

# **BHARAT AGRI FERT & REALTY LTD.**



**34<sup>th</sup> ANNUAL REPORT  
(2018 - 2019)**

**Corporate Information****BOARD OF DIRECTORS**

**Shri Yogendra D. Patel**  
Chairman & Managing Director  
**Smt. Anjni Y. Patel**  
Whole Time Director  
**Ms. Chandni Y. Patel**  
Whole Time Director  
**Shri Vijal Y. Patel**  
Whole Time Director  
**Shri Kantilal N. Jethwa**  
Director  
**Shri Suresh M. Bhadrecha**  
Independent Director  
**Shri Chunilal Bhanji Gherwada**  
Independent Director  
**Shri Ramesh J. Vekaria**  
Independent Director  
**Shri Rohit C. Vakharia**  
Independent Director  
**Shri Yogesh S. Rathod**  
Independent Director

**C.F.O.**

**Shri Kantilal N. Jethwa**

**COMPANY SECRETARY**

**Shri Arvind J. Chakote**

**STATUTORY AUDITORS**

**M/s. Verma Mehta & Associates**  
Chartered Accountants

**BANKERS**

**Bank of Baroda**

**REGISTERED OFFICE**

301, 3rd Floor, Hubtown Solaris,  
N.S. Phadke Marg, Near Gokale Bridge,  
Andheri (East), Mumbai – 400 069.  
Tel.No.(022)67980100 / 26820498 /90 /91  
Website : [www.bharatrealty.co.in](http://www.bharatrealty.co.in)  
CIN No. L24100MH1985PLC036547

**REGISTRARS & SHARE TRANSFER AGENT**

**M/s. Link Intime (India) Pvt. Ltd.**  
C 101, 247 Park, L.B.S. Marg,  
Vikhroli (West), Mumbai - 400 083.

**SITE OFFICE**

Shiv Sai Paradise, 'C' Mayfair Gr. Floor,  
Opp. URCT, Majiwada, Thane (West) - 400 601.

**PLANT & ANCHAVIYO RESORT**

Kharivali Village  
Taluka : Wada  
Dist : Palghar.

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<b><u>ANNUAL GENERAL MEETING</u></b>		<b><u>BOOK CLOSURE :</u></b>
Date	: Thursday 26 <sup>th</sup> September, 2019	20 <sup>th</sup> September, 2019
Time	: 3.30 P.M.	To
Venue	: Sardar Patel Baug, Shri Vile Parle Patidar Mandal, Parleshwar Road, Vile Parle (East), Mumbai – 400 057.	26 <sup>th</sup> September, 2019 <b>(Both Days Inclusive)</b>

## NOTICE TO THE MEMBERS

**NOTICE** is hereby given that the 34<sup>th</sup> Annual General Meeting of the Members of **BHARAT AGRI FERT & REALTY LIMITED** will be held on Thursday, 26<sup>th</sup> September, 2019, at 3.30 P.M. at Sardar Patel Baug, Shri Vile Parle Patidar Mandal, Parleshwar Road, Vile Parle (East), Mumbai - 400 057 to transact, with or without modification(s) the following business:

**ORDINARY BUSINESS:**

- To receive, consider and adopt :
  - the Audited Standalone Financial Statements of the Company for the financial year ended 31<sup>st</sup> March, 2019 including Audited Balance Sheet as at 31<sup>st</sup> March, 2019, the Statement of Profit and Loss for the year ended on that date and Cash Flow Statement together with the Reports of the Board of Directors and Statutory Auditors thereon; and
  - the Audited Consolidated Financial Statements of the Company for the financial year ended 31<sup>st</sup> March, 2019 including Audited Balance Sheet as at 31<sup>st</sup> March, 2019, the Statement of Profit and Loss for the year ended on that date and Cash Flow Statement together with the Report of Statutory Auditors thereon.
- To appoint a Director in place of **Shri. Vijal Yogendra Patel** (DIN: **06882828**), who retires by rotation and being eligible offers himself for re-appointment.

**SPECIAL BUSINESS:**

- 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 Section 148 and other applicable provisions of the Companies Act, 2013 and the rules made thereunder (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force), **M/s. S. R. Singh & Co., Cost Accountants** (Firm Registration No.: **101398**) appointed by the Board of Directors on the recommendation of the Audit Committee to conduct the audit of the cost records maintained by the Company, be paid a remuneration for the financial year ending 31<sup>st</sup> March, 2020 of Rs. 60,000/- plus taxes as may be applicable and out of pocket expenses as may be incurred by them in connection with the aforesaid audit."

By order of the Board  
For Bharat Agri Fert & Realty Limited

**Registered Office:**

301, 3<sup>rd</sup> Floor, Hubtown Solaris,  
N. S. Phadke Marg, Near Gokhale Bridge,  
Andheri (East), Mumbai – 400 069.

Sd/-  
**A. J. Chakote**  
Company Secretary

Dated: 30<sup>th</sup> May, 2019  
Place : Mumbai

**NOTES:**

- 1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT ONE OR MORE PROXIES TO ATTEND AND VOTE IN THE MEETING INSTEAD OF HIMSELF/HERSELF, AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY. THE INSTRUMENT APPOINTING THE PROXY, DULY COMPLETED, MUST BE DEPOSITED AT THE COMPANY'S REGISTERED OFFICE NOT LESS THAN 48 HOURS BEFORE THE COMMENCEMENT OF THE MEETING. A PROXY FORM FOR THE AGM IS ENCLOSED.**  
 A person can act as a proxy on behalf of members not exceeding 50 and holding in the aggregate not more than 10 per cent of the total share capital of the Company carrying voting rights. A member holding more than ten percent of the total share capital of the company carrying voting rights may appoint a single person as proxy and such person shall not act as a proxy for any other person or shareholder. If a proxy is appointed for more than fifty members, he shall choose any fifty Members and confirm the same to the Company before the commencement of the specified period for inspection. In case the proxy fails to do so, the Company shall consider only the first fifty proxies received as valid. Proxies submitted on behalf of limited companies, societies, etc. must be supported by appropriate resolution or authority as applicable.
- The business set out in the notice may be transacted through electronic voting system and the Company is providing facility for voting by electronic means. Instructions and other information relating to e-voting are given in this Notice under Note No. 21. The Company will also send communication relating to remote e-voting which inter alia would contain details about User ID and Password along with a copy of this Notice to the members separately.
- The Explanatory Statement pursuant to Section 102(1) of the Companies Act, 2013 with respect to the special business set out in the Notice is annexed hereto.
- Corporate members intending to send their authorized representatives to attend the Meeting pursuant to Section 113 of the Companies Act, 2013 are requested to send to the Company a certified copy of the relevant Board Resolution together with their respective specimen signatures authorizing their representative(s) to attend and vote on their behalf at the Meeting.
- In case of joint holders attending the Meeting, only such joint holder who is higher in the order of the names will be entitled to vote.
- A statement giving the details of the Director seeking appointment and re-appointment, nature of his expertise in specific functional areas, names of the companies in which he hold directorships, memberships / chairmanships for Board / Committees, shareholding and relationship between Directors inter-se as stipulated in Secretarial Standard and Regulations 26(4) and 36(3) of the SEBI LODR with Stock Exchange, are provided in the **Annexure**.
- The Register of Directors and Key Managerial Personnel and their shareholding, maintained under Section 170 of the Companies Act, 2013, will be available for inspection by the members at the AGM.
- The Register of Members and the Share Transfer Books of the Company will remain closed from Friday, 20<sup>th</sup> September, 2019 to Thursday, 26<sup>th</sup> September, 2019 (both days inclusive).

9. The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in securities market. Members holding shares in electronic form are, therefore, requested to submit their PAN to the Depository Participants with whom they maintain their demat accounts. Members holding shares in physical form should submit their PAN to the Registrar /Company.
10. Members desirous of seeking any information concerning the Accounts of the Company are requested to address their queries in writing to the Company at least seven days before the date of the meeting so that the requested information can be made available at the time of the meeting.
11. Members / Proxies are requested to please bring their copies of the Annual Report to the meeting since copies of the Annual Report will not be distributed at the meeting.
12. The shares of the Company are listed on BSE Limited, Mumbai.
13. In view of the circular issued by the SEBI for appointing common agency the Company has appointed M/s. Link Intime (India) Private Limited as Registrar & Transfer Agent. Members are therefore requested to send their grievances to them for early disposal at the address given below.

**M/S. LINK INTIME (INDIA) PRIVATE LIMITED**  
**[Unit: BHARAT AGRI FERT & REALTY LIMITED]**  
**C 101, 1<sup>ST</sup> FLOOR, 247 PARK, L. B. S. MARG, VIKHROLI (WEST), MUMBAI - 400 083.**  
**Phone: +9122 49186000 Fax: +9122 49186060**  
**Email: rnt.helpdesk@linkintime.co.in; URL: www.linkintime.co.in**

14. Members holding Shares in physical form are requested to notify immediately any change in their address with PIN CODE to the Registrar and Transfer Agent of the Company at the address given above AND in case their shares are held in Demat, this information should be passed on directly to their respective Depository Participants and not to the Company.
15. All documents referred to in the Notice will be available for inspection at the Company's registered office during normal business hours except public holidays between 11.00 A.M. and 1.00 P.M. upto the date of the AGM.
16. Members/Proxies holding their Shares in physical mode are requested to fill the enclosed attendance slip and handover the same at the entrance with signature. In the absence thereof, they may not be admitted to the meeting venue.
17. Members who are holding shares in dematerialized form are requested to bring their Client ID and DP ID numbers for easy identification at the meeting.
18. In all correspondence with the Company, members are requested to quote their Folio No. and in case their shares are held in demat form; they must quote their Client ID and DP ID numbers.
19. The Company is concerned about the environment and utilizes natural resources in a sustainable way. We request you to update your email address with the Depository Participant to enable us to send you the quarterly reports and other communications via email.
20. Pursuant to the applicable provisions of the Companies Act, 2013 read with the IEPF Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 ("the Rules"), all unpaid or unclaimed dividends are required to be transferred by the Company to the IEPF established by the Government of India, after the completion of seven years. Further, according to the Rules, the shares on which dividend has not been paid or claimed by the shareholders for seven consecutive years or more shall also be transferred to the demat account of IEPF Authority. The details of dividend paid by the Company and the corresponding due dates for transfer of unencashed dividend to IEPF are furnished hereunder:

Sr. No.	Year ended	Date of Declaration	Due date of transfer to IEPF
1	31.03.2012	24.07.2012	23.08.2019
2	31.03.2013( Interim)	22.10.2012	21.11.2019
3	31.03.2013	16.08.2013	15.09.2020
4	31.03.2014 (Interim)	24.10.2013	23.11.2020
5	31.03.2014	11.09.2014	10.10.2021
6	31.03.2015	25.09.2015	24.10.2022

Members who have not encashed the dividend warrant(s) so far in respect of the above financial years, are therefore, requested to make their claims to the Registrar & Transfer Agent of the Company or the Company at its Registered Office, with full details.

21. Voting through electronic means:
  - (i) Pursuant to Section 108 of the Companies Act, 2013 read with (Companies Management & Administration) Rules, 2014, as amended from time to time, and Regulation 44 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, (SEBI Listing Regulations) the Company is pleased to provide its members the facility of remote e-voting (i.e., e-voting from a place other than venue of AGM) to exercise their right to vote at the 34<sup>th</sup> Annual General Meeting (AGM). The business may be transacted through e-voting services rendered by Link Intime India Private Limited.
  - (ii) The facility for voting, either through electronic voting system or through ballot/polling paper shall also be made available at the venue of 34<sup>th</sup> AGM. The members attending the meeting, who have already cast their vote through remote e-voting may attend the meeting but shall not be entitled to cast their vote again at AGM.
  - (iii) The Board of Directors has appointed Shri. Prabhat Maheshwari, Partner, GMJ & Associates, Company Secretaries, Mumbai as the Scrutinizer for conducting the remote e-voting and voting process at AGM in a fair and transparent manner.
  - (iv) Voting rights shall be reckoned on the paid up value of shares registered in the name of the members/ beneficial owner (in case of electronic shareholding) as on cut-off date i.e. 19<sup>th</sup> September, 2019.
  - (v) A person, whose name is recorded in the register of members or in register of beneficial owners maintained by the depositories as on the cut-off date,

i.e. 19<sup>th</sup> September, 2019 only shall be entitled to avail the facility of e-voting / remote e-voting.

(vi) Any person who becomes a member of the Company after dispatch of the Notice of the Meeting and holding shares as on the Cut-off date i.e. 19<sup>th</sup> September, 2019, may obtain the User ID and Password from LINK INTIME (INDIA) PRIVATE LIMITED (Registrar & Transfer Agent of the Company.)

(vii) Subject to receipt of requisite number of votes, the Resolutions shall be deemed to be passed on the date of the Meeting, i.e. 26<sup>th</sup> September, 2019.

The instructions for members for voting electronically are as under:-

(i) The voting period begins on Monday, 23<sup>rd</sup> September, 2019 at 9.00 A.M. and ends on Wednesday, 25<sup>th</sup> September, 2019 at 5.00 P.M. During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on cut-off date i.e., 19<sup>th</sup> September, 2019, may cast their vote electronically. The e-voting module shall be disabled by Link Intime India Private Limited (LI IPL) after 5.00 P.M. on 25<sup>th</sup> September, 2019.

A. Log-in to e-Voting website of Link Intime India Private Limited (LI IPL)

1. Visit the e-voting system of LI IPL. Open web browser by typing the following URL: <https://instavote.linkintime.co.in>.

2. Click on "Login" tab, available under 'Shareholders' section.

3. Enter your User ID, password and image verification code (CAPTCHA) as shown on the screen and click on "SUBMIT".

4. Your User ID details are given below:

a. Shareholders holding shares in demat account with NSDL: Your User ID is 8 Character DP ID followed by 8 Digit Client ID

b. Shareholders holding shares in demat account with CDSL: Your User ID is 16 Digit Beneficiary ID

c. Shareholders holding shares in Physical Form (i.e. Share Certificate): Your User ID is Event No + Folio Number registered with the Company.

5. Your Password details are given below: If you are using e-Voting system of LI IPL: <https://instavote.linkintime.co.in> for the first time or if you are holding shares in physical form, you need to follow the steps given below: Click on "Sign Up" tab available under 'Shareholders' section register your details and set the password of your choice and confirm (The password should contain minimum 8 characters, at least one special character, at least one numeral, at least one alphabet and at least one capital letter).

(ii) If you are a first time user follow the steps given below:

For Members holding shares in Demat Form and Physical Form	
PAN *	Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders)  <b>Members who have not updated their PAN with the Company/Depository Participant are requested to use the sequence number which is printed on Address Sticker.</b>
DOB#	Enter the Date of Birth as recorded in your demat account or in the company records for the said demat account or folio in dd/mm/yyyy format.
Dividend Bank Details#	Enter the Dividend Bank Details as recorded in your demat account or in the company records for the said demat account or folio. Please enter the DOB or Dividend Bank Details in order to login. If the details are not recorded with the depository or company please enter the member id / folionumber in the Dividend Bank details field.

If you are holding shares in demat form and had registered on to e-Voting system of LI IPL: <https://instavote.linkintime.co.in>, and/or voted on an earlier voting of any company then you can use your existing password to login.

If Shareholders holding shares in Demat Form or Physical Form have forgotten password:

Enter User ID, select Mode and Enter Image Verification code (CAPTCHA). Click on "SUBMIT".

Incase shareholder is having valid email address, Password will be sent to the shareholders registered e-mail address. Else, shareholder can set the password of his/her choice by providing the information about the particulars of the Security Question & Answer, PAN, DOB/ DOI, Dividend Bank Details etc. and confirm. (The password should contain minimum 8 characters, at least one special character, at least one numeral, at least one alphabet and at least one capital letter)

**NOTE:** The password is to be used by demat shareholders for voting on the resolutions placed by the company in which they are a shareholder and eligible to vote, provided that the company opts for e-voting platform of LI IPL.

For shareholders holding shares in physical form, the details can be used only for voting on the resolutions contained in this Notice.

It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.

B. Cast your vote electronically

1. After successful login, you will be able to see the notification for e-voting on the home page of INSTA Vote. Select/View "Event No" of the company, you choose to vote.

2. On the voting page, you will see "Resolution Description" and against the same the option "Favour/ Against" for voting.

Cast your vote by selecting appropriate option i.e. Favour/Against as desired.

Enter the number of shares (which represents no. of votes) as on the cut-off date under 'Favour/Against'. You may also choose the option 'Abstain' and the shares held will not be counted under 'Favour/Against'.

3. If you wish to view the entire Resolution details, click on the 'View Resolutions'

4. After selecting the appropriate option i.e. Favour/Against as desired and you have decided to vote, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "YES", else to change your vote, click on "NO" and accordingly modify your vote.

5. Once you confirm your vote on the resolution, you will not be allowed to modify or change your vote subsequently.

6. You can also take the printout of the votes cast by you by clicking on "Print" option on the Voting page.

c. General Guidelines for shareholders:

1. Institutional shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodian are required to log on to e-Voting system of LIPL: <https://instavote.linkintime.co.in> and register themselves as 'Custodian / Mutual Fund / Corporate Body'.

They are also required to upload a scanned certified true copy of the board resolution / authority letter / power of attorney etc. together with attested specimen signature of the duly authorised representative(s) in PDF format in the 'Custodian / Mutual Fund / Corporate Body' login for the Scrutinizer to verify the same.

2. During the voting period, shareholders can login any number of time till they have voted on the resolution(s) for a particular "Event".

3. Shareholders holding multiple folios/demat account shall choose the voting process separately for each of the folios/demat account.

In case the shareholders have any queries or issues regarding e-voting, please click on <https://instavote.linkintime.co.in>, under Feedback section or you may refer the Frequently Asked Questions ("FAQs") and Instavote e-Voting manual available at <https://instavote.linkintime.co.in>, under Help section or write an email to [enotices@linkintime.co.in](mailto:enotices@linkintime.co.in) or Call us :- Tel : 022 - 49186000.

D. In the event, the draft resolution is assented to by the requisite majority of Members by means of electronic voting, the date of declaration of result shall be deemed to be the date of passing of the said resolution at the Annual General Meeting.

E. The Results declared along with the Scrutinizer's Report shall be placed on the Company's website <http://www.bharatrealty.co.in> and on the website of Linkintime immediately after the result declared by the Chairman or a person authorized by him in writing. The results shall also be immediately forwarded to the Stock Exchanges i.e. BSE Limited.

### ANNEXURE TO NOTICE EXPLANATORY STATEMENT PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013:

The following statement sets out all material facts relating to the Special Business mentioned in the accompanying Notice.

**Item No. 3:**

The Board, on the recommendation of the Audit Committee, has approved the appointment of the Cost Auditor, **M/s. S. R. Singh & Co.**, Cost Accountants, to conduct the audit of the cost records maintained by the Company at Rs. 60,000/- plus taxes as may be applicable to be paid as remuneration for the financial year ending 31<sup>st</sup> March, 2020.

In terms of the provisions of Section 148 of the Companies Act, 2013 and Companies (Audit and Auditors) Rules, 2014 (including any amendments thereto or any statutory modification(s) or re-enactment(s) thereof for the time being in force), the remuneration payable to the Cost Auditors has to be ratified by the members of the Company. Accordingly, consent of the members is sought for passing an Ordinary Resolution as set out at Item No. 3 of the Notice for ratification of the remuneration payable to the Cost Auditors for the financial year ending 31<sup>st</sup> March, 2020.

None of the Directors / Key Managerial Personnel of the Company / their relatives is / are, in any way, concerned or interested, financially or otherwise, in the resolution set out at Item No.3 of the Notice.

**Registered Office:**

301, 3<sup>rd</sup> Floor, Hubtown Solaris,  
N. S. Phadke Marg, Near Gokhale Bridge,  
Andheri (East), Mumbai – 400 069.

Dated: 30<sup>th</sup> May, 2019  
Place : Mumbai

**By Order of the Board  
Bharat Agri Fert & Realty Ltd.**

Sd/-  
A.J. Chakote  
Company Secretary

**Annexure I**

**Additional Information on Directors Recommended for Appointment/ Re-Appointment as required under Regulation 36(3) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015**

<b>Name of Director</b>	Shri. Vijal Y. Patel
<b>Date of Birth</b>	25/11/1988
<b>Qualification</b>	BMS
<b>Date of Appointment/ Re-appointment</b>	28/05/2019
<b>Brief Resume&amp;Expertise</b>	Shri. Vijal Yogendra Patel is in-charge of the Company's diverse investments and growth strategy along with the operations and management of Anchaviyo Resort.
<b>Relationship between the Directors</b>	Son of Yogendra D. Patel & Anjni Y. Patel, Brother of Ms. Chandni Y. Patel
<b>Directorship held in other Companies as on 31st March, 2019</b>	Mol Chem Limited.
<b>Chairman/Member of the Committee of the Board of Directors in other Companies as on 31st March, 2019</b>	NIL
<b>Number of Shares held in the Company as on 31st March, 2019</b>	33,961



**DIRECTORS REPORT TO MEMBERS**

Your Directors have great pleasure in presenting the 34<sup>th</sup> Annual Report along with the Audited Statement of Accounts for the year ended 31<sup>st</sup> March, 2019

**FINANCIAL RESULTS****(Rs. In Lakhs)**

Particulars	2018-19	2017-18
Sales and other Income	4741.46	3569.45
Profit / (Loss) before tax	(361.51)	16.95
Profit / (Loss) after tax	(326.68)	(2.26)
Balance brought forward	5922.65	6027.66
<u>Appropriations</u>		
Interim Dividend	0.00	0.00
Proposed Final Dividend	0.00	0.00
Tax on Dividends (Interim & Proposed)	0.00	0.00
General Reserve	0.00	0.00
<b>Balance Carried To Balance Sheet</b>	<b>5595.97</b>	<b>5922.65</b>

**OPERATIONAL REVIEW & STATE OF COMPANY'S AFFAIRS :****a.) Fertilizer Division :-**

The Company has produced 41,063 M.T. SSP during the year and sold 40,246 M.T. SSP during the year ended 31<sup>st</sup> March, 2019. Management is having pleasure in informing that turnover of fertiliser division has increased by 76% and expecting further turnover growth by 20-25% on forecast of better monsoon and wide coverage of area through channelized wholesaler and dealer network.

Company is getting subsidy through "Direct Benefit Transfer" (DBT) mechanism on regular basis.

**b) Realty Division**

The Company had procured TDR and necessary approvals for construction of Phase II Residential Project consisting 2 Towers of stilt + 23 floors. The acquired TDR is 60% of the proposed construction area of 3,05,000 sq.ft and remaining 40% TDR will be acquired in near future. Company will positively launch this project shortly once Phase II MoEF permission received.

Company is expecting revenue of Rs.350 Crore approx.. from Phase II Residential Project in phase manner and generate sufficient funds for future development projects.

Company has received RERA registration No.P51700001183 dt.27/07/2017.

**c) Resort Division (ANCHAVIYO):-**

The Company is getting good response for ANCHAVIYO Resort with 45-50% occupancy level. Recently Resort got classification as 3 Star from India Tourism Development Corporation (ITDC).

The resort of the company is well recognised by many corporates and event management companies for their conferences, get together function of 80-90 persons on customised basis. We have offered resort location for pre-wedding photo shoots, serial and film shooting and response is enhancing over the period.

**DIVIDEND:** Your Directors have not recommended any dividend for the year ended 31<sup>st</sup> March, 2019 due to loss incurred during the financial year.

**RESERVES:**

Your Directors do not propose to transfer any amount to the Reserves.

**SHARE CAPITAL OF THE COMPANY:**

The Paid up Equity Share Capital, as at 31<sup>st</sup> March, 2019 was Rs. 5,28,55,110/- divided into 52,85,511 Equity shares, having face value of Rs. 10/- each fully paid up. During the year under review, the Company has neither issued any shares nor granted any stock options or sweat equity.

**SUBSIDIARIES, ASSOCIATE COMPANIES & JOINT VENTURES:**

MOL CHEM LIMITED is an associate. The company's gross revenue for FY 2018-19 stood at Rs. 46,52,589/-. The company made a loss of Rs.62,89,564/-. However, the Company does not have any Subsidiary or Joint Venture. The details of Associate Company containing salient features of financial statement in 'AOC-1' are shown in **Annexure "A"** which forms part of the report.

**CORPORATE SOCIAL RESPONSIBILITY INITIATIVES:**

The company ceased to be covered under sub-section (1) of section 135 of the Companies Act, 2013 for three consecutive financial years. Therefore, the Company is not required to comply with the provisions contained in sub-section (2) to (5) of the said section, till such time it meets the criteria specified in sub-section (1) of section 135 of Companies Act, 2013, however, the Company is having in place a "Corporate Social Responsibility" (CSR) Committee and in observance of good corporate governance the Committee met at regular intervals to discuss about CSR related issues. The Company has spent the entire amount prescribed for CSR activities during the previous years and no CSR amount is outstanding as on date.



**INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY:**

The Directors have laid down internal financial controls to be followed by your Company and such policies and procedures adopted by the Company 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. The Audit Committee evaluates the internal financial control system periodically.

**CORPORATE GOVERNANCE AND MANAGEMENT DISCUSSION & ANALYSIS REPORTS:**

The Company adheres to the requirements set out by the Securities and Exchange Board of India's Corporate Governance practices and have implemented all the stipulations prescribed. The Company has implemented several best corporate governance practices.

The Corporate Governance and Management Discussion & Analysis Report, which forms an integral part of this Report, are set out as separate Annexures, together with the Certificate from the Practising Company Secretaries regarding compliance with the requirements of Corporate Governance as stipulated in the SEBI Listing Regulations.

**RELATED PARTY TRANSACTIONS:**

All related party transactions entered during the Financial Year were in the ordinary course of the business and on an arm's length basis. No material related party transactions were entered during the Financial Year by the Company. Accordingly, no disclosure is made in respect of related party transactions, as required under Section 134(3)(h) of the Act in Form AOC-2.

**DIRECTORS AND KEY MANAGERIAL PERSONNEL:****Number of meetings of the Board of Directors:**

The Board met 7 (seven) times during the financial year. The meeting details are provided in the Corporate Governance Report that forms a part of this Annual Report. The maximum interval between any two meetings did not exceed 120 days as prescribed in the Companies Act, 2013.

**Directors:**

In accordance with the provisions of Section 152 of the Companies Act, 2013 and the Articles of Association of the Company, Shri. Vijal. Y. Patel (DIN: 06882828), Wholtime Director retires by rotation and being eligible offers himself for re-appointment.

**Re-appointment, Appointment & Resignation:**

The Board of Directors on the recommendation of the Nomination and Remuneration Committee and the approval of the Audit Committee has approved the appointment of Shri. Kantilal Narandas Jethwa as the Chief Financial Officer with effect from 30<sup>th</sup> May, 2019.

Smt. Vidya Gidde, Chief Financial Officer, has resigned from the office with effect from 30<sup>th</sup> May, 2019.

**Statement on declaration given by Independent Directors:**

The Independent Directors have submitted the declaration of independence, as required pursuant to Section 149(7) of the Companies Act, 2013 stating that they meet the criteria of independence provided under Section 149(6) of the Act and the SEBI Listing Regulations.

**Board evaluation:**

Pursuant to the provisions of Section 134 of the Companies Act, 2013 and Regulation 17 of the SEBI Listing Regulations, the Board has carried out an evaluation after taking into consideration various aspects of the Board's functioning, composition of the Board and its Committees, culture, execution and performance of specific duties, remuneration, obligations and governance.

The performance evaluation of the Independent Directors was carried out by the entire Board and the performance evaluation of the Chairman and the Non-Independent Directors was carried out by the Independent Directors. The Board of Directors expressed their satisfaction with the evaluation process.

**Key Managerial Personnel:**

The following persons are the Key Managerial Personnel of the Company:

Sr. No.	Name of the Person	Designation
1.	Mr. Yogendra Dahyabhai Patel	Chairman & Managing Director
2.	Mr. Arvind Jaykumar Chakote	Company Secretary
3.	Mrs. Vidya Pradeep Gidde	Chief Financial Officer
4.	Shri. Kantilal N. Jethwa	Chief Financial Officer

**\*Note :-** Smt. Vidya P. Gidde has resigned from the office of Chief Financial Officer w.e.f. 30.05.2019 and Shri. Kantilal N. Jethwa was appointed as Chief Financial Officer w.e.f. 30.05.2019.

**Familiarisation Programme of Independent Directors:**

In compliance with the requirements of SEBI Listing Regulations, the company has put in place a familiarisation program for Independent Directors' to familiarize them with their role, rights & responsibilities as Directors, the operations of the Company, business overview, etc.

The details of Familiarisation program are explained in the Corporate Governance Report and the same is also available on the website of the Company.

**DIRECTORS' RESPONSIBILITY STATEMENT:**

Pursuant to Section 134 of the Act, with respect to Director Responsibility Statement it is hereby confirmed that:

- in the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures, if any;
- the Directors had selected such accounting policies and applied them consistently and made judgements 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 loss of the company for that period;

- c) the Directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;
- d) the Directors had prepared the annual accounts on a going concern basis;
- e) the Directors, had laid down internal financial controls to be followed by the company and that such internal financial controls are adequate and were operating effectively;
- 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.

#### **AUDIT COMMITTEE:**

In accordance with the provisions of the Regulation 18 of SEBI (LODR) Regulations, 2015 and Companies Act, 2013, the Company is having an Audit Committee. The Committee acts in accordance with the terms of reference specified from time to time by the Board. The details of the terms of Audit Committee and other details are explained in the Corporate Governance Report.

#### **REMUNERATION & NOMINATION POLICY:**

The Board of Directors on the basis of the recommendation of the Nomination & Remuneration Committee has framed a policy which lays down a framework in relation to remuneration of Directors, Key Managerial Personnel and Senior Management of the Company. The policy lays down the criteria for selection and appointment of Board Members. The details of the policy are explained in the Corporate Governance Report.

#### **AUDITORS AND AUDIT REPORTS:**

##### **Statutory Auditor:**

M/s. Verma Mehta & Associates, Chartered Accountants, (Firm Registration No. **112118W**) who were appointed as the Statutory Auditors of the Company for a period of five years commencing from the conclusion of 33<sup>rd</sup> AGM of the Company to hold office till the conclusion of the 38<sup>th</sup> AGM. As required under the provisions of Section 139 & 142 of the Companies Act, 2013, the Company has obtained written confirmation from M/s. Verma Mehta & Associates, that they are not disqualified from continuing as the Statutory Auditor of the Company for the F.Y. 2019-20.

##### **Secretarial Audit:**

Pursuant to the provisions of Section 204 of the Companies Act, 2013 and the Rules made thereunder, the company has appointed M/s. GMJ & Associates, a firm of Company Secretaries in Practice to undertake the Secretarial Audit of the Company. The Secretarial Audit Report is annexed herewith as **Annexure 'B'** and forms an integral part to this Report.

##### **Cost Audit:**

As per the requirement of the Central Government and pursuant to Section 148 of the Companies Act, 2013 read with the Companies (Cost Records and Audit) Rules, 2014 as amended from time to time, your company has been carrying out audit of the cost records.

The Board of Directors, on the recommendation of the Audit Committee, has appointed **M/s. S R Singh & Co.**, Cost Accountants as the Cost Auditors to conduct the audit of the cost records of the Company for the Financial Year 2019-20 at a remuneration of Rs. 60,000/- plus taxes as may be applicable and out of pocket expenses. As required under the provisions of the Companies Act, 2013, a resolution seeking member's approval for remuneration payable to the Cost Auditor forms part of the Notice convening the Annual General Meeting.

##### **Internal Audit:**

Pursuant to the provisions of Section 138 of the Companies Act, 2013 the Board on the recommendation of the Audit Committee has appointed M/s. V. M. Bhageria & Co., Chartered Accountants having a Registration No. **0147382W** as Internal Auditors of the Company.

##### **Auditor's observations:**

There were no audit qualifications in the Statutory Auditors Report as well as in the Secretarial Audit Report for the financial year 2018-2019 as annexed to this Annual Report.

#### **DISCLOSURE:**

##### **Risk Management:**

The Board in its meeting dated 30<sup>th</sup> May, 2016 has dissolved the risk management committee in view of its applicability only to top 500 listed entities as per Regulation 21 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

##### **Vigil Mechanism / Whistle Blower Policy:**

The Company has a Vigil Mechanism/Whistle Blower policy to report genuine concerns, grievances, frauds and mismanagements, if any. The Vigil Mechanism/Whistle Blower policy has been posted on the website of the Company.

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

The particulars of Loans, Guarantees and Investments made during the year as required under the provisions of Section 186 of the Companies Act, 2013 are given in the notes to the Standalone Financial Statements.

##### **Extract of Annual Return:**

The details forming part of the extract of the Annual Return in form MGT-9, as required under Section 92 of the Companies Act, 2013, is included in this Report as **Annexure 'C'** and forms an integral part of this Report.

##### **Particulars regarding Conservation of Energy, Technology Absorption and Foreign Exchange Earnings and Outgo:**

The information on conservation of energy, technology absorption and foreign exchange earnings and outgo pursuant to Section 134(3)(m) of the Companies Act, 2013, read with the Rule 8(3) of the Companies (Accounts) Rules, 2014 is given in **Annexure 'D'** to this Report.

##### **Secretarial Standard:**

The Board of Directors affirm that the Company has complied with the applicable Secretarial Standards issued by the Institute of Company Secretaries of India.

##### **Particulars of Employees:**

Disclosure with respect to remuneration of Directors, KMPs and employees as required under Section 197(12) of the Companies Act, 2013 read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 are given in **Annexure 'E'** and forms an integral of this Report.