March 2017]		
ICICI PRUDENTIAL Mutual Fund	80,000,000	-
[NAV Rs.8,04,50,015 as at 31st March 2017]		
BIRLA SUNLIFE MUTUAL FUND	70,000,000	
[NAV Rs.7,03,72,109 as at 31st March 2017]		
FRANKLIN TEMPLETON MUTUAL FUND	10,000,000	
[NAV Rs.1,00,21,064 as at 31st March 2017]		
National Savings Certificate	94,020	94,020
	<b>220,104,925</b>	<b>10,102,925</b>
<b>NOTE 9 - LONG TERM LOANS AND ADVANCES</b>		
[Unsecured, considered good, except otherwise stated]		
Advances recoverable in cash or kind or for value to be received	43,614,840	17,378,169
Deposits	15,295,630	10,130,406
Stock of Gold	1,669,650	1,683,650
Advance Payment of Taxes (Net of Provisions)	12,104,752	14,955,830
	<b>72,684,872</b>	<b>44,148,055</b>
<b>NOTE 10 - INVENTORIES [Valued at Cost]</b>		
[As Valued, Verified and Certified by the Management]		
Raw Materials	105,009,864	104,557,448
Work in progress	-	284,329
Stock in Trade	999,505	999,505
Finished Goods	8,301,395	92,580,714
	<b>114,310,764</b>	<b>198,421,996</b>
<b>NOTE 11 - TRADE RECEIVABLES</b>		
<b>SUNDRY DEBTORS</b>		
[Unsecured, considered good except otherwise stated]		
Over Six Months	1,590,168	1,590,168
Others	52,643,284	102,469,554
	<b>54,233,452</b>	<b>104,059,722</b>
<b>NOTE 12 - CASH AND CASH EQUIVALENTS</b>		
Cash in hand and remittance in transit	2,401,137	2,765,784
Balances with Banks :		
Scheduled Banks		
Current Account	49,907,857	878,762
Fixed Deposit Accounts	3,098,641	2,887,255
IPO Escrow Account	20,080,000	
	<b>75,487,635</b>	<b>6,531,801</b>
<b>NOTE 13 - OTHER CURRENT ASSETS</b>		
Interest Receivable	920,454	
Unamortized Expenditure	5,915,652	853,840
	<b>6,836,106</b>	<b>853,840</b>

## Nitiraj Engineers Limited

Statement of Profit and Loss for the year ended 31 March, 2017

[Amount in Rs.]

Particulars	Note No.	For the year ended 31st March, 2017	For the year ended 31st March, 2016
<b>Continuing Operations</b>			
Revenue from Operations (Net)	" 14 "	534,925,476	563,944,576
Other Income	" 15 "	3,086,469	1,482,821
<b>Total Revenue</b>		<b>538,011,945</b>	<b>565,427,397</b>
<b>Expenses</b>			
Cost of Materials Consumed	" 16 "	178,686,574	350,950,791
Changes in Inventory	" 17 "	84,563,648	(76,906,842)
Employee Benefit Expenses	" 18 "	52,996,392	46,065,955
Finance Cost	" 19 "	5,069,393	7,449,812
Depreciation	" 20 "	8,975,027	9,546,385
Other Expenses	" 21 "	135,098,130	153,370,386
Corporate Social Responsibility		2,000,000	2,500,000
Service Tax		2,094,419	2,078,734
<b>Total Expenses</b>		<b>469,483,583</b>	<b>495,055,221</b>
Profit before Tax		<b>68,528,362</b>	<b>70,372,176</b>
Net profit after exceptional items		<b>68,528,362</b>	<b>70,372,176</b>
Tax Expenses			
Current Tax		22,500,000	16,800,000
Deferred Tax		-	-
Total Tax Expenses		22,500,000	16,800,000
<b>Profit for the year</b>		<b>46,028,362</b>	<b>53,572,176</b>
<b>Earnings per share of Rs.10 each</b>			
Basic Earnings per share		5.61	8.93
Diluted Earnings per share		5.61	8.93

See accompanying notes forming part of the financial statements

**For P.D.Dalal & Co.,**  
Chartered Accountants,  
Firm Registration No.102047W

**For Nitiraj Engineers Limited,**

(Aashish S. Kakaria)  
Partner  
Membership No.102915

(Rajesh R. Bhatwal) (Shakuntala R. Bhatwal)  
Managing Director Director  
Din No.00547575 Din No.01953906

Mumbai  
May 29, 2017

## Nitiraj Engineers Limited

Notes on the financial statements for the year ended 31st March, 2017

Particulars	For the year ended 31st March, 2017	For the year ended 31st March, 2016
<b>NOTE 14 - REVENUE FROM OPERATIONS</b>		
<b>Sales of Manufactured Goods</b>	678,046,008	609,914,887
<i>Less : Inter Unit Sales</i>	87,556,235	
Less : Local and Central Sales Tax	55,623,421	46,704,184
Net Sales of Manufactured Goods	534,866,352	563,210,703
<b>Sales of Traded Goods</b>	-	16,875
<b>Sales of Services</b>		
Net Income from AMC Charges		
AMC Charges received during the year	1,697,657	2,328,600
Less : Consumption of Raw Material	1,065,005	1,012,549
Less : Salaries & Other Expenses	573,528	599,053
	59,124	716,998
<b>Other Operating Revenue</b>	-	-
	<b>534,925,476</b>	<b>563,944,576</b>
<b>NOTE 15 - OTHER INCOME</b>		
Interest	1,769,868	244,939
Other Income	1,316,601	1,237,882
	<b>3,086,469</b>	<b>1,482,821</b>
<b>NOTE 16 - COST OF MATERIALS CONSUMED</b>		
Raw Material Consumption	178,686,574	350,950,791
	<b>178,686,574</b>	<b>350,950,791</b>
<b>NOTE 17 - CHANGES IN INVENTORY</b>		
Inventories at the end of the year		
Finished Goods	9,014,528	93,293,847
Material - in - Progress	-	284,329
	9,014,528	93,578,176
Inventories at the beginning of the year		
Finished Goods	93,293,847	16,389,543
Material -in-progress	284,329	281,791
	93,578,176	16,671,334
Net ( Increase ) / Decrease	<b>84,563,648</b>	<b>(76,906,842)</b>
<b>NOTE 18 - EMPLOYEE BENEFIT EXPENSES</b>		
Payments to & Provision for Employees :		
Salaries, Wages and Bonus	27,521,716	22,659,407
Contribution to Provident & Other Funds	2,557,900	2,464,824
Other Benefits	18,396,776	15,169,955
Salary to Managing Director & Directors	4,520,000	5,771,769
	<b>52,996,392</b>	<b>46,065,955</b>
<b>NOTE 19 - FINANCE COST</b>		
Interest on Loan from HDFC Bank Cash Credit	4,542,469	5,142,700
Bank Charges	526,924	2,307,112
	<b>5,069,393</b>	<b>7,449,812</b>

## Nitiraj Engineers Limited

Notes on the financial statements for the year ended 31 March , 2017

Particulars	For the year ended 31st March, 2017	For the year ended 31st March, 2016
<b>NOTE 20 - DEPRECIATION</b>		
Depreciation on		
Buildings	2,358,914	2,505,709
Plant and Machineries	3,548,287	3,110,131
Electric Installation	176,183	183,409
Office Equipments	411,787	386,254
Furniture and Fixtures	610,000	586,120
Computers	1,176,401	1,958,933
Vehicles	693,455	815,829
	<b>8,975,027</b>	<b>9,546,385</b>
<b>NOTE 21 - OTHER EXPENSES</b>		
<b>MANUFACTURING EXPENSES</b>		
Power & Fuel	2,982,219	2,868,927
Labour and Processing Charges	32,358,865	37,970,857
	35,341,084	40,839,784
<b>SELLING AND OTHER EXPENSES</b>		
Commission to Selling Agents	11,679,481	4,365,304
Stamping Fee	21,057,024	18,907,529
Export Expenses	63,732	83,707
Advertisement	8,472,306	17,783,614
Transportation & Handling Charges [Net]	17,989,370	17,045,321
Tender Expenses	112,730	72,762
	59,374,643	58,258,237
<b>OTHER EXPENSES</b>		
Repairs & Maintenance of :		
Buildings	146,113	268,987
Plant & Machinery	43,749	31,127
Others	1,813,153	1,553,900
Rent	893,734	829,986
Rates & Taxes	4,740,933	1,118,469
Insurance [Net]	1,460,759	1,377,909
Telephone Exp.	1,793,969	1,953,675
Donations	3,078,800	17,556,201
Software & Computer Exp.	1,480,444	5,969,099
Professional Fees	559,469	559,018
Travelling	15,951,540	14,936,092
Loss on Sale of Assets	-	38,406
Sundry balances written off / written back	222,512	813,477
Preliminary Expenses written off	1,478,913	
Miscellaneous Expenses	6,023,565	6,822,019
	39,687,653	53,828,365
Payment to Auditors comprises of -		
As Auditors	594,750	444,000
For Taxation Matters	100,000	-
	694,750	444,000
	<b>135,098,130</b>	<b>153,370,386</b>

## Note 7 - Statement of Fixed Assets of Income Tax Act as on 31.03.2017

(All Amounts in Rs.)

Particulars	Rate of Depreciation	WDV As on 1.4.16	Additions		Deductions	Total as on 31.03.17	Depreciation for the year	WDV as on 31-03-17
			> Than 180 Days	< Than 180 Days				
<b>Tangible Assets</b>								
Buildings :								
A] Factory Building	10% 5%	2,662,356	-	-	-	2,662,356	20,622 -	2,641,734
B] Office Building	10% 5%	10,557,583	13,900	734,891	- -	11,306,374	1,054,373 36,745	10,215,256
C] Guest House	5% 3%	24,943,477	-	-	-	24,943,477	1,247,174 -	23,696,303
Land		4,083,760	-	-	-	4,083,760	-	4,083,760
Plant & Machinery	15% 7.5%	21,934,964 -	2,349,593 -	- 21,215,738	- -	45,500,295	3,293,899 254,388	41,952,007
Electrical Installations	10% 5%	2,241,138 -	- -	- 165,021	- -	2,406,159	167,932 8,251	2,229,976
Office Equipments	15% 7.5%	2,451,922 -	360,914 -	- 278,148	- -	3,090,984	390,926 20,861	2,679,197
Furniture & Fixtures	10% 5%	6,762,900 -	98,811 -	- 123,454	- -	6,985,165	603,912 6,087	6,375,166
Vehicles	15% 7.5%	5,214,484 -	- -	- -	- -	5,214,484	693,455 -	4,521,029
Computers	60% 30%	1,498,580 -	199,526 -	- 760,555	- -	2,458,661	1,011,038 165,363	1,282,260
<b>Total</b>		<b>82,351,164</b>	<b>3,022,744</b>	<b>23,277,807</b>	<b>-</b>	<b>108,651,715</b>	<b>8,975,027</b>	<b>99,676,688</b>
<b>Intangible Assets</b>								
Software Development		4,995,520	-	-		4,995,520	-	4,995,520
Research & Development		-		2,903,328		2,903,328		2,903,328
<b>Total</b>		<b>4,995,520</b>	<b>-</b>	<b>2,903,328</b>	<b>-</b>	<b>7,898,848</b>	<b>-</b>	<b>7,898,848</b>
<b>Grand Total</b>		<b>87,346,684</b>	<b>3,022,744</b>	<b>26,181,135</b>	<b>-</b>	<b>116,550,563</b>	<b>8,975,027</b>	<b>107,575,536</b>

# Nitiraj Engineers Limited

Cash Flow Statement for the year ended 31 March, 2017

[All Amounts Rs.]

	For the year ended 31st March 2017		For the year ended 31st March 2016	
<b>A.) CASH FLOW FROM OPERATING ACTIVITIES</b>				
Net profit after tax and extraordinary items adjustments for:		46,028,362		53,572,176
Depreciation on Fixed Assets	8,975,027		9,546,385	
(Profit)/Loss on Sale of assets	-		38,406	
Others (Dividend & Tax)	(2,097,567)			
MAT Credit available	(4,143,596)	2,733,864		9,584,791
<b>Operating profit before working capital changes</b>		48,762,226		63,156,967
<b>Adjustments for :</b>				
Decrease (Increase) in Investments	(210,002,000)		(10,002,000)	
Decrease (Increase) in Loans & Advances	(28,536,817)		1,672,919	
Decrease (Increase) in Receivables	49,826,270		(41,936,773)	
Decrease (Increase) in Inventories	84,111,232		(68,780,756)	
Decrease (Increase) in Other Current Assets	(5,982,266)		(853,840)	
Increase / (Decrease) in Deferred Tax Liabilities	-		-	
Increase / (Decrease) in Trade Payables	12,255,041		13,797,004	
Increase / (Decrease) in Short Term Provisions	-		-	
		(98,328,540)		(106,103,446)
<b>Operating profit after working capital changes</b>		(49,566,314)		(42,946,483)
<b>B.) CASH FLOW FROM INVESTING ACTIVITIES</b>				
(Purchase) Of Fixed Assets	(26,300,551)		(8,026,486)	
Sale of fixed assets			7,000	
Investment made (Net)				
(Investment) in Intangibles	(3,367,420)			
<b>Net cash from investing activities</b>		(29,667,971)		(8,019,486)
<b>C.) CASH FLOW FROM FINANCIAL ACTIVITIES</b>				
Issue of Share Capital & Share premium received	220,080,000			
Increase / (Repayment of Long Term Borrowings)	-			
Increase / (Repayment of Short Term Borrowings)	(71,889,890)		51,662,645	
<b>Net cash used in financial activities</b>		148,190,114		51,662,645
<b>Net increase/(decrease) in Cash and Cash Equivalents</b>		68,955,834		696,672
Cash and cash equivalent at the beginning of the year		6,531,801		5,835,130
Cash and cash equivalent at the end of the year		75,487,635		6,531,801

See accompanying notes forming part of the financial statements

In terms of our report attached

**For P.D.Dalal & Co.,**  
Chartered Accountants,  
Firm Registration No.102047W

**For Nitiraj Engineers Limited,**

(Aashish S. Kakaria)  
Partner  
Membership No.102915

(Rajesh R. Bhatwal) (Shakuntala R. Bhatwal)  
Managing Director Director  
Din No.00547575 Din No.01953906

Mumbai  
May 29, 2017

## Nitiraj Engineers Limited

Notes forming part of the Financial Statements for the year ended 31<sup>st</sup> March, 2017

1. Corporate Information :

Nitiraj Engineers was incorporated in April 1999 as a private limited company. The company is engaged in the manufacturing and selling of a variety of Electronic Weighing Scales, Currency Counting Machines, Taxi Fare Meters etc.  
The company was converted into a Limited Company on 22<sup>nd</sup> June, 2015 and the new name of the company is Nitiraj Engineers Limited. The company launched its Initial Public Offer of equity shares during the year and got listed on the NSE Emerge [SME] Exchange.
  2. The Significant Accounting Policies followed by the company are as stated below
- A. BASIS OF ACCOUNTING POLICIES:
- a) Account Convention:

The financial statements of the Company have been prepared in accordance with the Generally Accepted Accounting Principles in India (Indian GAAP) to comply with the Accounting Standards notified under the Companies (Accounting Standards) Rules, 2006 (as amended) and the relevant provisions of the Companies Act, 2013. The financial statements are prepared under the historical cost convention on an accrual basis in accordance with applicable accounting standards, **except** for accounting of liability of Gratuity & Leave encashment which is accounted on cash basis  
The accounting policies adopted in the preparation of the financial statements are consistent with those followed in the previous year.
  - b) Fixed Assets :-

Fixed Assets are stated at cost less depreciation.  
Intangible Assets  
The company has debited the Research & Development expenditure incurred on development on new technologies and products under the Intangible assets.
  - c) Depreciation  
During the year the company has charged depreciation on its fixed assets as per the rates prescribed under the Income Tax Act under the Written Down Value Method on assets put to use.
  - d) Translation of Foreign Currency Items:

Transactions in foreign currency are recorded at the rate of exchange in force at the date of transaction. Gains and losses resulting from the settlement of such transactions are recognized in the statement of profit & loss.
  - e) Investments:

Long term Investment are stated at cost. The company has bought during the year 1667 equity shares of Hyperdrive Information Technologies Private Limited having a face value of Rs.10 each at a premium of Rs.5990 per share thereby making it an associate company.
  - f) Inventories  
Inventories are valued at the lower of the cost and estimate net realizable value. Cost of inventories is computed on FIFO Basis. Finished goods and work in progress include costs of conversion and other cost incurred in bringing the inventories to their present location and condition. Obsolete, defective and unserviceable stocks are duly provided for.

g) Retirement Benefits:  
Retirement benefits viz. Gratuity and Leave encashment are being accounted as and when paid. The company has not provided for Gratuity as per AS 5 "Employee Benefits" issued by the Institute of Chartered Accountants of India. In the absence of information the effect on the profitability cannot be quantified.

h) Taxes on Income  
Provision for the current tax is made on the basis of estimated taxable income for the current accounting period and in accordance with the provisions as per the Income Tax Act.

There is no deferred tax as there is no "Timing Difference" between book and taxable profit for the year, which is accounted for using the tax rates and laws that have been enacted or substantially enacted as on the balance sheet date. The deferred tax asset is recognized and carried forward only to the extent that there is reasonable certainty that the assets will be adjusted in the future.

i) Dividend  
During the year the company had declared an interim dividend of 3% on its equity shares having a record date of 5<sup>th</sup> November, 2016. The paid up capital as on that date was Rs.6,00,00,000 divided into 60,00,000 equity shares of Rs.10 each.

j) Research & Development Expenditure  
Revenue Expenditure is charged to the Profit & Loss Account and capital expenditure is added to the cost of Fixed Assets in the year in which it is incurred. The company is pursuing development of new technologies and has capitalized the expenditure incurred on the R&D.

k) Provisions, Contingent liabilities and Contingent Assets

Provisions are recognized only when :

- i) The company has a present obligation as a result of past events
- ii) A probable outflow of resources is expected to settle the obligation and
- iii) The amount of obligation can be reliably estimated

Since the company has not provided for Gratuity and Leave encashment as per AS 5 "Employee Benefits" issued by the Institute of Chartered Accountants of India, Contingent Liability arising from post employment benefit obligations cannot be quantified.

Contingent Assets are neither recognized nor disclosed in the financial statements.

l) 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.



## Earnings Per Share [Basic and Diluted]

	2016 – 2017	2015 - 2016
Net Profit after tax	Rs.4,60,28,362	Rs.5,35,72,176
Number of Equity Shares	82,00,800	60,00,000
Nominal Value of Shares	Rs.10 per share	Rs.10 per share
Basic Earnings per Share	Rs.5.61	Rs.8.93

## m) Miscellaneous Expenditure

During the year the company has capitalized the expenditure incurred on its Initial Public offer and also the expenditure incurred for long term marketing. It is writing off this expenditure over a period of five years.

## B. Segment Reporting

The company is operating one manufacturing unit in Himachal Pradesh producing electronic weighing scales and other products. Hence there are no reportable segments under Accounting Standard -17. The conditions prevailing in India being uniform no separate geographical disclosures are considered necessary.

## C. In the opinion of the Board, subject to the debts considered doubtful, Current Assets and Loans and Advances have a value on realization in the ordinary course of business at least equal to the amount amount at which they are stated in the Balance Sheet.

## D. Related Party Disclosure

Key Management personnel comprise of the promoters / directors of the company

- 1) Rajesh R. Bhatwal
- 2) Shakuntala R. Bhatwal
- 3) Yi Hung Sin

[Amount Rs.]

Sr.No.	Particulars	Nature of transaction	2016 – 2017	2015 - 2016
1	Key Management Personnel			
	Mr.Rajesh Raghunath Bhatwal	Salaries	36,02,765	41,04,998
	Mrs.Shakuntala Rajesh Bhatwal	Salaries	4,81,965	4,04,998
	Mr. Yi Hung Sin	Salaries	4,44,165	6,04,998
	Mr.Rajesh Raghunath Bhatwal	Professional Fees	9,00,000	9,00,000
	Mrs.Shakuntala Rajesh Bhatwal	Fees	9,00,000	9,00,000
2	Hyper Drive Information Technologies Pvt Ltd [Associate]	Purchase of 1667 Equity Shares of Rs.10 each at a premium of Rs.5990 per share	1,00,02,000	1,00,02,000

Related parties are as identified by the management and relied upon by the auditors

E) Previous Years Figures

Previous year's figures have been regrouped / reclassified wherever necessary to correspond with the current year's classification / disclosure.

F) Utilisation of money raised through Initial Public Offer

During the year ending 31st March, 2017 the company had raised Rs.2200.80 lacs by way of initial public offer by issuing 2200800 equity shares having face value of Rs.10 each at a premium of Rs.90 which was fully subscribed. Pursuant to the provisions of clause 43 of the listing agreement with the exchange, the disclosure is as follows: The utilisation of the issue proceeds as on 31st March 2017 is as under:

Utilisation planned as per prospectus

Particulars	Utilisation planned as per prospectus	Utilisation of IPO proceeds as on 31 <sup>st</sup> March, 2017	[Amt Rs.Lacs]
			Balance Amount to be utilized as on 31 <sup>st</sup> March, 2017
Development of new products	525.00	-	525.00
Setting up manufacturing Unit for the existing and new range of products	575.00	200.35	374.65
Expansion of Marketing Network and Brand building	500.00	-	500.00
General Corporate Purposes	500.00	-	500.00
Issue Expenses	100.80	54.56	46.24
<b>Total</b>	<b>2200.80</b>	<b>254.91</b>	<b>1945.89</b>

\* The above unutilised proceeds from the Issue have been deployed in Mutual Funds and partly are in the Bank Account.

G) Values of Export Sales on Machines & Spares Sales during the financial year

	2016-17	2015-16
Machines Sales	22,83,231	21,67,646
Spares Sales	1,05,445	79,162

H) Values of all imported raw material, spares parts and components Purchase during the financial year.

	2016-17	2015-16
Raw Material (Imported)	4,81,24,537	5,28,93,100
Exchange Rate Variation	3,75,081	5,53,560

- I) The Company is in the process of identifying SSI units amongst its creditors, hence the information regarding dues to SSI units is not disclosed presently
- J) Creditors, Debtors (Including Credit Balances) Advances etc, are subject to confirmation and reconciliation
- K) Valuation of stock is taken as certified by the management.

For and on behalf of  
**P.D.Dalal & Co.,**  
*Chartered Accountants,*  
Firm Reg. No..102047W

(Aashish S. Kakaria)  
*Partner*  
Membership No.102915

*Mumbai*  
*29<sup>th</sup> May, 2017*

## Independent Auditor's Report

To  
The Members,  
Nitiraj Engineers Limited,  
Mumbai

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

We have audited the accompanying financial statements of Nitiraj Engineers Limited [*hereinafter referred to as the Holding Company*] and consolidated the financials of Hyper Drive Information Technologies Private Limited [*hereinafter referred to as the Associate Company*] and [*both jointly referred to as the Group*] with that of the Holding company which comprise the Consolidated Balance sheet as at 31<sup>st</sup> March, 2017 and the Consolidated Statement of Profit and Loss and the Consolidated Cash Flow Statement of the company for the year then ended and a summary of significant accounting policies and other explanatory information.

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

The Holding 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 Consolidated financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income , consolidated cash flows and change in equity of the Group including its associates 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.

The respective Board of Directors of the companies included in the Group and of its associate are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group 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 the 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, which have been used for the purpose of preparation of the consolidated Ind AS financial statements by the Board of Directors of the Holding Company, as aforesaid

### **Auditor's Responsibility**

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

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Holding Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on whether the company has in place an adequate internal financial controls system over financial reporting and the operating effectiveness of such controls. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Holding Company's Directors, as well as evaluating the overall presentation of the consolidated financial statements.

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

We did not audit the financial statements of the associate company whose financial statements reflect total assets of Rs.9.44 crore as at March 31, 2017 total revenues of Rs.3.35 crore for the year then ended, as the case may be, on that date and financial statements of the associate company in which the share of net profit of the Holding Company is Rs.1608. These financial statements have been audited by other auditors whose reports have been furnished to us and our opinion is based solely on the reports of the other auditors.

Our opinion on the consolidated Ind AS financial statements, and our report on Other Legal and Regulatory Requirements below is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditors and the financial statements certified by the Management.

### **Opinion**

**According to Note 2A(g) on the Significant Accounting Policies the accounting of Gratuity Liability and Leave Encashment Liability on cash basis of the Holding Company is not in accordance with Accounting Standard 15 on "Employee Benefits" issued by the Institute of Chartered Accountants of India.**

Subject to the above, in our opinion and to the best of our information and according to the explanations given to us, the aforesaid Consolidated financial statements give the information required by the Act in the manner so required and give a true and fair view, in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31<sup>st</sup> March, 2017, its profit for the year ended on that date and its Cash Flows for the same period.

## **Emphasis of Matters**

There is no matter in the Notes to the financial Statements , which require the immediate attention of the members apart from the above non compliance of the AS 15 issued by the Institute of Chartered Accountants of India

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

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the Annexure-A a statement on the matters specified in the paragraph 3 and 4 of the Order, to the extent applicable.
  
2. As required by Section 143 (3) of the Act, we report that:
  - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated Ind AS financial statements.
  
  - (b) in our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated Ind AS financial statements have been kept so far as it appears from our examination of those books and the reports of the other auditors;
  
  - (c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss (including Other Comprehensive Income) and the Consolidated Cash Flow Statement dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements;
  
  - (d) in our opinion, the aforesaid Consolidated financial statements comply with the Accounting Standards specified under Section 133 of the Act
  
  - (e) On the basis of the written representations received from the directors of the Holding Company as on March 31, 2017 taken on record by the Board of Directors of the Holding Company and the reports of the statutory auditors of its associate company, none of the directors of these entities is disqualified as on March 31, 2017 from being appointed as a director in terms of Section 164 (2) of the Act.
  
  - (f) With respect to the adequacy of the Internal Financial Controls over financial reporting of the company and the operating effectiveness of such controls, refer to our separate report in Annexure B which is based on the auditors' reports of the associate company.
  
  - (g) In our opinion and to the best of our information and according to the explanations given to us 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, we report as under
    - i. the Holding Company and its Associate Company has no pending litigations having impact on the financial position of the Group;

- ii. the Group does not have any material foreseeable losses, on long-term contracts including derivative contracts; and
- iii. there has been no amount, required to be transferred, to the Investor Education and Protection Fund by the Company.
- iv. The Holding Company has not provided the disclosures in its consolidated Ind AS financial statements as to holdings as well as dealings in Specified Bank Notes as defined in the Notification S.O. 3407(E) dated the 8th November, 2016 of the Ministry of Finance, during the period from November 8, 2016 to December 30, 2016. As explained to us the holding company was having several branches and locations across the country from where cash deposits were made. Thus it was not possible for the company to keep a track of the denominations of the notes in each location.

For and on behalf  
**P. D. DALAL & CO.,**  
*Chartered Accountants,*  
Firm Reg No.102047W

*Mumbai*  
*04<sup>th</sup> September, 2017*

(Aashish S. Kakaria)  
*Partner*  
Membership No.102915

## **Annexure "A" to the Independent Auditors Report**

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls over financial reporting of Nitiraj Engineers Limited as of 31st March, 2017 in conjunction with our audit of the Consolidated financial statements of the Company for the year ended on that date.

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

The respective Board of Directors of the Holding Company, its associate which are incorporated in India, are responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by these entities, considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the Guidance Note) issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to 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**

The respective Board of Directors of the Holding Company and the associate company which are incorporated in India, are responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by these entities, considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the Guidance Note) issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to 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.

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 consolidated Ind AS financial statements, whether due to fraud or error.

We believe that the audit evidence obtained by us and the other auditors in terms of their reports referred to in the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the Holding Company and the associate company incorporated in India, internal financial controls system over financial reporting.

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

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

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

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

### **Opinion**

In our opinion, to the best of our information and according to the explanations given to us and based on the consideration of reports of other auditors, as referred to in the Other Matters paragraph, the Holding Company and the associate company which are incorporated in India, have, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2017, based on the internal control over financial reporting criteria established by the respective companies, considering the essential components of internal control stated in the Guidance Note.

### **Other Matters**

Our aforesaid report under section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls over financial reporting in so far as it relates to consolidated/standalone financial statements of 1 associate company which is a company incorporated in India, is based on the corresponding reports of the auditors

of that company

For and on behalf  
**P. D. DALAL & CO.,**  
*Chartered Accountants,*  
Firm Reg No.102047W

*Mumbai*  
*04<sup>th</sup> September, 2017*

(Aashish S. Kakaria)  
*Partner*  
Membership No.102915

**Nitiraj Engineers Limited**  
**Consolidated Balance Sheet as at 31 March, 2017**

[All Amounts Rs.]

Particulars	Note No.	As at 31.03.2017		As at 31.03.2016	
<b>EQUITY AND LIABILITIES</b>					
<b>Share Holders Funds</b>					
Share Capital	" 3 "	82,008,000	<b>576,162,015</b>	60,000,000	<b>316,293,208</b>
Reserves & Surplus	" 4 "	494,154,015		256,293,208	
<b>Current Liabilities</b>					
Short Term Borrowings	" 5 "	-	<b>75,536,963</b>	71,889,890	<b>135,171,809</b>
Trade Payables	" 6 "	75,536,963		63,281,922	
<b>TOTAL</b>			<b>651,698,978</b>		<b>451,465,017</b>
<b>ASSETS</b>					
<b>Non-Current Assets</b>					
Fixed Assets			<b>108,039,620</b>		<b>87,346,678</b>
Tangible Assets	" 7 "	99,676,680		82,351,158	
Intangible Assets		8,362,940		4,995,520	
Non-Current Investments	" 8 "	220,106,533	<b>292,791,405</b>	10,102,925	<b>54,250,980</b>
Long Term Loans And Advance	" 9 "	72,684,872		44,148,055	
<b>Current Assets</b>					
Inventories	"10"	114,310,764	<b>250,867,954</b>	198,421,996	<b>309,867,359</b>
Trade Receivables	"11"	54,233,452		104,059,722	
Cash And Cash Equivalents	"12"	75,487,635		6,531,801	
Other Current Assets	"13"	6,836,106		853,840	
<b>TOTAL</b>			<b>651,698,978</b>		<b>451,465,017</b>

See accompanying notes forming part of the consolidated financial statements

**For P.D.Dalal & Co.,**  
Chartered Accountants,  
Firm Registration No.102047W

**For Nitiraj Engineers Limited,**

(Aashish S. Kakaria)  
Partner  
Membership No.102915

(Rajesh R. Bhatwal) (Shakuntala R. Bhatwal)  
Managing Director Director  
Din No.00547575 Din No.01953906

Mumbai  
August 29, 2017

## Nitiraj Engineers Limited

Notes on the consolidated financial statements for the year ended 31 March, 2017

Particulars	As at 31.03.2017	As at 31.03.2016
<b>NOTE 3 - SHARE CAPITAL</b>		
Authorised Share Capital 9000000 Equity Shares of Rs. 10 each Pursuant to the members resolution the authorised capital of the company was increased from Rs.1 crore to Rs.6 crores and subsequently to Rs.9 crores by creation of additional 8000000 shares	90,000,000	90,000,000
<b>Issued, Subscribed &amp; Paid - up</b> 6000000 Equity Shares of Rs. 10 each, fully paid- up	<b>60,000,000</b>	<b>60,000,000</b>
The Company issued 2200800 fresh equity shares of face value of Rs.10 each by way of an Initial Public Offering during the year at a premium of Rs.90 per share	22,008,000	-
All Shares are Equity Shares of a Single Class having equal voting rights and other rights, preferences and restrictions including restrictions on distribution of dividend and repayment of capital.		
<b>EQUITY SHARES CAPITAL A/C</b>	<b>82,008,000</b>	<b>60,000,000</b>
Reconciliation of shares - (No. of shares)		
Equity shares at the beginning of the year	6,000,000	1,000,000
Add : Issue of shares during the year	2,200,800	5,000,000
Less : Shares forfeited / cancelled during the year	-	-
Equity shares at the end of the year	<b>8,200,800</b>	<b>6,000,000</b>
More than 5% shares held by each shareholder at the end		
<b>Name of shareholder</b>	<b>No of shares held</b>	
1. Mr. Rajesh Raghunath Bhatwal	3,349,500	3,305,000
2. Mrs. Shakuntala Rajesh Bhatwal	1,816,800	1,800,000
3. Mr. Yi Hung Sing	600,000	600,000
<b>NOTE 4 - RESERVES &amp; SURPLUS</b>		
<b>I Securities Premium Account</b>		
Balance at The Beginning of The Year		
Add : Amount received on Public Issue of Equity Shares	198,072,000	
Less : Utilised / During The Year		
Balance at The End of The Year	198,072,000	-
<b>II GENERAL RESERVE</b>		
Balance at the beginning of the year		
Add : Additions / Transfer during the year		-
Less : Utilised / during the year	-	-
Balance at the end of the year	-	-
<b>III SURPLUS / (DEFICIT) IN THE STATEMENT OF PROFIT AND LOSS</b>		
Balance at the beginning of the year	256,131,455	252,559,279
Add : Profit / (Loss) during the year	46,029,970	53,572,176
Add : MAT Credit available	(4,143,596)	-
	298,017,829	306,131,455
Less : Transfer to Reserve during the year	-	-
Interim Dividend paid during the year	1,800,000	-
Tax on the above Dividend	297,567	-
Bonus Shares Issued during the year	-	50,000,000
	2,097,567	50,000,000
Balance at the end of the year	295,920,262	256,131,455
<b>IV CAPITAL RESERVES</b>		
Cash Subsidy	161,753	161,753
	<b>494,154,015</b>	<b>256,293,208</b>

**Nitiraj Engineers Limited**

Notes on the consolidated financial statements for the year ended 31 March, 2017

Particulars	As at 31.03.2017	As at 31.03.2016
<b>NOTE 5 - SHORT TERM BORROWINGS</b>		
Secured loans repayable on demand from bank		
Cash Credit hypothecation loan from Banks		
HDFC BANK LTD DHULE	-	71,889,890
(Secured against Hypothecation of Stock, Debtors, Equitable Mortgage of Nasik and Dhule Property, and Personal Guarantee of Directors)		
	-	<b>71,889,890</b>
<b>NOTE 6 - TRADE PAYABLE</b>		
Sundry Creditors	17,884,955	26,505,019
Advances from Customers	14,568,791	4,602,442
Other Liabilities	43,083,217	32,174,461
	<b>75,536,963</b>	<b>63,281,922</b>
<b>NOTE 8 - NON CURRENT INVESTMENTS</b>		
<b>OTHER INVESTMENTS</b>		
INVESTMENTS (Unquoted) (Long Term ) (At cost)		
690 Shares of 10 each of Merchant Co-op. Bank Ltd	6,905	6,905
In Associates		
Equity Shares of Hyper Drive Information Technologies Private Limited	20,004,000	10,002,000
3334 Equity Shares of Rs.10 each at a premium of Rs.5990 per share (Unquoted) (Long Term )		
[Includes Goodwill paid on acquisition of shares Rs.312,557]		
Add : Share in Profit after tax during the year	1,608	
	20,005,608	
In Mutual Funds - Quoted		
HDFC MUTUAL FUND	40,000,000	-
[NAV Rs.4,00,77,262 as at 31st March 2017]		
ICICI PRUDENTIAL Mutual Fund	80,000,000	-
[NAV Rs.8,04,50,015 as at 31st March 2017]		
BIRLA SUNLIFE MUTUAL FUND	70,000,000	
[NAV Rs.7,03,72,109 as at 31st March 2017]		
FRANKLIN TEMPLETON MUTUAL FUND	10,000,000	
[NAV Rs.1,00,21,064 as at 31st March 2017]		
National Savings Certificate	94,020	94,020
	<b>220,106,533</b>	<b>10,102,925</b>
<b>NOTE 9 - LONG TERM LOANS AND ADVANCES</b>		
[Unsecured, considered good, except otherwise stated]		
Advances recoverable in cash or kind or for value to be received	43,614,840	17,378,169
Deposits	15,295,630	10,130,406
Stock of Gold	1,669,650	1,683,650
Advance Payment of Taxes (Net of Provisions)	12,104,752	14,955,830
	<b>72,684,872</b>	<b>44,148,055</b>
<b>NOTE 10 - INVENTORIES [Valued at Cost]</b>		
[As Valued, Verified and Certified by the Management]		
Raw Materials	105,009,864	104,557,448
Work in progress	-	284,329
Stock in Trade	999,505	999,505
Finished Goods	8,301,395	92,580,714
	<b>114,310,764</b>	<b>198,421,996</b>
<b>NOTE 11 - TRADE RECEIVABLES</b>		
<b>SUNDRY DEBTORS</b>		
[Unsecured, considered good except otherwise stated]		
Over Six Months	1,590,168	1,590,168
Others	52,643,284	102,469,554
	<b>54,233,452</b>	<b>104,059,722</b>
<b>NOTE 12 - CASH AND CASH EQUIVALENTS</b>		
Cash in hand and remittance in transit	2,401,137	2,765,784
Balances with Banks :		
Scheduled Banks		
Current Account	49,907,857	878,762
Fixed Deposit Accounts	3,098,641	2,887,255
IPO Escrow Account	20,080,000	
	<b>75,487,635</b>	<b>6,531,801</b>
<b>NOTE 13 - OTHER CURRENT ASSETS</b>		
Interest Receivable	920,454	
Unamortized Expenditure	5,915,652	853,840
	<b>6,836,106</b>	853,840

## Nitiraj Engineers Limited

Statement of Consolidated Profit and Loss for the year ended 31 March, 2017

[Amount in Rs.]

Particulars	Note No.	For the year ended 31st March, 2017	For the year ended 31st March, 2016
<b>Continuing Operations</b>			
Revenue from Operations (Net)	" 14 "	534,925,476	563,944,576
Other Income	" 15 "	3,086,469	1,482,821
<b>Total Revenue</b>		<b>538,011,945</b>	<b>565,427,397</b>
<b>Expenses</b>			
Cost of Materials Consumed	" 16 "	178,686,574	350,950,791
Changes in Inventory	" 17 "	84,563,648	(76,906,842)
Employee Benefit Expenses	" 18 "	52,996,392	46,065,955
Finance Cost	" 19 "	5,069,393	7,449,812
Depreciation	" 20 "	8,975,027	9,546,385
Other Expenses	" 21 "	135,098,130	153,370,386
Corporate Social Responsibility		2,000,000	2,500,000
Service Tax		2,094,419	2,078,734
<b>Total Expenses</b>		<b>469,483,583</b>	<b>495,055,221</b>
Profit from continuing operations before Tax		<b>68,528,362</b>	<b>70,372,176</b>
Share in profit of associate		1,608	-
Net profit after exceptional items		<b>68,529,970</b>	<b>70,372,176</b>
Tax Expenses			
Current Tax		22,500,000	16,800,000
Deferred Tax		-	-
Total Tax Expenses		22,500,000	16,800,000
<b>Profit for the year</b>		<b>46,029,970</b>	<b>53,572,176</b>
<b>Earnings per share of Rs.10 each</b>			
Basic Earnings per share		5.61	8.93
Diluted Earnings per share		5.61	8.93

See accompanying notes forming part of the consolidated financial statements

**For P.D.Dalal & Co.,**  
Chartered Accountants,  
Firm Registration No.102047W

**For Nitiraj Engineers Limited,**

(Aashish S. Kakaria)  
Partner  
Membership No.102915

(Rajesh R. Bhatwal) (Shakuntala R. Bhatwal)  
Managing Director Director  
Din No.00547575 Din No.01953906

Mumbai  
August 29, 2017

## Nitiraj Engineers Limited

Notes on the consolidated financial statements for the year ended 31st March, 2017

Particulars	For the year ended 31st March, 2017	For the year ended 31st March, 2016
<b>NOTE 14 - REVENUE FROM OPERATIONS</b>		
<b>Sales of Manufactured Goods</b>	678,046,008	609,914,887
<i>Less : Inter Unit Sales</i>	87,556,235	
Less : Local and Central Sales Tax	55,623,421	46,704,184
Net Sales of Manufactured Goods	534,866,352	563,210,703
<b>Sales of Traded Goods</b>	-	16,875
<b>Sales of Services</b>		
Net Income from AMC Charges		
AMC Charges received during the year	1,697,657	2,328,600
Less : Consumption of Raw Material	1,065,005	1,012,549
Less : Salaries & Other Expenses	573,528	599,053
	59,124	716,998
<b>Other Operating Revenue</b>	-	-
	<b>534,925,476</b>	<b>563,944,576</b>
<b>NOTE 15 - OTHER INCOME</b>		
Interest	1,769,868	244,939
Other Income	1,316,601	1,237,882
	<b>3,086,469</b>	<b>1,482,821</b>
<b>NOTE 16 - COST OF MATERIALS CONSUMED</b>		
Raw Material Consumption	178,686,574	350,950,791
	<b>178,686,574</b>	<b>350,950,791</b>
<b>NOTE 17 - CHANGES IN INVENTORY</b>		
Inventories at the end of the year		
Finished Goods	9,014,528	93,293,847
Material - in - Progress	-	284,329
	9,014,528	93,578,176
Inventories at the beginning of the year		
Finished Goods	93,293,847	16,389,543
Material -in-progress	284,329	281,791
	93,578,176	16,671,334
Net ( Increase ) / Decrease	<b>84,563,648</b>	<b>(76,906,842)</b>
<b>NOTE 18 - EMPLOYEE BENEFIT EXPENSES</b>		
Payments to & Provision for Employees :		
Salaries, Wages and Bonus	27,521,716	22,659,407
Contribution to Provident & Other Funds	2,557,900	2,464,824
Other Benefits	18,396,776	15,169,955
Salary to Managing Director & Directors	4,520,000	5,771,769
	<b>52,996,392</b>	<b>46,065,955</b>
<b>NOTE 19 - FINANCE COST</b>		
Interest on Loan from HDFC Bank Cash Credit	4,542,469	5,142,700
Bank Charges	526,924	2,307,112
	<b>5,069,393</b>	<b>7,449,812</b>

## Nitiraj Engineers Limited

Notes on the consolidated financial statements for the year ended 31st March, 2017

Particulars	For the year ended 31st March, 2017	For the year ended 31st March, 2016
<b>NOTE 20 - DEPRECIATION</b>		
Depreciation on		
Buildings	2,358,914	2,505,709
Plant and Machineries	3,548,287	3,110,131
Electric Installation	176,183	183,409
Office Equipments	411,787	386,254
Furniture and Fixtures	610,000	586,120
Computers	1,176,401	1,958,933
Vehicles	693,455	815,829
	<b>8,975,027</b>	<b>9,546,385</b>
<b>NOTE 21 - OTHER EXPENSES</b>		
<b>MANUFACTURING EXPENSES</b>		
Power & Fuel	2,982,219	2,868,927
Labour and Processing Charges	32,358,865	37,970,857
	35,341,084	40,839,784
<b>SELLING AND OTHER EXPENSES</b>		
Commission to Selling Agents	11,679,481	4,365,304
Stamping Fee	21,057,024	18,907,529
Export Expenses	63,732	83,707
Advertisement	8,472,306	17,783,614
Transportation & Handling Charges [Net]	17,989,370	17,045,321
Tender Expenses	112,730	72,762
	59,374,643	58,258,237
<b>OTHER EXPENSES</b>		
Repairs & Maintenance of :		
Buildings	146,113	268,987
Plant & Machinery	43,749	31,127
Others	1,813,153	1,553,900
Rent	893,734	829,986
Rates & Taxes	4,740,933	1,118,469
Insurance [Net]	1,460,759	1,377,909
Telephone Exp.	1,793,969	1,953,675
Donations	3,078,800	17,556,201
Software & Computer Exp.	1,480,444	5,969,099
Professional Fees	559,469	559,018
Travelling	15,951,540	14,936,092
Loss on Sale of Assets	-	38,406
Sundry balances written off / written back	222,512	813,477
Preliminary Expenses written off	1,478,913	
Miscellaneous Expenses	6,023,565	6,822,019
	39,687,653	53,828,365
Payment to Auditors comprises of -		
As Auditors	594,750	444,000
For Taxation Matters	100,000	-
	694,750	444,000
	<b>135,098,130</b>	<b>153,370,386</b>



## Note 7 - Statement of Fixed Assets of Income Tax Act as on 31.03.2017

(All Amounts in Rs.)

Particulars	Rate of Depreciation	WDV As on 1.4.16	Additions		Deductions	Total as on 31.03.17	Depreciation for the year	WDV as on 31-03-17
			> Than 180 Days	< Than 180 Days				
<b>Tangible Assets</b>								
Buildings :								
A] Factory Building	10% 5%	2,662,356	-	-	-	2,662,356	20,622 -	2,641,734
B] Office Building	10% 5%	10,557,583	13,900	734,891	- -	11,306,374	1,054,373 36,745	10,215,256
C] Guest House	5% 3%	24,943,477	-	-	-	24,943,477	1,247,174 -	23,696,303
Land		4,083,760	-	-	-	4,083,760	-	4,083,760
Plant & Machinery	15% 7.5%	21,934,964 -	2,349,593 -	- 21,215,738	- -	45,500,295	3,293,899 254,388	41,952,007
Electrical Installations	10% 5%	2,241,138 -	- -	- 165,021	- -	2,406,159	167,932 8,251	2,229,976
Office Equipments	15% 7.5%	2,451,922 -	360,914 -	- 278,148	- -	3,090,984	390,926 20,861	2,679,197
Furniture & Fixtures	10% 5%	6,762,900 -	98,811 -	- 123,454	- -	6,985,165	603,912 6,087	6,375,166
Vehicles	15% 7.5%	5,214,484 -	- -	- -	- -	5,214,484	693,455 -	4,521,029
Computers	60% 30%	1,498,580 -	199,526 -	- 760,555	- -	2,458,661	1,011,038 165,363	1,282,260
<b>Total</b>		<b>82,351,164</b>	<b>3,022,744</b>	<b>23,277,807</b>	<b>-</b>	<b>108,651,715</b>	<b>8,975,027</b>	<b>99,676,688</b>
<b>Intangible Assets</b>								
Software Development		4,995,520	-	-		4,995,520	-	4,995,520
Research & Development		-		2,903,328		2,903,328		2,903,328
<b>Total</b>		<b>4,995,520</b>	<b>-</b>	<b>2,903,328</b>	<b>-</b>	<b>7,898,848</b>	<b>-</b>	<b>7,898,848</b>
<b>Grand Total</b>		<b>87,346,684</b>	<b>3,022,744</b>	<b>26,181,135</b>	<b>-</b>	<b>116,550,563</b>	<b>8,975,027</b>	<b>107,575,536</b>

# Nitiraj Engineers Limited

Consolidated Cash Flow Statement for the year ended 31 March, 2017

[All Amounts Rs.]

	For the year ended 31st March 2017		For the year ended 31st March 2016	
<b>A.) CASH FLOW FROM OPERATING ACTIVITIES</b>				
Net profit after tax and extraordinary items adjustments for:		46,029,970		53,572,176
Depreciation on Fixed Assets	8,975,027		9,546,385	
(Profit)/Loss on Sale of assets	-		38,406	
Others (Dividend & Tax)	(2,097,567)			
MAT Credit available	(4,143,596)	2,733,864		9,584,791
<b>Operating profit before working capital changes</b>		48,763,834		63,156,967
<b>Adjustments for :</b>				
Decrease (Increase) in Investments	(210,003,608)		(10,002,000)	
Decrease (Increase) in Loans & Advances	(28,536,817)		1,672,919	
Decrease (Increase) in Receivables	49,826,270		(41,936,773)	
Decrease (Increase) in Inventories	84,111,232		(68,780,756)	
Decrease (Increase) in Other Current Assets	(5,982,266)		(853,840)	
Increase / (Decrease) in Deferred Tax Liabilities	-		-	
Increase / (Decrease) in Trade Payables	12,255,041		13,797,004	
Increase / (Decrease) in Short Term Provisions	-		-	
		(98,330,148)		(106,103,446)
<b>Operating profit after working capital changes</b>		(49,566,314)		(42,946,483)
<b>B.) CASH FLOW FROM INVESTING ACTIVITIES</b>				
(Purchase) Of Fixed Assets	(26,300,551)		(8,026,486)	
Sale of fixed assets			7,000	
Investment made (Net)				
(Investment) in Intangibles	(3,367,420)			
<b>Net cash from investing activities</b>		(29,667,971)		(8,019,486)
<b>C.) CASH FLOW FROM FINANCIAL ACTIVITIES</b>				
Issue of Share Capital & Share premium received	220,080,000			
Increase / (Repayment of Long Term Borrowings)	-			
Increase / (Repayment of Short Term Borrowings)	(71,889,890)		51,662,645	
<b>Net cash used in financial activities</b>		148,190,114		51,662,645
<b>Net increase/(decrease) in Cash and Cash Equivalents</b>		68,955,834		696,672
Cash and cash equivalent at the beginning of the year		6,531,801		5,835,130
Cash and cash equivalent at the end of the year		75,487,635		6,531,801

See accompanying notes forming part of the consolidated financial statements

In terms of our report attached

**For P.D.Dalal & Co.,**  
Chartered Accountants,  
Firm Registration No.102047W

**For Nitiraj Engineers Limited,**

(Aashish S. Kakaria)  
Partner  
Membership No.102915

(Rajesh R. Bhatwal) (Shakuntala R. Bhatwal)  
Managing Director Director  
Din No.00547575 Din No.01953906

Mumbai  
August 29, 2017

## **Nitiraj Engineers Limited**

Notes forming part of the Consolidated Financial Statements for the year ended 31<sup>st</sup> March, 2017

1. Corporate Information :  
Nitiraj Engineers was incorporated in April 1999 as a private limited company. The company is engaged in the manufacturing and selling of a variety of Electronic Weighing Scales, Currency Counting Machines, Taxi Fare Meters etc.  
The company was converted into a Limited Company on 22<sup>nd</sup> June, 2015 and the new name of the company is Nitiraj Engineers Limited. The company launched its Initial Public Offer of equity shares during the year and got listed on the NSE Emerge [SME] Exchange.

2. The Significant Accounting Policies followed by the company are as stated below

A. BASIS OF ACCOUNTING POLICIES:

A.1 BASIS OF PREPARATION AND PRESENTATION

The consolidated financial statements relate to Nitiraj Engineers Limited ('the Company') and its associate Hyper Drive Information Technologies Limited. The consolidated financial statements have been prepared on the following basis:

- a) Investment in Associates has been accounted under the equity method as per Ind AS 28 - Investments in Associates and Joint Ventures.
- b) As per the information and explanations given to us the 1667 equity shares of Hyper Drive Information Technologies Limited were purchased during the year at Rs.6000 per share, thereby making its holding 25% in the Equity of the associate.
- c) The Net Assets of the associate company as on 31<sup>st</sup> March 2017 was Rs.7,78,22,908 and the holding company's share in the Net Assets of the associate company of 25% was Rs.1,94,55,727
- d) The holding company's share in the profit of the associate company is Rs.1608

B. OTHER SIGNIFICANT ACCOUNTING POLICIES

These are set out under "Significant Accounting Policies" as given in the Company's standalone financial statements.

For and on behalf of  
**P.D.Dalal & Co.,**  
*Chartered Accountants,*  
Firm Reg. No..102047W

(Aashish S. Kakaria)  
*Partner*  
Membership No.102915

*Mumbai*  
04<sup>th</sup> September, 2017