

AMRAPALI INDUSTRIES LTD

Annual Report
2018-19



SMART SAFE & SECURE.

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CORPORATE INFORMATION

<p>BOARD OF DIRECTORS</p> <p>Mr. Yashwant Thakkar Managing Director (DIN 00071126)</p> <p>Mr. Rashmikant Thakkar Whole-Time Director (DIN 00071144)</p> <p>Mrs. Komal Parekh Non-Executive Director (DIN 08339839)</p> <p>Mr. Mayur Parikh Independent Director (DIN 00005646)</p> <p>Mr. Haresh Chaudhari Independent Director (DIN 06947915)</p> <p>Mrs. Urshita Patel Independent Director (DIN 07891320)</p>	<p>AUDIT COMMITTEE</p> <p>Mr. Haresh Chaudhari (Chairperson)</p> <p>Mr. Mayur Parikh (Member)</p> <p>Mrs. Urshita Patel (Member)</p> <p>NOMINATION AND REMUNERATION COMMITTEE</p> <p>Mr. Haresh Chaudhari (Chairperson)</p> <p>Mr. Mayur Parikh (Member)</p> <p>Mrs. Urshita Patel (Member)</p>	<p>BANKERS</p> <p>Allahabad Bank</p> <p>HDFC Bank Limited</p> <p>Yes Bank Limited</p> <p>Axis Bank Limited</p> <p>Bank of India</p> <p>Canara Bank</p> <p>Corporation Bank</p> <p>ICBC Bank Limited</p> <p>IndusInd Bank Limited</p> <p>Kotak Mahindra Bank Limited</p> <p>RBL Bank Limited</p>
<p>CHIEF FINANCIAL OFFICER</p> <p>Mr. Satish Patel</p> <p>COMPANY SECRETARY</p> <p>Mrs. Ekta Jain</p>	<p>STAKEHOLDERS' RELATIONSHIP COMMITTEE</p> <p>Mr. Haresh Chaudhari (Chairperson)</p> <p>Mr. Mayur Parikh (Member)</p> <p>Mrs. Urshita Patel (Member)</p>	<p>REGISTERED OFFICE</p> <p>19, 20, 21, Third Floor, Narayan Chambers, B/H Patang Hotel, Ashram Road, Ahmedabad - 380 006</p> <p>Tel : +91-79-2658 1329;</p> <p>Email: ail@amrapali.com;</p> <p>Web: www.amrapalispot.com</p>
<p>STATUTORY AUDITOR</p> <p>M/s. Doshi Maru & Associates,</p> <p>Chartered Accountants (Firm Registration No. 0112187W)</p>	<p>CORPORATE SOCIAL RESPONSIBILITY COMMITTEE</p> <p>Mr. Yashwant Thakkar (Chairperson)</p> <p>Mr. Haresh Chaudhari (Member)</p> <p>Mr. Mayur Parikh (Member)</p>	<p>REGISTRAR AND SHARE TRANSFER AGENT (RTA)</p> <p>Purva Sharegistry (India) Private Limited</p> <p>Unit No. 9, Shiv Shakti Industrial Estate, J. R. Boricha Marg, Lowe Parel (EAST), Mumbai, Maharashtra - 400 011</p> <p>Tel: 91-22-23012518/6761</p> <p>Email: support@purvashare.com</p> <p>Web: www.purvashare.com</p>
<p>SECRETARIAL AUDITOR</p> <p>Ms. Payal Dhamecha</p> <p>Practicing Company Secretary Ahmedabad</p>		

REPORT OF BOARD OF DIRECTORS

To the Members(s)

The Board of Directors hereby submits the report of the business and operations of Amrapali Industries Limited ("the Company"), along with the audited financial statements, for the financial year ended March 31, 2019.

Financial Results:

(Amount ₹ in Lakh)

Particulars	F.Y. 2018-19	F.Y. 2017-18
Revenue from operations	1,408,114.72	9,96,443.28
Other Income	1,207.04	326.54
Total Income	1,409,321.76	9,96,769.83
Operating expenditure before Finance cost, depreciation and amortization	1,408,865.10	9,96,047.95
Earnings before Finance cost, depreciation and amortization (EBITDA)	456.66	721.88
Less: Finance costs	304.79	640.97
Less: Depreciation and amortization expense	191.01	198.95
Profit/(Loss) before tax	(39.14)	(118.04)
Less: Tax expense	(32.56)	224.92
Profit/(Loss) for the year (PAT)	(6.59)	(342.96)

YEAR AT A GLANCE

Financial Performance

The revenue from operations increased to ₹ 1,408,114.72 lakh as against ₹ 9,96,443.28 Lakh in the previous Year. The revenue from operation was increased by 41.31% over the previous year. The major increase in trading of the Gold and Silver led the Company to achieve higher revenue. However, increase in revenue has also led the increase in the purchase cost and hence the Company could not generate profit this year.

The loss before Tax for the current year is ₹ 39.14 lakh as against the profit before tax of ₹ 118.04 lakh in the previous year resulted into loss after tax of ₹ 6.59 Lakh compared to profit after tax of previous year ₹ 342.96 Lakh. Decreased in financial cost resulted into better financial performance of the Company than the previous year.

Dividend

In view of loss during the financial year 2018-19, your Directors regret to declare any dividend for the financial year 2018-19 (previous year Nil).

The Company does not have any amount of unclaimed or unpaid Dividends as on March 31, 2019.

Amount transferred to reserve

During the year, the Company has not apportioned any amount to other reserve. The loss incurred during the year has been adjusted against the carry forward credit balance of Profit and Loss account.

Change in Nature of Business

During the year, your Company has not changed its business or object and continues to be in the same line of business as per main object of the Company.

SHARE CAPITAL:

Authorized Capital

The present Authorized Capital of the Company is ₹ 2,600.00 Lakh divided into 52000000 Equity Shares of ₹ 5.00 each.

Issued, Subscribed & Paid-up Capital

The present Issue, Subscribed & Paid-up Capital of the Company is ₹ 2,570.53 Lakh divided into 51410564 Equity Shares of ₹ 5.00 each. During the year under review, there was no change took place in the authorized and paid-up share capital of the Company.

BOARD OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

Constitution of Board

The Constitution of the Board of Directors and other disclosure related to the Board of Directors are given in the Report on Corporate Governance.

Board Meeting

Regular meetings of the Board are held at least once in a quarter, inter-alia, to review the quarterly results of the Company. Additional Board meetings are convened, as and when required, to discuss and decide on various business policies, strategies and other businesses. The Board meetings are generally held at registered office of the Company.

During the year under review, Board of Directors of the Company met 9 (Nine) times, viz May 29, 2018; July 4, 2018; July 14, 2018; July 17, 2018; August 13, 2018; November 14, 2018; January 21, 2019; January 24, 2019 and February 14, 2019.

The details of attendance of each Director at the Board Meetings and Annual General Meeting are given in the Report on Corporate Governance.

Independent Directors

In terms of Section 149 of the Companies Act, 2013 and rules made there under and Listing Regulations, the Company has three Non-Promoter Independent Directors. In the opinion of the Board of Directors, all three Independent Directors of the Company meet all the criteria mandated by Section 149 of the Companies Act, 2013 and rules made there under and Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and they are Independent of Management.

A separate meeting of Independent Directors was held on February 14, 2019 to review the performance of Non-Independent Directors and Board as whole and performance of Chairperson of the Company including assessment of quality, quantity and timeliness of flow of information between Company management and Board that is necessary for the board of directors to effectively and reasonably perform their duties.

The terms and conditions of appointment of Independent Directors and Code for Independent Director are incorporated on the website of the Company at www.amrapalispot.com.

The Company has received a declaration from the Independent Directors of the Company under Section 149(7) of Companies Act, 2013 and 16(1)(b) of Listing Regulations confirming that they meet criteria of Independence as per relevant provisions of Companies Act, 2013 for financial year 2019-2020. The Board of Directors of the Company has taken on record the said declarations and confirmation as submitted by the Independent Directors after undertaking due assessment of the veracity of the same. In the opinion of the Board, they fulfill the conditions for re-appointment as Independent Directors and are independent of the Management.

None of Independent Directors have resigned during the year.

Information on Directorate

During the financial year 2018-19, Mrs. Urshita Patel who was appointed as an Additional (Non-Executive Independent) Director w.e.f. July 27, 2017, after receipt of approval from Multi Commodity Exchange of India Limited vide its letter dated December 13, 2017, has been regularized by the Members of the Company at their 30th Annual General Meeting held on September 29, 2018 and appointed as an Independent Director to hold office for a period up to July 26, 2022.

On January 21, 2019, the Board of Directors has appointed Mrs. Komal Parekh as Additional (Non-Executive) Director of the Company, effective from the date of allotment of a valid Director Identification Number by Ministry of Corporate Affairs to her. Mrs. Komal Parekh had obtained the Director Identification Number on January 23, 2019 and her appointment was subject to receipt of approval from the Multi Commodity Exchange of India Limited. The Multi Commodity Exchange of India Limited has granted its approval vide letter dated February 25, 2019 for her appointment. In terms of provision of Section 161 of the Companies Act, 2013, she holds office till the date of ensuing annual general meeting of the Company. The Board of Directors recommends her appointment as Non-Executive Director on the board of the Company and resolution to that effect has been proposed for the approval of the members.

Pursuant to provisions of Companies Act, 2013 ("the Act"), the shareholders of the Company in the 26th Annual General Meeting of the Company held on September 30, 2014 appointed Mr. Mayur Parikh as an Independent Director of the Company to hold the office for a period of five (5) years up to September, 2019. As per the provisions of Section 149(10) read with Section 152 and Schedule IV to the Act, Mr. Mayur Parikh is eligible for re-appointment for a second term of five (5) consecutive years. On the recommendation of Nomination and Remuneration Committee, the Board of Directors at its meeting held on August 13, 2019, has recommended the re-appointment of Mr. Mayur Parikh as an Independent Director to hold office for second term of five (5) consecutive years commencing from October 1, 2019 by way of Special Resolution for the members approval in the thirty first AGM of the Company.

Further, the Board of Directors at its meeting held on August 13, 2019, on the recommendation of Nomination and Remuneration Committee, re-appointed Mr. Yashwant Thakkar as Managing Director and Mr. Rashmikanth Thakkar as Whole-Time Director for a period of five (5) years w.e.f. October 1, 2019, subject to approval of members at the ensuing Annual General Meeting by way of Special Resolutions.

In accordance with the provisions of the Articles of Association and Section 152 of the Companies Act, 2013, Mr. Rashmikanth Thakkar, Whole-Time Director of the Company retires by rotation at the ensuing annual general meeting. He, being eligible, has offered himself for re-appointment as such and seeks re-appointment. The Board of Directors recommends his appointment on the Board.

The relevant details, as required under Regulation 36 (3) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations") and Secretarial Standards-2 issued by ICSI, of the person seeking appointment/re-appointment as Directors are annexed to the Notice convening the thirty first annual general meeting.

Key Managerial Personnel

In accordance with Section 203 of the Companies Act, 2013, the Company has already appointed Mr. Yashwant Thakkar as Managing Director of the Company, Mr. Satish Patel as Chief Financial Officer and Mrs. Ekta Jain as Company Secretary of the Company. Further, there was no change in the Key Managerial Personnel of the Company during the financial year 2018-19.

Performance Evaluation

The Board of Directors has carried out an annual evaluation of its own performance, board committees and individual directors pursuant to the provisions of the Companies Act, 2013 and Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 in the following manners;

- The performance of the board was evaluated by the board, after seeking inputs from all the directors, on the basis of the criteria such as the board composition and structure, effectiveness of board processes, information and functioning etc.
- The performance of the committees was evaluated by the board after seeking inputs from the committee members on the basis of the criteria such as the composition of committees, effectiveness of committee meetings, etc.
- The board and the nomination and remuneration committee reviewed the performance of the individual directors on the basis of the criteria such as the contribution of the individual director to the board and committee meetings like preparedness on the issues to be discussed, meaningful and constructive contribution and inputs in meetings, etc.
- In addition, the chairman was also evaluated on the key aspects of his role.

Separate meeting of independent directors was held to evaluate the performance of non-independent directors, performance of the board as a whole and performance of the chairman, taking into account the views of executive directors and non-executive directors. Performance evaluation of independent directors was done by the entire board, excluding the independent director being evaluated.

Directors' Responsibility Statement

Pursuant to section 134(5) of the Companies Act, 2013, the board of directors, to the best of their knowledge and ability, confirm that:

- a) In preparation of annual accounts for the year ended March 31, 2019, the applicable accounting standards have been followed and that no material departures have been made from the same;
- b) The Directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit or loss of the Company for that year;

- c) The Directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013, for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- d) The Directors had prepared the annual accounts for the year ended March 31, 2019 on going concern basis.
- e) The Directors had laid down the internal financial controls to be followed by the Company and that such Internal Financial Controls are adequate and were operating effectively; and
- f) The Directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

COMMITTEES OF BOARD

The Board of Directors, in line with the requirement of the act, has formed various committees, details of which are given hereunder.

1. Audit Committee
2. Nomination and Remuneration Committee
3. Stakeholder's Grievance & Relationship Committee
4. Corporate Social Responsibility Committee

The composition of each of the above Committees, their respective role and responsibility are detailed in the Report on Corporate Governance annexed to this Report.

Audit Committee

The Company has formed Audit Committee in line with the provisions Section 177 of the Companies Act, 2013 and Regulation 18 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

As at March 31, 2019, the Audit Committee comprised Mr. Haresh Chaudhari (Non-Executive Independent) as Chairperson and Mr. Mayur Parikh (Non-Executive Independent) and Mrs. Urshita Patel (Non-Executive Independent) as Members.

Recommendations of Audit Committee, wherever/whenever given, have been accepted by the Board of Directors.

Vigil Mechanism

The Company has established a vigil mechanism and accordingly framed a Whistle Blower Policy. The policy enables the employees to report to the management instances of unethical behavior, actual or suspected fraud or violation of Company's Code of Conduct. Further the mechanism adopted by the Company encourages the Whistle Blower to report genuine concerns or grievances and provide for adequate safe guards against victimization of the Whistle Blower who avails of such mechanism and also provides for direct access to the Chairman of the Audit Committee, in exceptional cases. The functioning of vigil mechanism is reviewed by the Audit Committee from time to time. None of the Whistle blowers has been denied access to the Audit Committee of the Board. The Whistle Blower Policy of the Company is available on the website of the Company at <https://www.amrapalispot.com/investor/115/Whistle%20Blower%20Policy.pdf>.

Nomination and Remuneration Policy

Nomination and Remuneration Policy in the Company is designed to create a high performance culture. It enables the Company to attract motivated and retained manpower in competitive market, and to harmonize the aspirations of human resources consistent with the goals of the Company. The Company pays remuneration by way of salary to its Executive Directors and Key Managerial Personnel. Annual increments are decided by the Nomination and Remuneration Committee within the salary scale approved by the members and are effective from April 1, of each year.

The Nomination and Remuneration Policy, as adopted by the Board of Directors, is placed on the website of the Company at <https://www.amrapalispot.com/investor/382/Nomination%20&%20Remuneration%20Policy.pdf> and is annexed to this Report as Annexure - A.

Remuneration of Directors

The details of remuneration/sitting fees paid during the financial year 2018-19 to Executive Directors/Directors of the Company is provided in Form MGT-9 and Report on Corporate Governance which are the part of this report.

Corporate Social Responsibility Committee

Pursuant to Section 135 of Companies Act, 2013, the Company has constituted Corporate Social Responsibility Committee ("the CSR Committee") with object to recommend the Board a Policy on Corporate Social Responsibility and amount to be spent towards Corporate Social Responsibility. As at March 31, 2019, the CSR Committee comprised Mr. Yashwant Thakkar (Managing Director) as Chairman and Mr. Mayur Parikh (Non-Executive Independent) and Mr. Haresh Chaudhari (Non-Executive Independent) as Members of the Committee.

The CSR Committee is responsible for indicating the activities to be undertaken by the Company, monitoring the implementation of the framework of the CSR Policy and recommending the amount to be spent on CSR activities.

During the year under review, CSR Committee Meeting was held on May 29, 2018, August 13, 2018 and February 14, 2019 in which all members of the Committee were present. The meetings were held to review and approve the expenditure incurred by the Company towards CSR activities.

Main focus of the Company with respect to CSR Contribution is to provide the grocery items for the benefit of needy and poor people. The Company is purchasing the grocery and other necessary items from "Jay Jalaram Stores" and "Jalaram Provision Stores" and provides same to "Amrapali Jivan Sandhya Kutir" (Trust) which is associated with the social activities. The said trust is providing shelter to the orphan children and also providing the facilities like food, household items etc. to the needy and poor people.

The CSR Policy may be accessed at the web link <https://www.amrapalispot.com/investor/117/Policy%20on%20Corporate%20Social%20Responsibility.pdf>. The Annual Report on CSR activities in prescribed format is annexed as an Annexure - B.

PUBLIC DEPOSITS

The Company has not accepted any deposits from Shareholders and Public falling within the ambit of Section 73 of the Companies Act, 2013 and rules made there under. There were no deposits, which were claimed and remained unpaid by the Company as on March 31, 2019.

PARTICULARS OF LOANS, GUARANTEES AND INVESTMENTS

Details of Loans, Guarantees and Investments covered under the provisions of Section 186 of the Companies Act, 2013 are given in the notes to the Financial Statement for the year ended on March 31, 2019.

EXTRACT OF ANNUAL RETURN

As provided under section 92(3) of the Companies Act, 2013, the details forming part of the extract of the Annual Return in Form MGT-9 is annexed to this Report as Annexure - C.

TRANSACTIONS WITH RELATED PARTIES

During the year under review, transactions with related party were executed in terms of Section 188 of the Companies Act, 2013 which were in ordinary course of business and on Arms' Length Basis, details of which are as under;

Sr. No.	Particulars	RPT - 1	RPT - 1
1.	Name(s) of the related party and nature of relationship	Amrapali Online Venture LLP - Enterprise in which partners are relative of KMP	
2.	Nature of contracts/ arrangements/ transactions	Sale of Gold	Purchase of Gold
3.	Duration of the contracts / arrangements/ transactions	F.Y. 2018-19	
4.	Salient terms of the contracts or arrangements or transactions including the value, if any	In ordinary Course of Business and at arms' length basis - at Market Rate. Total Transaction Value of Sale - ₹ 241.56 Lakh	In ordinary Course of Business and at arms' length basis - at Market Rate. Total Transaction Value of Purchase - ₹ 237.59 Lakh
5.	Date(s) of approval by the Board	May 29, 2018	
6.	Amount paid as advances, if any	-	

Sr. No.	Particulars	RPT - 3	RPT - 4	RPT - 5
1.	Name(s) of the related party and nature of relationship	Amrapali Capital Finance and Services Limited - Associate Concern		
2.	Nature of contracts/ arrangements/ transactions	Remise Income	Margin Money	Sales/Trading
3.	Duration of the contracts / arrangements/ transactions	F.Y. 2018-19		
4.	Salient terms of the contracts or arrangements or transactions including the value, if any	In ordinary Course of Business and at arms' length basis - at Market Rate. Total Transaction Value of Remise Income - ₹ 174.11 Lakh	In ordinary Course of Business and at arms' length basis - at Market Rate. Total Transaction Value of Margin Money - ₹ 1500.00 Lakh	In ordinary Course of Business and at arms' length basis - at Market Rate. Total Transaction Value of Sales/Trading - ₹ 87,583.78 Lakh
5.	Date(s) of approval by the Board	May 29, 2018		
6.	Amount paid as advances, if any	-		

There was no contracts, arrangements or transactions which was executed not in ordinary course of business and/or at arm's length basis.

Further, there were no related party transactions with the Company's Promoters, Directors, Management or their relatives, which could have had a potential conflict with the interests of the Company.

Members may refer to the notes to the accounts for details of related party transactions entered as per Indian Accounting Standard - 24. The Board of Directors of the Company has, on the recommendation of the Audit Committee, adopted a policy to regulate transactions between the Company and its Related Parties, in compliance with the applicable provisions of the Companies Act 2013, the Rules thereunder and the SEBI LODR Regulations.

The Policy on Materiality of and dealing with Related Party Transactions as approved by the Board is uploaded on the Company's website and can be accessed at the Web-link: <https://www.amrapalispot.com/investor/114/Related%20Party%20Transaction%20Policy.pdf>

INTERNAL FINANCIAL CONTROL (IFC) SYSTEMS AND THEIR ADEQUACY

Though the various risks associated with the business cannot be eliminated completely, all efforts are made to minimize the impact of such risks on the operations of the Company. Necessary internal control systems are also put in place by the Company on various activities across the board to ensure that business operations are directed towards attaining the stated organizational objectives with optimum utilization of the resources. Apart from these internal control procedures, a well-defined and established system of internal audit is in operation to independently review and strengthen these control measures, which is carried out by a reputed firm of Chartered Accountants. The audit is based on an internal audit plan, which is reviewed each year in consultation with the statutory auditor of the Company and the audit committee. The conduct of internal audit is oriented towards the review of internal controls and risks in its operations.

M/s. Doshi Maru & Associates Chartered Accountants (FRN: 0112187W), the statutory auditors of the Company has audited the financial statements included in this annual report and has issued an report annexed as an Annexure B to the Audit Report of the Company on our internal control over financial reporting (as defined in section 143 of Companies Act, 2013).

The audit committee reviews reports submitted by the management and audit reports submitted by internal auditors and statutory auditor. Suggestions for improvement are considered and the audit committee follows up on corrective action. The audit committee also meets the statutory auditors of the Company to ascertain, inter alia, their views on the adequacy of internal control systems and keeps the board of directors informed of its major- observations periodically. Based on its evaluation (as defined in section 177 of Companies Act 2013), our audit committee has concluded that, as of March 31, 2019, our internal financial controls were adequate and operating effectively.

MATERIAL CHANGES AND COMMITMENT

There are no material changes and commitments, affecting the financial position of the Company, have occurred between the ends of financial year of the Company i.e. March 31, 2019 to the date of this Report.

PARTICULAR OF EMPLOYEES

The ratio of the remuneration of each director to the median of employees' remuneration as per Section 197(12) of the Companies Act, 2013, read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 is annexed to this Report as **Annexure - D**.

The statement containing top ten employees in terms of remuneration drawn and the particulars of employees as required under Section 197(12) of the Act read with Rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, is provided in a separate annexure forming part of this report. Further, the report and the accounts are being sent to members excluding this annexure. In terms of Section 136 of the Act, the said annexure is open for inspection at the Registered Office of the Company. Any shareholder interested in obtaining a copy of the same may write to Company Secretary.

SEXUAL HARASSMENT OF WOMEN AT WORKPLACE

To foster a positive workplace environment, free from harassment of any nature, we have institutionalized the Anti-Sexual Harassment Initiative (ASHI) framework, through which we address complaints of sexual harassment at the all workplaces of the Company. Our policy assures discretion and guarantees non-retaliation to complainants. We follow a gender-neutral approach in handling complaints of sexual harassment and we are compliant with the law of the land where we operate. The Company has setup an Internal Complaints Committee (ICC) for redressal of Complaints.

During the financial year 2018-2019, the Company has received Nil complaints on sexual harassment, out of which Nil complaints have been disposed off and Nil complaints remained pending as of March 31, 2019.

RISK MANAGEMENT

A well-defined risk management mechanism covering the risk mapping and trend analysis, risk exposure, potential impact and risk mitigation process is in place. The objective of the mechanism is to minimize the impact of risks identified and taking advance actions to mitigate it. The mechanism works on the principles of probability of occurrence and impact, if triggered. A detailed exercise is being carried out to identify, evaluate, monitor and manage both business and non-business risks.

ENERGY CONSERVATION, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO

A. Conservation of energy -

- i.) **The steps taken or impact on conservation of energy:** Company ensures that the operations are conducted in the manner whereby optimum utilisation and maximum possible savings of energy is achieved.
- ii.) **The steps taken by the Company for utilizing alternate sources of energy:** No alternate source has been adopted.
- iii.) **The capital investment on energy conservation equipment:** No specific investment has been made in reduction in energy consumption.

B. Technology absorption -

- i.) **The effort made towards technology absorption:** Not Applicable.
- ii.) **The benefit derived like product improvement, cost reduction, product development or import substitution:** Not Applicable
- iii.) **in case of imported technology (imported during the last three years reckoned from the beginning of the financial year) -**
 - a. **The details of technology imported:** Nil.
 - b. **The year of import:** Not Applicable.
 - c. **Whether the technology has been fully absorbed:** Not Applicable.
 - d. **If not fully absorbed, areas where absorption has not taken place, and the reasons thereof:** Not Applicable.
- iv.) **The expenditure incurred on Research and Development:** Nil

C. Foreign Exchange Earnings & Expenditure:

- i.) **Details of Foreign Exchange Earnings:** Nil
- ii.) **Details of Foreign Exchange Expenditure:** Nil

CORPORATE GOVERNANCE

Your Company strives to incorporate the appropriate standards for corporate governance. As stipulated in Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, Report on Corporate Governance and Certificate of the Practicing Company Secretary with regards to compliance with the conditions of Corporate Governance is annexed to the Board's Report as **Annexure - E**.

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

Management Discussion and Analysis Report for the year under review, as stipulated under Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, is presented in a separate section forming part of this Annual Report.

STATUTORY AUDITOR AND THEIR REPORT

M/s. Doshi Maru & Associates, Chartered Accountants (Firm Registration No. 0112187W) were appointed as Statutory Auditors of your Company at the twenty ninth Annual General Meeting held on September 29, 2017, for a term till the conclusion of thirty third Annual General Meeting to be held in the calendar year 2021, subject to ratification of appointment at every subsequent annual general meeting to be held after twenty ninth Annual General Meeting.

In accordance with the Companies Amendment Act, 2017, enforced on May 7, 2018 by the Ministry of Corporate Affairs, the appointment of Statutory Auditors is not required to be ratified at every Annual General Meeting and hence resolution for ratification of appointment of statutory auditor is not proposed by the Board of Directors.

The Report given by the Auditors on the financial statement of the Company is part of this Annual Report. There has been no qualification, reservation, adverse remark or disclaimer given by the Auditors in their Report.

REPORTING OF FRAUD

The Auditors of the Company have not reported any fraud as specified under Section 143(12) of the Companies Act, 2013.

MAINTENANCE OF COST RECORD

Since the company is not falling under prescribed class of Companies, our Company is not required to maintain cost record.

INDIAN ACCOUNTING STANDARDS (IND AS) - IFRS CONVERGED STANDARDS

Your Company had adopted Ind AS with effect from April 1, 2017 pursuant to Ministry of Corporate Affairs notification dated February 16, 2015 notifying the Companies (Indian Accounting Standard) Rules, 2015. Your Company has provided Ind AS Financials for the year ended March 31, 2019 along with comparable as on March 31, 2018.

SECRETARIAL AUDITOR AND THEIR REPORT

The Company has appointed Ms. Payal Dhamecha, Practicing Company Secretary, to conduct the secretarial audit of the Company for the financial year 2018-19, as required under Section 204 of the Companies Act, 2013 and Rules thereunder. The Secretarial Audit Report for the financial year 2018-19 is annexed to this report as an **Annexure - F1**.

The Annual Secretarial Compliance Report for the financial year ended March 31, 2019 issued by Mr. Anand Lavingia, in relation to compliance of all applicable SEBI Regulations/ Circulars/Guidelines issued thereunder, pursuant to requirement of Regulation 24A of the Listing Regulations read with Circular no. CIR/CFD/CMD1/27/2019 dated 8th February, 2019 (including any statutory modification(s) or re-enactment(s) thereof for the time being in force) is annexed to this report as an **Annexure - F2**. The Secretarial Compliance Report has been voluntarily disclosed as a part of Annual Report as good disclosure practice.

There have been few common annotations reported by the above Secretarial Auditors in their Report. The Board of Directors hereby states as under;

Sr. No.	Compliance Requirement	Deviations	Reply of the Company
1.	Prior intimation under Circular No. MCX/MEM/324/2016 dated September 29, 2016 for making any changes in the Designated Director of the Entity.	Prior Intimation, as required, was not given to stock exchange about change in Designated and Non Designated Directors of the Company.	Necessary Documents were submitted to MCX and the change in designated directors has been confirmed by MCX vide letter No MCX/MEM/CS/AM/NA/37712/197/19 dated February 25, 2019.
2.	SEBI Circular no. SEBI/HO/MIRSD/MIRSD2/CIR/P/2016/95 September 26, 2016 and other circulars as issued by MCX	Late Submission of data as on 31 st August, 2018 relating to; 1. Monitoring of Clients' Funds data lying with the members on weekly basis 2. Uploading Clients' Funds, Securities and Commodities balances by the members on monthly basis	MCX has levied a penalty of ₹ 13,500 in total which were paid by the company through its Settlement Account opened with MCX.
3.	SEBI Circular no. SEBI/HO/MIRSD/MIRSD2/CIR/P/2016/95 September 26, 2016 and other circulars as issued by MCX	Late Submission of data as on 12 th October, 2018 relating to; Monitoring of Clients' Funds data lying with the members on weekly basis	MCX has levied Penalty of ₹ 1000 and the Company has paid the same through its Settlement Account opened with MCX.
4.	Inspection of Book of accounts other records and documents for the period 1- April-2017 to 31-March-2018 as per MCX and SEBI Circulars	1. Dealing with Clients (A) Non settlement of funds and securities of clients at least once in a calendar quarter or month, depending on the preference of the client (B) Non settlement of funds and securities of clients at least once in a calendar quarter or month, as per the preference of the client or the gap between two running account settlements is more than 90/30 days chosen by client. (C) NEFT/RTGS not implemented 2. Client Funds, securities & Commodities (A) Funds of clients were used for own purpose (B) Funds of clients were used for any other clients/other person/other purpose 3. Miscellaneous Stamp Duty payable is not paid 4. Comments on Past Observation (A) Observations in past by SEBI/MCX inspection conducted are repeated (B) Member has not taken corrective steps to rectify the deficiencies observed in the internal audit report. (C) Member has not taken corrective steps to rectify the deficiencies observed in the inspection carried out by the SEBI/Exchange. Further Member has not complied with the qualifications/violations made in last SEBI/Exchange inspection report.	MCX has levied a Penalty of ₹ 30,000/- for noncompliance of details mentioned in the Serial No. 1 (A) and (B) and the Company has paid the same through its Settlement Account opened with MCX. Further, exchange has advice, warns and asked for an explanation to the company for various compliance during the course inspection.
5.	BSE Circular No LIST/COMP/15/2018-19 dated July 05, 2018 read with Gazette notification dated June 8, 2018 Pursuant to amendment in Regulation 40 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 regarding transfer of securities would be carried out in dematerialized form only.	The Company has not taken special efforts through their RTAs to send the letter under Registered/Speed post to the holders of physical certificates appraising them about the amendment and sensitize them about the impact of the regulation on the transfer of shares held by them in physical form w.e.f. December 5, 2018.	Company is in process to take a necessary action as prescribed in the circular.