



JHANDEWALAS  
FOODS LIMITED

## ANNUAL REPORT 2018-2019





## CORPORATE INFORMATION

### Board Of Directors

Mr. Raakesh B. Kulwal  
Chairman & Managing Director  
DIN No:- 00615150

Mrs. Jinko Devi Koolwal  
Director  
DIN No:- 02531975

Mr. Nand Lal Pancharia  
Independent Director  
DIN No:- 07951887

Mr. Harsh Agarwal  
Independent Director  
DIN No:- 07972445

### Chief Financial Officer

Mr. Pankaj Kumar Mathur

### Company Secretary & Compliance Officer

Mrs. Annu Sharma

### Statutory Auditors

#### M/S MSG & Associates

Chartered Accountants  
421-422, OK Plus, Malviya Nagar, Malviya  
Industrial Area, Jaipur-302017  
Contact No:- 941408697

### Secretarial Auditor

M/s Arms And Associates LLP  
24 KA, 1, Jyoti Nagar, Jaipur

### Registered Office

B-70, 1<sup>st</sup> Floor, Upasana House, Janta Store,  
Bapu Nagar, Jaipur, Rajasthan-302015  
CIN : L15209RJ2006PLC022941

### Registrar & Transfer Agent

Bigshare Services Private Limited  
1<sup>st</sup> Floor, Bharat Tin Works Building,  
Opp. Vasant Oasis, Makwana Road, Marol,  
Andheri East, Mumbai-400059

### Annual General Meeting Day, Date & Time

Monday 30<sup>th</sup> September 2019  
11:00 AM

### Venue

B-70, 1<sup>st</sup> Floor, Upasana House, Janta Store,  
Bapu Nagar, Jaipur, Rajasthan-302015

### Book Closure

23<sup>rd</sup> September 2019 To 30<sup>th</sup> September 2019

### Bankers To The Company

State Bank Of India  
SMS Highway, Chaura Rasta, Jaipur-302001  
Kotak Mahindra Bank  
E-4, E-5, Subhash Nagar, Shopping Centre,  
Jhotwara Road, Jaipur-302012

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## NOTICE

Notice is hereby given that the 13th Annual General Meeting of the members of Jhandewalas Foods Limited will be held on Monday, 30th September 2019 at 11.00 A.M. at B-70, 1<sup>st</sup> Floor, Upasana House, Janta Store, Bapu Nagar Jaipur RJ 302015 to transact the following businesses:

### Ordinary Business

1. To consider and adopt:

**(a) the audited financial statements of the Company for the financial year ended March 31, 2019 and the reports of the Directors and Auditors thereon: and**

2. **To appoint Mrs. JINKO DEVI KOOLWAL (DIN:02531975), who retires by rotation as a Director and being eligible, offer herself for re-appointment and in this regard, pass the following resolution as an Ordinary Resolution:**

“RESOLVED THAT pursuant to the provisions of Section 152 of the Companies Act, 2013, Mrs. JINKO DEVI KOOLWAL (DIN: 02531975), who retires by rotation at this meeting be and is hereby appointed as a Director of the Company, liable to retire by rotation.”

3. **To appoint statutory auditor of the Company, and to fix their remuneration and to pass the following resolution as an ordinary resolution:**

“RESOLVED THAT pursuant to the provisions of Section 139, 142 and other applicable provisions of the Companies Act, 2013 (the “Act”) and as per the recommendation of audit committee and board of directors for the appointment of M/s M S G & Associates, Chartered Accountants, (FRN.: 010254C) who have

been appointed as an Auditor in the Extra Ordinary General Meeting held on 29<sup>th</sup> June, 2019 to fill the casual vacancy created by resignation of M/s. J K Sarawgi & Company, Chartered Accountants, be and are hereby approved as Statutory Auditors of the Company for the financial year 2019-2020 to 2023-2024 from the conclusion of this Annual General Meeting.

RESOLVED FURTHER THAT the Board of Directors be and are hereby authorized to fix such remuneration as may be determined by the Board of Directors in consultation with the Auditors plus applicable tax and reimbursement of out-of-pocket expenses in connection with the audit and the remuneration may be paid on a progressive billing basis to be agreed between the Auditors and the Board of Directors of the Company.

RESOLVED FURTHER THAT the Board be and is hereby authorized to do all such acts, deeds, matters and things as may be deemed necessary to give effect to the above resolution.”

**For Jhandewalas Foods Limited**

Place: Jaipur  
Date: 03rd Sep, 2019

**Raakesh B Kulwal**  
DIN: 00615150  
Managing Director

### Registered Office:

B-70, 1st Floor, Upasana House, Janta Store Bapu Nagar  
Jaipur - 302015, Rajasthan  
CIN: L15209RJ2006PLC022941  
Website: [www.namans.co.in](http://www.namans.co.in)  
E-mail: [acc.jfpl@gmail.com](mailto:acc.jfpl@gmail.com)  
Tel: 0141-2574935

### NOTES

- **A MEMBER ENTITLED TO ATTEND AND VOTE IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE ON HIS/HER BEHALF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY. THE INSTRUMENT OF PROXY, IN ORDER TO BE EFFECTIVE, SHOULD BE DEPOSITED AT THE REGISTERED OFFICE OF THE COMPANY, DULY COMPLETED AND SIGNED, NOT LATER THAN 48 HOURS BEFORE THE COMMENCEMENT OF THE MEETING. A PROXY FORM IS ANNEXED TO THIS REPORT. PROXIES SUBMITTED ON BEHALF OF LIMITED COMPANIES, SOCIETIES, ETC MUST BE SUPPORTED BY AN APPROPRIATE RESOLUTION/AUTHORITY, AS APPLICABLE.**
- The Register of Members and Transfer Books of the Company will remain closed from 23<sup>rd</sup> September, 2019 to 30<sup>th</sup> September, 2019 (both days inclusive) for the purpose of the 13<sup>th</sup> Annual General Meeting or any adjournment thereof.
- Notice of AGM and the Annual Report are being sent to those members, whose name appeared in the register of members / list of beneficial owners as received from

NSDL/CDSL, as at the close of business hour on Tuesday, September 03<sup>rd</sup> 2019. Notice and Annual Report are also available on the website of the Company.

- For the convenience of Members and for proper conduct of the meeting, venue of the meeting will be regulated by attendance slip, which is enclosed with the Annual Report. Members are requested to sign at the place provided on the attendance slip and hand it over at the entrance of the venue.
- Members desiring any information relating to the accounts are requested to write to the Company at an early date so as to enable the arrangement to keep the information ready.
- As per Notification issued by Ministry of Corporate Affairs dated 19<sup>th</sup> of March, 2015 with reference to the Companies (Management and Administration) Rules, 2014, Companies covered under Chapter XB and Chapter XC of SEBI (ICDR) Regulations, 2009 are exempted from E-Voting provisions. Also, no such provision is available in SME Equity Listing Agreement. Company is covered under Chapter XB as it is a SME Company and listed on SME platform of BSE Limited.



Therefore Company is providing postal ballot facility to its shareholders.

- Members are requested to bring their copies of the Annual Report to the Meeting.
- The Ministry of Corporate Affairs has taken a Green Initiative in Corporate Governance by issuing circulars allowing paperless compliances by companies through electronic mode. Further, as per recent circular issued by the Securities Exchange Board of India (SEBI) and consequent changes in the listing agreement, Companies can send Annual Report in electronic mode to Members who have registered their e-mail address for the purpose. The Members holding shares in electronic form are requested to register their e-mail

address with their respective Depository Participant(DP).Accordingly, the company is sending the electronic copy of Annual Report to the shareholders whose email-id are registered with their respective DP. However, any member seeking to have hard copy of the Annual Report may send their request to the designated mail id of Company Secretary to have the same.

- All documents referred to in the Notice are open for inspection at the Registered Office of the Company during office hours on all working days up to the date of the Annual General Meeting
- Members and/or proxies are requested to bring with them the attendance slip and hand it over at the entry gate.

**FORM NO. MGT.12****Polling Paper**

**[Pursuant to section 109(5) of the Companies Act, 2013 and rule 21(1)(c) of the Companies (Management and Administration) Rules, 2014]**

Name of the Company: **JHANDEWALAS FOODS LIMITED**

Registered office:**B-70, FIRST FLOOR, UPASANA HOUSE, JANTA STORE, BAPU NAGAR, JAIPUR-302015**

**BALLOT PAPER**

| S No | Particulars  | Details |
|------|--|---------|
| 1.   | Name of the First Named Shareholder (In block letters)   |         |
| 2.   | Postal address   |         |
| 3.   | Registered folio No./*Client ID No. (*Applicable to investors holding shares in dematerialized form) |         |
| 4.   | Class of Share   |         |

I hereby exercise my vote in respect of Ordinary/Special resolution enumerated below by recording my assent or dissent to the said resolution in the following manner:

| No | Item No.   | No. of shares held by me | I assent to the resolution | I dissent from the resolution |
|----|--|--------------------------|----------------------------|-------------------------------|
| 1. | To consider and adopt audited financial statement of year ended march 31 <sup>st</sup> , 2019                  |                          |                            |                               |
| 2  | To appoint Mrs. Jinko Devi Koolwal who retires by rotation as a director and being eligible for re-appointment |                          |                            |                               |
| 3  | To appoint statutory auditor of the company and fix their remuneration   |                          |                            |                               |

Place:

Date:

(Signature of the shareholder)





## MANAGEMENT DISCUSSION AND ANALYSIS

### A. The Industry:

The Indian food and grocery market is the world's sixth largest, with retail contributing 70 per cent of the sales. The Indian food processing industry accounts for 32 per cent of the country's total food market, one of the largest industries in India and is ranked fifth in terms of production, consumption, export and expected growth. It contributes around 8.80 and 8.39 per cent of Gross Value Added (GVA) in Manufacturing and Agriculture respectively, 13 per cent of India's exports and six per cent of total industrial investment. The Indian gourmet food market is currently valued at US\$ 1.3 billion and is growing at a Compound Annual Growth Rate (CAGR) of 20 per cent. India's organic food market is expected to increase by three times by 2020.

#### Government Initiatives

The Government of India aims to boost growth in the food processing sector by leveraging reforms such as 100 percent foreign direct investment (FDI) in marketing of food products and various incentives at central and state government level along with a strong focus on supply chain infrastructure. In Union Budget 2018-19, the Government of India has set up a dairy processing infra fund worth Rs 10,000 crore. Considering the fact that the development of food industry benefits the most interiors of the country by giving boost to the agricultural sector, the government initiatives to promote the industry is assured.

(<https://www.ibef.org/industry/indian-food-industry.aspx> & <https://www.indiabudget.gov.in/budget2018-2019/ub2018-19/bs/bs.pdf>)

### B. SWOT Analysis:

#### Strengths

- Abundant availability of diverse types of raw material and varied agro-climatic zones.
- Leading producer of various agricultural commodities such as milk, fruits and vegetables, marine products, etc.
- Priority sector status for agro-processing given by the central Government
- Growing domestic market
- Proximity to growing international markets like Gulf, Middle East etc. with a sea route.

#### Weaknesses

- Lack of adequate infrastructural facilities, viz., Power, Road & Rail connectivity, Storage, etc.
- Large number of intermediaries in the supply chain leading to wastage and price rise at each level.
- Capital intensive - High requirement of working capital because of the seasonal nature of raw material.
- Lack of established linkages between R&D labs and the industry.

#### Opportunities

- Diversification into cultivation of high value agricultural crops by the farmers
- Setting up of Special Economic Zones (SEZs), Agri-Export Zones (AEZs) and mega food parks for providing the needed infrastructure for small scale units.
- Rising income levels and changing consumption patterns of Indian population
- Emerging scope for functional foods, geriatric foods, low fat foods, etc.
- Opening of global markets
- Rationalisation of food laws and enabling policies of GOI & State Governments for development of the sector. Increased demand for ethnic food in most of the countries due to increased NRI population in those countries.

#### Threats

- Preferences for fresh food than chilled or frozen.
- Competition from other countries/players (<https://www.nabard.org/auth/writereaddata/file/NSP%20on%20Food%20and%20Agro%20Processing.pdf>)

#### Challenges being faced:

##### i. Huge investments in setting up distribution network and promoting brands:

With our future growth strategy of expanding our product range and customer and geographical reach, we need to invest in setting up a strong distribution network. Brand is an important variable which influences the buying decision of a customer, especially in packaged food industry. Though we are an established Brand, we need to make substantial investments towards our brand building and thus further strengthen the brand recognition and preference of the customers.

##### ii. Spending on advertisements is aggressive:

Spending on advertisements and promotional activities need to be quite aggressive in the FMCG/ packaged food industry which is characterized as quite competitive in India.

##### iii. Inadequate Infrastructure Facilities:

Development of processed food industry is dependent on infrastructure facilities like storage and transportation. Our country still needs to develop such primary facilities a lot.

#### Risk & Concerns

To sustain and grow in global market one must be ready for some level of uncertainty. Greater the uncertainty, higher the risk. The risk management function is integral to the Company and its objectives include ensuring that



critical risks are identified, continuously monitored and managed effectively in order to protect the Company's business. The Company operates in an environment which is affected by various factors some of which are Controllable while some are outside the control of the company. The Company proactively takes reasonable steps to identify and monitor the risk and makes efforts to mitigate significant risks that may affect it. Some of the risks that are potentially significant in nature and need careful monitoring are listed here under

- i. **Procurement Risk:** Adequate and uninterrupted availability of key raw materials at the right prices is crucial for the Company. Our raw materials are agri and allied natural products thus production of our products depends on the vagaries of nature. Therefore, any disruption in the supply due to a natural or other calamity or violent changes in the cost structure could adversely affect the Company's ability to reach its consumers with the right value proposition.
- ii. **Competition from existing Brands:** The Branded segment of food industry in India is witnessed by strong hold of a few multinational as well as Indian majors with deep pockets. Their Heavy investment on network and Brand strengthening or any probability of price war poses risk to our company. However ours are established brands and enjoy customer loyalty on account of long history of consistently delivering quality products at reasonable price.
- iii. **Competition from unorganized sector:** Another characteristic of this industry is the presence of unorganized sector offering products in loose/unbranded form which intensifies competition. The Company has strengthen its distribution channel and has invested significantly in making the brand stronger which helps differentiate their product.
- iv. **Policy risk:** Any sudden change in food security policy and other regulations may hit the profit margins badly. The Company abides by food security policies published by the government to ensure safety as per food quality standards. The products are moved through adequate quality checking procedures.

#### C. Segment wise- product wise performance

The Company is engaged in one business segment i.e. manufacturing of food products like Ghee and mangodi and also engaged in the marketing of Saffron, Poha and Dalia, hence, accordingly there is only single reportable segment.

#### D. Outlook

Annual growth of the Indian consumption market was estimated to be 6.7% during FY 2015-20 and 7.1% during FY2021-25 on the back of better access to information, increasing digitization, rampant e-commerce growth and changing lifestyles. Case in point:

consumer spending is likely to increase to USD 3.6 trillion by 2020, the bulk of it taking place in segments like food, household, transport and communications. The Indian packaged food industry is worth US\$ 39.7 billion and expected to reach US\$ 65.41 billion by 2020. (Source: IBEF & <http://ficci.in/sector-details.asp?sectorid=15>)

#### E. The Way Forward

With the increasing demand of packaged food, the industry is set to grow. We are leveraging on the growing opportunities and have started our journey to transform our self from a 'Ghee company' to a food conglomerate. Also we need to prepare our self to face the growing competition in the industry.

- i. **Product Expansion:** We are an established Ghee brand in Rajasthan and are continuously adding other food products in our kitty. We are manufacturing 'Mangodi' at our existing facilities in Jaipur. Along with we are marketing other food products namely Groundnut Oil (Brand 'Polki'), Saffron, Rice flakes (*Poha*), *SoanPapdi* (a famous India Dessert), and *Papad*. Additionally we have launched Nachos Corn Chips, and Pasta (Brand 'YummYoo'). We are also venturing into ready to eat segment with Upma, *Poha* and *Biriyani*. These products will also be sold under the brand 'YummYoo' to primarily target the youth and kids segment.
- ii. **Market Expansion:** We are expanding our footprints by venturing into new markets. We are expending to newer geographies of India – Delhi, Uttar Pradesh, Gujarat, Maharashtra and Haryana to name a few. On a regular basis we organize marketing and promotional activities like Participation in trade fairs, distributors' and caterers' meet, hoardings and print media advertisements, canopies etc. We have also associated our self with online market places. We are also increasing our institutional sales by associating our self with corporate clients; Haldiram's & Ghasitaram's being the latest addition. Our product is also available in Central Police Canteen and ArdhSainik Canteen.
- iii. **Product Extension:** We have been continuously extending our product line by introducing variants to our existing products. We are already selling Ghee under three variants and introduced chotu pack under 50g and 100g of Naman's & Godhenu cow ghee.
- iv. **Stronger Distribution Channel:** We have a strong distribution team, with a network of about 11000 retailers. We continuously engage with them and make our relationship stronger. We on a regular basis organize events like Distributors' meet, recognition of performing distributors.
- v. **Diversified sales platforms:** We are diversifying our sales platforms and are getting associated with



new age retailers – Online market places like Amazon, Flipkart, Paytm, Daily needs, Big Basket and Grofers and retail chains like Big Bazaar, Reliance Fresh etc.

- vi. **Stronger management team:** Our management team is a mix of experience and youth energy. We are continuously enriching our self with qualified and experienced management team and workforce.

**F. Internal Control System and their adequacy / corporate governance**

The Company has a well-established and comprehensive internal control system. Documents, policies and authorization guidelines comply with the level of responsibility and standard operating procedures specific to the respective businesses. Observation made in internal audit reports on business processes, systems, procedures and internal control and implementation status of recommended remedial measures by Internal Auditors are regularly presented to and reviewed by the Audit Committee of the Board. The system of internal control is being improved to ensure that all assets are safe and protected against loss from unauthorized use or disposition, and that all transactions are authorized, recorded and reported correctly. The Company regularly conducts internal check, using external and internal resources to monitor the effectiveness of internal control in the organization. It strictly adheres to corporate policy with respect to financial reporting and budgeting functions. The Audit Committee of the Board of Directors deals with significant control issues and instructs further areas to be covered.

**G. Discussion on Financial performance**

The year has been a year of turbulent for us. The turnover of the company declined to Rs 15488.93 lacs from Rs 17787.79 lacs as compared to last year with reduction of 12.92%. Due to decline in turnover and increased raw material prices, the company recorded a loss of Rs 1586.92 lacs as against a profit of Rs 316.73 lacs in the previous year.

Further during the year the company has also booked a loss of Rs.633.06 lakhs on account of Diminution in

value of stocks related to previous year, which also constituted a major part of loss.

The Directors are of the opinion that the Company will take better care of their stock in future so that it will not come up with such losses and the financials would give better picture of Company's performance.

**H. Human resources**

Your Company believes in working as a team to meet targets and hence puts emphasis on providing equal opportunities to all employees. The HR philosophy is to establish and build a high performing organization, where each individual is motivated to perform to the fullest capacity to contribute to developing and achieving individual excellence and departmental objectives and continuously improve performance to realize the full potential of our personnel. Our Company believes in creating a meritocracy and adequately rewarding its performing employees. As of 31<sup>st</sup> March, 2019, the Company had over 83 employees on its payroll.

**Cautionary statement**

The management discussion and analysis report contains forward-looking statements, which may be identified by the use of words in that direction or connoting the same. All statements that address expectation or projections about the future, including, but not limited to statements about the Company's strategy for growth, product development, market position, expenditures and financial results are forward-looking statements. The Company's actual results, performance or achievement could thus differ materially from those projected in any such forward-looking statements. The Company assumes no responsibility to publicly demand, modify or revise any forward looking statements, on the basis of any subsequent development, information or events.

For & on behalf of the Board  
Sd/-

**RAAKESH B KULWAL**

Chairman & Managing Director  
DIN: 00615150

Jaipur  
3<sup>rd</sup> September 2019



## DIRECTORS' REPORT

Dear Members,

Your Directors have pleasure in presenting the 13th Annual Report and audited financial accounts for the year ended 31<sup>st</sup> March, 2019. The performance of the Company for the year ended on March 31, 2019 is summarized below;

### 1. Financial Highlights

(Amt. In Lakh)

| Particulars  | 2018-19          | 2017-18       |
|--|------------------|---------------|
| Total Income   | 15497.18         | 17797.09      |
| Total Expenditure  | 16657.86         | 17288.26      |
| Profit/(Loss) Before Exceptional Items, Prior Period Items and Tax | <b>(1160.68)</b> | <b>508.83</b> |
| Exceptional Items  | -                | -             |
| Profit/(Loss) Before Prior Period Items and Tax                    | <b>(1160.68)</b> | <b>508.83</b> |
| Prior Period Items   | 633.06           | -             |
| <b>Profit/(Loss) Before Tax</b>                                    | <b>(1793.74)</b> | <b>508.83</b> |
| Less: Tax Expenses (including deferred tax)                        | (206.82)         | 189.53        |
| MAT Credit Availed   | -                | -             |
| Tax Adjustments  | -                | <b>2.57</b>   |
| Profit/(Loss) After Tax (PAT)                                      | <b>(1586.92)</b> | <b>316.73</b> |

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

The Company is carrying out the manufacturing of food products like Ghee and Mangodi. We are also engaged in the marketing of Saffron, Poha and Dalia. Our products portfolio includes Ghee, Godhenu Cow Ghee, Naman's Gold Ghee, Poha, Mangodi, Daliya, Boondi Raita, Papad and Polki Refined Groundnut Oil and are marketed under its own brand name "Naman's" and "Godhenu".

During the year under review, there has been unexpected fluctuation in Raw material prices and our suppliers of material suspended the supply of material which affected our production and which in turn decreased the revenue from 17797.09 lakhs to 15497.18 lakhs as compared with the previous year. As a result of increase in prices of raw material and un-ability to pass on the increase in the market due to increased competition, the Company incurred a loss of Rs.1586.92 lacs after tax during the year under review as against net profit of Rs.316.73 lakhs in the previous year.

During the year the company has booked a loss of Rs.633.06 lakhs on account of Diminution in value of stocks related to previous year.

Management is taking all necessary steps to boost demand of its products in the market and making all efforts to procure the raw material at competitive rates so that performance of company is improved in future.

### 3. Board of Directors

In accordance with the provisions of section 149, 152 and other applicable provisions of the Companies Act, 2013, one third of the such of Directors as are liable to retire by rotation, shall retire every year and, if eligible, offer themselves for re-appointment at every AGM.

In accordance with the provision of section 168 and other applicable provisions of the Companies Act, 2013

Mr. Sanjay Sethi (DIN:07652384) resigned from the board as an Independent Director w.e.f. 05<sup>th</sup> October, 2018, apart from this there is no change in the Board of Directors of the Company.

### 4. Number of Meetings of the Board

During the Financial Year 2018-19, the Company held 14 (Fourteen) Board meetings of the Board of Directors as per Section 173 of Companies Act, 2013 which is summarized below.





| S.No | Date of Meeting                  |
|------|----------------------------------|
| 1.   | 21 <sup>st</sup> May, 2018       |
| 2.   | 30 <sup>th</sup> May, 2018       |
| 3.   | 30 <sup>th</sup> July, 2018      |
| 4.   | 16 <sup>th</sup> August, 2018    |
| 5.   | 13 <sup>th</sup> September, 2018 |
| 6.   | 17 <sup>th</sup> September, 2018 |
| 7.   | 01 <sup>st</sup> October, 2018   |
| 8.   | 25 <sup>th</sup> October, 2018   |
| 9.   | 30 <sup>th</sup> October, 2018   |
| 10.  | 31 <sup>st</sup> October, 2018   |
| 11.  | 14 <sup>th</sup> November, 2018  |
| 12.  | 31 <sup>st</sup> December, 2018  |
| 13.  | 15 <sup>th</sup> January, 2019   |
| 14.  | 7 <sup>th</sup> March, 2019      |

| S. No. | Name of Director                    | No. of Board Meetings Attended | Attendance of the last AGM held on 14.09.2018 |
|--------|-------------------------------------|--------------------------------|---|
| 1.     | RAAKESH B KULWAL<br>DIN:00615150    | 14                             | Present                                       |
| 2.     | JINKO DEVI KOOLWAL<br>DIN: 02531975 | 14                             | Present                                       |
| 3.     | SANJAY SETHI<br>DIN:07652384        | 11                             | Absent  |
| 4.     | NAND LAL PANCHARIA<br>DIN:07951887  | 11                             | Absent  |
| 5.     | HARSH AGARWAL<br>DIN:07972445       | 14                             | Present                                       |

The intervening gap between the Meetings was within the period prescribed under the Companies Act, 2013.

#### 5. Key Managerial Personnel

The following are the Key Managerial Personnel of the Company:

| S.No. | Name of Person      | Designation                  |
|-------|---------------------|------------------------------|
| 1.    | Raakesh B Kulwal    | Chairman & Managing Director |
| 2.    | Jinko Devi Koolwal  | Director                     |
| 3.    | Pankaj Kumar Mathur | Chief Financial Officer      |
| 4.    | Annu Sharma         | Company Secretary            |

There was appointment of Ms. Annu Sharma as Company Secretary in place of Khushbu Agarwal w.e.f. 01<sup>st</sup> October, 2018, apart from that there was no change in the KMP's of the Company.

The Board of Directors of Company is a balanced one with an optimum mix of Executive and Non Executive Directors. They show active participation at the board

and committee meetings, which enhances the transparency and adds value to their decision making..

#### 6. Committees of the Board

The Board of Directors have the following committees:

1. Audit Committee
2. Nomination and Remuneration/Compensation Committee
3. Stakeholder/Investors Grievance Committee

The details of the Committees along with their composition, number of meetings and attendance at the meetings are provided as under:

##### (a) Audit committee:

The Audit Committee comprised of 3 members as on 31<sup>st</sup> March, 2019. Meeting of the Members of Audit Committee held twice dated 21<sup>st</sup> May, 2018 and 06<sup>th</sup> March, 2019 and the detail of the composition of the Audit committee along with their meetings held/attended is as follows:

| Name of Director  | Designation                                     | No. of Meetings Attended |
|-------------------|---|--------------------------|
| Sanjay Sethi      | Non-Executive & Independent Director            | 1 of 1                   |
| N.L.Pancharia     | Non-Executive & Independent Director            | 2 of 2                   |
| Raakesh B. Kulwal | Executive & Non-Independent Director            | 2 of 2                   |
| Harsh Agarwal     | Chairman and Non-Executive Independent Director | 1 of 2                   |

##### (b) Nomination and Remuneration Committee:

The Committee comprised of 3 members as on 31<sup>st</sup> March, 2019. Meeting of the Members of Nomination And Remuneration Committee held one's dated 6<sup>th</sup> March 2019 and the detail of the composition of the Nomination And Remuneration committee along with their meetings held/attended is as follows

| Name of Director   | Designation                          | No. of Meetings Attended |
|--------------------|--------------------------------------|--------------------------|
| Harsh Agarwal      | Chairman&Independent Director        | 1 of 1                   |
| N.L. Pancharia     | Non-Executive & Independent Director | 1 of 1                   |
| Jinko Devi Koolwal | Non-Executive Director               | 1 of 1                   |

##### (c) Stakeholder committee:

The Committee comprised of 3 members as on 31<sup>st</sup> March, 2019. Meeting of the Members of Stakeholder Committee held one's dated 06<sup>th</sup> february, 2019 the detail of the composition of the Stakeholder committee along with their meetings held/attended is as follows:



| Name of Director   | Designation                          | No. of Meetings Attended |
|--------------------|--------------------------------------|--------------------------|
| Harsh Agarwal      | Chairman & Independent Directors     | 1 of 1                   |
| Jinko devi Koolwal | Non-Executive Director               | 1 of 1                   |
| Raakesh B. Kulwal  | Executive & Non-Independent Director | 1 of 1                   |

## 7. Board Evaluation

Pursuant to the provisions of the Companies Act, 2013 and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Board has carried out an annual performance evaluation of its own performance, the directors individually as well as the evaluation of the working of its Audit, Nomination & Remuneration Compensation and Stakeholder/ Investor's Grievance Committees.

During the year, in terms of the requirements of the Companies Act, 2013 and Listing Regulations, Board Evaluation cycle was completed by the Company internally which included the Evaluation of the Board as a whole, Board Committees and Directors. The exercise was led by the Independent Director of the Company. The Evaluation process focused on various aspects of the functioning of the Board and Committees such as composition of the Board and Committees, experience, performance of specific duties and obligations, governance issues etc.

There results of the Evaluation were shared with the Board, Chairman of respective Committees and individual Directors. Based on the outcome of the Evaluation, the Board and Committees have agreed on an action to further improve the effectiveness and functioning of the Board and Committees. The Chairman of respective Board Committees also shared the results of evaluation with the respective Committee Members

## 8. Declaration by an Independent Director(s) and re-appointment, if any

All Independent Directors have given declarations that they meet the criteria of independence as provided in sub-section (6) of Section 149 of the Companies Act, 2013 and Regulation 16(b) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

## 9. Finance & Accounts

Your Company prepares its Financial Statements in compliance with the requirements of the Companies Act, 2013 and Accounting Standards. The estimates and judgments relating to the Financial Statements are made on a going concern basis, so as to reflect in a true and fair manner. The form and substance of transactions reasonably present the Company's state of affairs, profits/ loss and cash flows for the year ended March 31, 2019.

## 10. Auditors

### (a) Statutory Auditor

The Statutory Auditors of the Company M/s. J K Sarawgi & Company, Chartered Accountants, (Firm Registration Number: 006836C) has resigned on 04<sup>th</sup> May 2019.

In order to fill the casual vacancy created by their resignation the Company has appointed M/s M S G & Associates, Chartered Accountants, (FRN.:010254C) in the Extra Ordinary General Meeting held on 29<sup>th</sup> June, 2019 until the conclusion of ensuing Annual General Meeting.

Further it is proposed to appoint M/s M S G & Associates, Chartered Accountants, (FRN.:010254C) for the term period of Five Financial years i.e. from 2019-2020 to 2023-2024 from the conclusion of ensuing AGM.

The Company has received consent letter from M/s. M S G & Associates, Chartered Accountants, (FRN.: 010254C) , to the effect their appointment, if made, would be within the prescribed limits under Section 139 of the Companies Act, 2013 and that they are not disqualified for such appointment within the meaning of Section 141 of the Companies Act 2013.

### REPORTING OF FRAUDS BY AUDITORS

For the Financial year 2018-19, the Statutory Auditor has not reported any instances of frauds committed in the Company by its Officers or Employees.

### (b) Secretarial Auditor

In terms of Section 204 of Companies Act, 2013 and rules made there under, the Company have M/s Arms & Associates LLP, a firm of Company Secretaries in Practice as a Secretarial Auditor of the Company. The Secretarial Audit Report submitted by them in the prescribed form MR-3 is enclosed as ANNEXURE 'B' and forms part of this report.

### (c) Internal Audit

Our company's Internal Auditor is M/s Khandelwal Nitin & Associates.

### (d) Cost Auditor

In accordance with the provisions of Section 148 of the Companies Act, 2013, read with Companies (Cost Records and Audit) Rules, 2014 as amended from time to time, our Company was not required to appoint Cost Auditors for the previous Financial Year.

## 11. INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY

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.