



KSL and Industries Limited



**37th Annual Report
2018-19**

KSL AND INDUSTRIES LIMITED

Registered office: Plot No.69A, Dhanu Udyog Industrial Area, Piperia, Silvassa (U.T.) - 396230

CIN: L17119DN1983PLC000074

ANNUAL REPORT 2018-2019

BOARD OF DIRECTORS

Mr. Manoj Kumar Sharma	- Managing Director
Mr. Pravin Kumar Parekh	- Independent Director
Mr. Trivendra Shambhu Singh	- Independent Director
Mr. Bhanu Pratap Singh	- Independent Director
Mrs. Neha Nilesh Patil	- Director
Mrs. Manasi Wadkar	- Director

COMPANY SECRETARY AND COMPLIANCE OFFICER

Mrs. Monica Singh

BANKERS

Various Banks with Lead Bank Allahabad Bank

AUDITORS

M/s. Rishi Sekhri & Associates
Chartered Accountants

REGISTERED OFFICE

Plot No.69A, Dhanu Udyog Industrial Area,
Piperia, Silvassa (Union Territory) - 396 230

CORPORATE OFFICE

Raghuvanshi Mills Compound,
11/12, Senapati Bapat Marg,
Lower Parel (West),
Mumbai- 400 013

REGISTRAR & TRANSFER AGENT

Bigshare Services Pvt. Ltd.
E-2/3, Ansa Industrial Estate,
Sakivihar Road, Saki Naka,
Andheri (East), Mumbai – 400 072.

PLANTS

Kalameshvar, Nagpur (Maharashtra)

Dombivali, Dist. Thane (Maharashtra)
Wada, Dist. Thane (Maharashtra)
Piperia, Silvassa (U.T.)

CONTENTS

Notice	02
Directors' Report.....	06
Corporate Governance Report.....	24
Management Discussion and Analysis Report	34
Auditors' Report	37
Balance Sheet.....	41
Profit & Loss Account	42
Schedules & Notes	43
Notes on Accounts	45
Cash Flow Statement.....	51
Consolidated Auditors' Report.....	53
Consolidated Balance Sheet.....	56
Consolidated Profit & Loss Account	57
Consolidated Schedules & Notes.....	58
Consolidated Notes on Accounts.....	59
Consolidated Cash Flow Statement.....	67
Attendance Form.....	69

NOTICE

NOTICE is hereby given that the 37th Annual General Meeting of the Members of **KSL AND INDUSTRIES LIMITED** will be held on 28 September, 2019 at 69-A, Dhanu Udyog Industrial Estate, Piperia, Silvassa, (Union Territory) Dadra Nagar Haveli- 396230 at 04.15 Pm to transact the following business:

ORDINARY BUSINESS:-

1. To receive, consider and adopt:
 - a. the Audited Financial Statements of the Company for the financial year ended March 31, 2019, together with the Reports of the Board of Directors and the Auditors thereon; and
 - b. the Audited Consolidated Financial Statements of the Company for the financial year ended March 31, 2019, together with the Auditors thereon.
2. To appoint a Director in place of Mrs. Manasi Wadkar (DIN: 05309693), who retires by rotation and, being eligible, offers herself for reappointment

SPECIAL BUSINESS

2. To approve the remuneration of Mr. Pradip Damania, Cost Auditor for the financial year ending March 31, 2020 and in this regard 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 all other applicable provisions of the Companies Act, 2013 and the Companies (Audit and Auditors) Rules, 2014 (including any Statutory modification(s) or re-enactment thereof, for the time being in force), the Cost Auditor appointed by the Board of Directors of the Company, to conduct the audit of the Company for the financial year ending March 31, 2019, be paid the remuneration as set out in the Statement annexed to the Notice convening this Meeting."

"RESOLVED FURTHER THAT any of the Directors of the Company be and is hereby authorised to do all acts and take all such steps as may be necessary, proper or expedient to give effect to this resolution."

3. To Regularize the appointment of Shri Narayan Ghumatkar (holding DIN 01717979) as a Independent Non-Executive Director and in this regard 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 149, 150 and 152 read with Schedule IV and all other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any Qualification of Directors) Rules, 2014 and Applicable provisions of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (hereinafter referred as "Listing Regulations") (Including any statutory modification(s) or re- enactment thereof for the time being in force), Shri Narayan Ghumatkar (DIN: 01717979), who was appointed as an Additional Director pursuant to the provisions of Section 161(1) of the Companies Act, 2013 and the Articles of Association of the Company and who holds office up to the date of this Annual General Meeting and in respect of whom the Company has received a notice in writing under Section 160 of the Companies Act, 2013 from a member proposing his candidature for the office of Director, be and is hereby appointed as an Independent Director of the Company to hold office for a fix term of 5 (five) consecutive years.

4. Re-appointment of Shri Trivendra Singh (DIN 05240052) as an Independent Director of the Company
To consider and if thought fit, to pass with or without modification(s), the following resolutions as Special Resolutions:

"RESOLVED THAT pursuant to the provisions of Section 149, 150 and 152 read with Schedule IV and all other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any Qualification of Directors) Rules, 2014 and Applicable provisions of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (hereinafter referred as "Listing Regulations") (Including any statutory modification(s) or re- enactment thereof for the time being in force), The approval of Members of the Company be and is hereby accorded for re-appointment of Shri Trivendra Singh (DIN: 05240052) whose current period of office is expired and who has submitted a declaration confirming the criteria of Independence under section 149 (6) of the Companies Act, 2013 read with the Listing Regulations, as amended from time to time and who is eligible for re-appointment for the Second term under the provisions of the Companies Act, 2013, Rules made thereunder and Listing Regulations and in respect of whom the company has received, a notice in writing under Section 160 of the Companies Act, 2013 from a member proposing his candidature for the office of Independent Non- Executive Director, whose term shall not be subject to retirement by rotation, to hold office for a second term of 5 (five) consecutive years.

NOTES:-

1. The Explanatory Statement pursuant to Section 102(1) of the Companies Act, 2013, in respect of Special Business is annexed hereto under Item No. 2 and 3 and forms an integral part of this Notice. The relevant details as required under Regulation 36 (3) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("**SEBI Listing Regulations**") and Secretarial Standard on General Meetings issued by the Institute of Company Secretaries of India, of the person seeking re-appointment as Director under Item No.2 of the Notice, are also annexed in Corporate Governance Report.
2. **A Member entitled to attend and vote at the Annual General Meeting (AGM) is entitled to appoint a proxy to attend and vote instead of himself and the proxy need not be a Member of the Company.**

The instrument appointing the proxy, in order to be effective, must be deposited at the Company's Registered Office, duly completed and signed, not less than FORTY-EIGHT HOURS before the commencement of the AGM. Proxies submitted on behalf of limited companies, societies etc., must be supported by appropriate resolutions / authority, as applicable. A person can act as proxy on behalf of Members not exceeding fifty (50) and holding in the aggregate not more than 10 % of the total share capital of the Company. In case a proxy is proposed to be appointed by a Member holding more than 10 % of the total share capital of the Company is proposed to be appointed by

a Member holding more than 10% of the total share capital of the Company carrying voting rights, then such proxy shall not act as a proxy for any other person or shareholder.

3. The Registers of Members and Share Transfer Books of the Company will be closed from 21st September, 2019 to 28th September, 2019.
4. Members, proxies and Authorised representative are requested to bring to the meeting, the Attendance Slip enclosed herewith, duly completed and signed, mentioning therein details of their DP ID and Client ID/ Folio No.
5. Members holding shares in dematerialized form are requested to intimate all changes pertaining to their bank details such as bank account number, name of the bank and branch details, MICR code and IFSC code, mandates, nominations, power of attorney, change of address, change of name, e-mail address, contact numbers, etc., to their Depository Participant (DP). Changes intimated to the DP will then be automatically reflected in the Company's records which will help the Company and the Company's Registrars and Transfer Agents, Bigshare Services Private Limited to provide efficient and better services.

The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in securities market. Members holding shares in electronic form are, therefore, requested to submit the PAN to their Depository Participants with whom they are maintaining their demat accounts. Members holding shares in physical form can submit their PAN details to the Company.
6. Members are requested to note that the Company's equity shares are under compulsory demat trading for all investors, subject to the provisions of SEBI Circular no. 21/99 dated July 8, 1999. Members are, therefore, requested to dematerialize their shareholding to avoid inconvenience.
7. Members holding shares under multiple folios in the identical order of names are requested to consolidate their holdings into one folio. Members are requested to immediately notify any change in their registered address specifying full address with Pin Code Number and quoting their Registered Folio Number to the Company.
8. In case of joint holders attending the AGM, the Member whose name appears as the first holder in the order of names as per the Register of Members of the Company will be entitled to vote.
9. Members desiring any information on the Annual Accounts of the Company for the year ended 31st March, 2019 are requested to write to the Company at its Administrative Office Address at least 7 days in advance of the Annual General Meeting, so as to enable the Management to keep the information ready at the meeting.
10. All documents and agreements referred to in the Notice and Explanatory Statement are open for inspection at the Registered Office of the Company on all working days, except holidays, between 10:00 A.M and 1:00 P.M. up to the date of Annual General Meeting.
11. Electronic copy of the Annual Report for 2019 is being sent to all the members whose email IDs are registered with the Company/Depository Participant(s) for communication purposes unless any member has requested for a hard copy of the same. For members who have not registered their email address, physical copies of the Annual Report for 2019 is being sent in the permitted mode.
12. Electronic copy of the Notice of the 37th Annual General Meeting of the Company *inter alia* indicating the process and manner of e-voting along with Attendance Slip and Proxy Form is being sent to all the members whose email IDs are registered with the Company/Depository Participant(s) for communication purposes unless any member has requested for a hard copy of the same. For members who have not registered their email address, physical copies of the Notice of the 37th Annual General Meeting of the Company *inter alia* indicating the process and manner of e-voting along with Attendance Slip and Proxy Form is being sent in the permitted mode.
13. Route Map giving directions to the venue of the 37th AGM is annexed.
14. In terms of the provisions of Section 108 of the Companies Act, 2013, read with Rule 20 of the Companies (Management and Administration) Rules, 2014 and Regulation 44 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company is pleased to offer e-voting facility as an alternate to all its Members to enable them to exercise their right to vote by electronic means. For this purpose, the Company has entered into an agreement with Central Depository Services (India) Limited ("CDSL") for providing e-voting facility to enable the shareholders to cast their votes electronically.

These e-voting instructions are being sent to you as your name appears in the Register of Members as on Saturday, 21st September, 2019, being the cut-off date/entitlement date, fixed by the Board of Directors of the Company to identify the Members who are entitled to receive the copies of the Notice of Thirty Seventh Annual General Meeting together with the Annual Report and to participate through e-voting.

The instructions for members for voting electronically are as under:- In case of members receiving e-mail:

- (i) The voting period begins on Wednesday, 25th September, 2019 at 09:00 a.m. and ends on Friday 27th September, 2019 at 05:00 p.m. During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date (record date) of 2019, may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
- (ii) Log on to the e-voting website www.evotingindia.com
- (iii) Click on "Shareholders" tab.
- (iv) Now Enter your User ID
 - a. For CDSL: 16 digits beneficiary ID,
 - b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
 - c. Members holding shares in Physical Form should enter Folio Number registered with the Company.
- (v) Next enter the Image Verification as displayed and Click on Login.
- (vi) If you are holding shares in demat form and had logged on to www.evotingindia.com and voted on an earlier voting of any company, then your existing password is to be used.

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

PAN*	For Members holding shares in Demat Form and Physical Form
	<p>Enter your 10 digit alpha-numeric PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders)</p> <ul style="list-style-type: none"> Members who have not updated their PAN with the Company/Depository Participant are requested to use the first two letters of their name and the 8 digits of the sequence number (refer serial no. printed on the name and address sticker/Postal Ballot Form/mail) in the PAN field. In case the sequence number is less than 8 digits enter the applicable number of 0's before the number after the first two characters of the name in CAPITAL letters. E.g. If your name is Ramesh Kumar with sequence number 1 then enter RA00000001 in the PAN field.
Dividend Bank Details OR Date of Birth	<p>Enter the Dividend Bank Details or Date of Birth (in dd/mm/yyyy format) as recorded in your demat account or in the company records in order to login.</p> <ul style="list-style-type: none"> If both the details are not recorded with the depository or company please enter the member id / folio number in the Dividend Bank details field as mentioned in instruction (iv).

(viii) After entering these details appropriately, click on "SUBMIT" tab.

(ix) Members holding shares in physical form will then reach directly the Company selection screen. However, members holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.

(x) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.

(xi) Click on the EVSN for the relevant KSL AND INDUSTRIES LIMITED on which you choose to vote.

(xii) On the voting page, you will see "RESOLUTION DESCRIPTION" and against the same the option "YES/NO" for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.

(xiii) Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.

(xiv) After selecting the resolution you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.

(xv) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.

(xvi) You can also take out print of the voting done by you by clicking on "Click here to print" option on the Voting page.

(xvii) If Demat account holder has forgotten the changed password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.

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

(xix) **Note for Non – Individual Shareholders and Custodians**

- Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodian are required to log on to www.evotingindia.com and register themselves as Corporates.
- A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to helpdesk.evoting@cdslindia.com.
- After receiving the login details a Compliance User should be created using the admin login and password. The Compliance User would be able to link the account(s) for which they wish to vote on.
- The list of accounts linked in the login should be mailed to helpdesk.evoting@cdslindia.com and on approval of the accounts they would be able to cast their vote.
- A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.

(xx) In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions ("FAQs") and e-voting manual available at www.evotingindia.com, under help section or write an email to helpdesk.evoting@cdslindia.com.

(xxi) M/s. Priyavrat & Associates, Chartered Accountants in whole time practice, has been appointed as Scrutinizer, who in the opinion of the Board can scrutinize the e-voting process in fair and transparent manner.

In case of members receiving the physical copy:

(A) Please follow all steps from sl. no. (i) to sl. no. (xvi) above to cast vote.

(B) The voting period begins on Wednesday, 25th September, 2019 at 09:00 a.m. and ends on Friday at 27th September, 2019 at 05:00 p.m. During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date

(record date) of Saturday 21st September, 2019, may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.

- (C) In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions ("FAQs") and e-voting manual available at www.evotingindia.co.in under help section or write an email to helpdesk.evoting@cdslindia.com.

For and Behalf of the Board of Directors

Sd/-

Manoj Kumar Sharma

Managing Director

DIN: 01884806

Place: Mumbai

Date: 13th August, 2019

EXPLANATORY STATEMENT PURSUANT TO SECTION 102 (1) OF THE COMPANIES ACT, 2013

ITEM NO. 2:

The Board, on the recommendation of the Audit Committee, has approved the appointment of Mr. Pradip Damania as a Cost Auditor of the Company to conduct the audit of the cost records of the Company for the financial year 2019-2020 on a remuneration of Rs. 10,000/- p.a.

In accordance with the provisions of Section 148 of the Act read with the Companies (Audit and Auditors) Rule, 2014, the remuneration payable to the Cost Auditor has to be ratified by the shareholders of the Company.

Accordingly, consent of the members is sought for passing an Ordinary Resolution as set out at item No. 2 of the Notice for ratification of the remuneration payable to the Cost Auditor for the financial year 2019-2020.

None of the Directors/ Key Managerial Personnel of the Company/ their relative are, in any way, concerned or interested, financially or otherwise, in the resolution set out at Item No. 2 of the Notice.

The Board recommends the Ordinary Resolution set out at Item No.2 of the Notice for approval by the shareholders.

ITEM NO. 3:

Shri Narayan Ghumatkar (DIN: 01717979), who was appointed as an Additional Director pursuant to the provisions of Section 161(1) of the Companies Act, 2013 and the Articles of Association of the Company and who holds office up to the date of this Annual General Meeting and in respect of whom the Company has received a notice in writing under Section 160 of the Companies Act, 2013 from a member proposing his candidature for the office of Director, be and is hereby appointed as an Independent Director of the Company to hold office for a fix term of 5 (five) consecutive years.

ITEM NO. 4:

The approval of Members of the Company be and is hereby accorded for re-appointment of Shri Trivendra Singh (DIN: 05240052) whose current period of office is expired and who has submitted a declaration confirming the criteria of Independence under section 149 (6) of the Companies Act, 2013 read with the Listing Regulations, as amended from time to time and who is eligible for re-appointment for the Second term under the provisions of the Companies Act, 2013, Rules made thereunder and Listing Regulations and in respect of whom the company has received, a notice in writing under Section 160 of the Companies Act, 2013 from a member proposing his candidature for the office of Independent Non- Executive Director, whose term shall not be subject to retirement by rotation, to hold office for a second term of 5 (five) consecutive years.

For and Behalf of the Board of Directors

Sd/-

Manoj Kumar Sharma
Managing Director

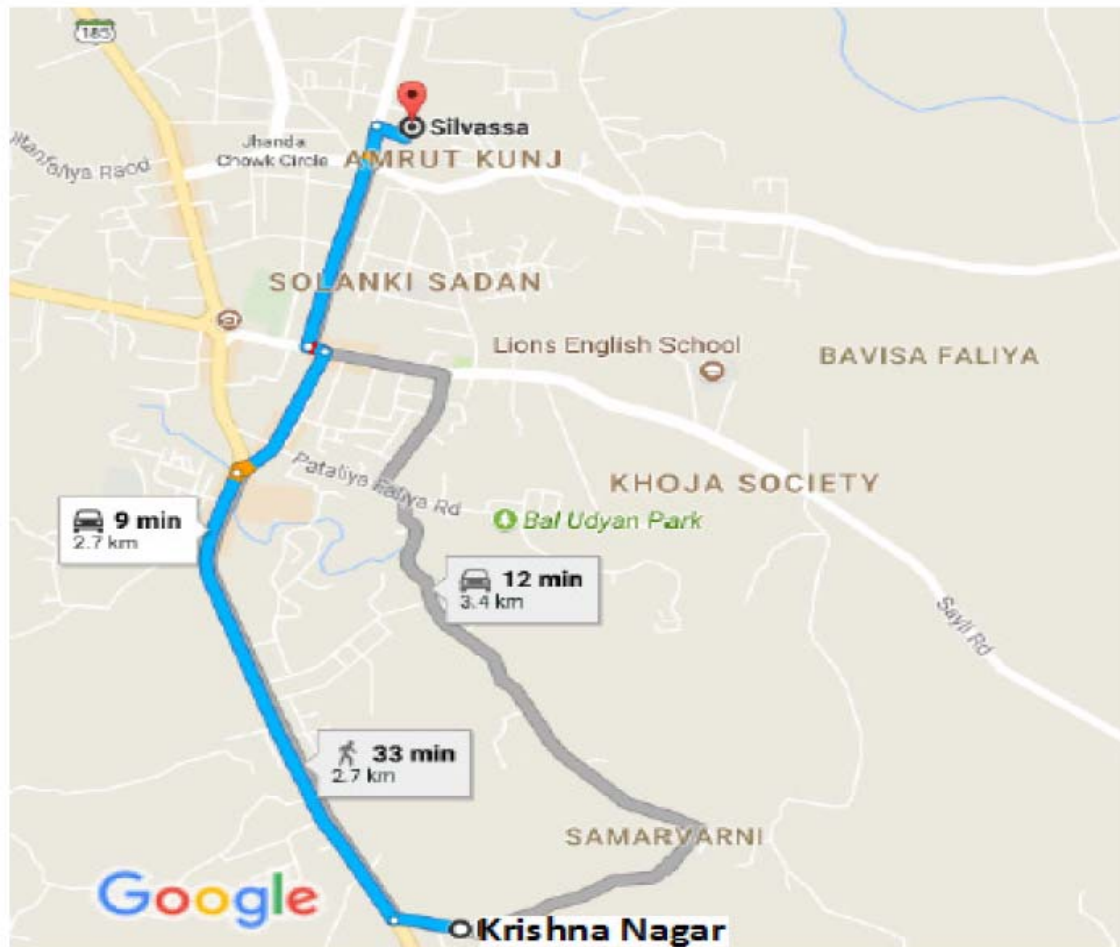
DIN: 01884806

Place: Mumbai

Date: 13th August, 2019

ROUTE MAP TO THE VENUE OF THE ANNUAL GENERAL MEETING

ON SATURDAY, 28th SEPTEMBER 2019, AT 04:15 P.M.



DIRECTORS' REPORT

Dear Members,

Your Directors have pleasure in presenting the 37th Annual Report and the Audited Statements of Accounts of your Company for the financial year ended 31st March, 2019.

Pursuant to the notification dated February 16, 2015 issued by the Ministry of Corporate Affairs, the Company has adopted the Indian Accounting Standards ("Ind AS") notified under the Companies (Indian Accounting Standards) Rules, 2015 with effect from 01st April, 2016.

FINANCIAL RESULTS:-

(Rs. in Lacs)

	2018-2019	2017-2018
Revenue from operations	3404.73	12043.22
Finance Cost (including Loss on foreign exchange fluctuation)	0.10	7368.27
Depreciation and Amortization Expenses	6462.70	6,471.03
Profit before Exceptional and Extraordinary Items and Tax	(6722.08)	(18,381.35)
Exceptional Items & Extraordinary Items	-	-
Profit/Loss before Tax	(6722.08)	(18,381.35)
Provision for Tax	-	-
Deferred Tax Assets/ (Liabilities)	563.77	(477.98)
Profit/Loss after Tax	(6158.31)	(18,859.34)

Note: Previous year figures have been regrouped / rearranged wherever necessary

DIVIDEND:-

In view of huge losses, your Directors are unable to recommend any dividend on the equity shares for the year under review.

REVIEW OF OPERATIONS:-

During the year, the Income from operations of Company has substantially increased to Rs. 3404.73 against 12043.22 in respect of the previous Financial Year ended 31st March, 2018. The Company has incurred loss before exceptional and extra ordinary items and tax of Rs. 6722.08 Lacs as against 18381.35 in the previous financial year ended 31st March, 2018. The Company has incurred during the year Net Loss of Rs. 6158.31 Lacs as against Net Loss of 18859.34 Lacs in the previous financial year ended 31st March, 2019.

The company experienced that the efficiency of plant and machineries, especially Spinning Machines have gone down and set up an in house Expert Group to suggest measures for Technology up gradation and Modernization. As per their recommendations, old machines including Ring Frames, requiring expenditure towards repairs and maintenance consuming high power with low out put have been identified and shifted to workshop/godowns for appropriate action.

SUBSIDIARY COMPANY:-

The Company has 2 subsidiaries as on March 31, 2019. There are no associate companies or joint venture companies within the meaning of section 2(6) of the Companies Act, 2013 ("the Act"). There has been no material change in the nature of the business of the subsidiaries.

Pursuant to the provisions of Section 129(3) of the Act read with Rule 5 of The Companies (Accounts) Rules, 2014, the statement containing salient feature of the financial statement of a company's subsidiary or subsidiaries, associate company or companies and joint venture or ventures under the first proviso to subsection (3) of section 129 (in Form AOC-1 – Annexure - A) is attached to the financial statements of the Company.

Further, pursuant to the provisions of section 136 of the Act, the financial statements of the Company, consolidated financial statements along with relevant documents and separate audited accounts in respect of subsidiaries, are available on the website of the Company.

Members who wish to receive the full Report and Accounts including the Report and Accounts of the Subsidiary Companies will be provided with it upon receipt of a written request. This will help save considerable cost in connection with printing and mailing of the Report and Accounts.

DIRECTORS AND KEY MANAGERIAL PERSONNEL:-

The Independent Directors of the Company have declared that they meet the criteria of independence as laid down in Section 149(6) of Act and SEBI Listing Regulations. In the opinion of the Board they fulfill the conditions of Independence as specified in the Act and Rules made there under and are independent of the management.

Mrs. Neha Patil retires by rotation and being eligible has offered herself for re-appointment.

AUDIT COMMITTEE:-

The composition of Audit Committee is as given in the Report on Corporate Governance.

STAKEHOLDER RELATIONSHIP COMMITTEE:-

The composition of Stakeholder Relationship Committee is as given in the Report on Corporate Governance.

REPORT ON CORPORATE GOVERNANCE AND MANAGEMENT DISCUSSION AND ANALYSIS REPORT:-

Pursuant to SEBI Listing Regulations, a Management Discussion and Analysis Report and a Corporate Governance Report are made as a part of this Annual Report.

The Certificates from M/s. Rishi Shekri & Co., Practicing Chartered Accountants and Shri Manoj Kumar Sharma, Managing Director regarding Compliance of the conditions of Corporate Governance as stipulated by SEBI Listing Regulations is attached to this report.

FAMILIARIZATION PROGRAMME FOR INDEPENDENT DIRECTORS:-

The Company familiarizes its Independent Directors with the Company, their roles, rights, responsibilities in the company, nature of the industry in which the company operates, business model of the company etc. through various programmers.

The details of such familiarization programme shall be disclosed on the Company's website.

DECLARATION OF INDEPENDENT DIRECTORS:-

The Independent Directors have submitted their disclosures to the Board that they fulfill all the requirements as stipulated in Section 149(6) of the Companies Act, 2013 so as to qualify themselves to be appointed as Independent Directors under the provisions of the Companies Act, 2013 and the relevant rules.

INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY:-

The Company has an Internal Control System, commensurate with the size, scale and complexity of its operations. The scope and authority of the Internal Audit function is defined in the Internal Audit Manual. To maintain its objectivity and independence, the Internal Audit function reports to the Chairman of the Audit Committee of the Board & to the Chairman & Managing Director. The Internal Audit Department monitors and evaluates the efficiency and adequacy of internal control system in the Company, its compliance with operating systems, accounting procedures and policies at all locations of the Company. Based on the report of internal audit function, process owners undertake corrective action in their respective areas and thereby strengthen the controls. Significant audit observations and recommendations along with corrective actions thereon are presented to the Audit Committee of the Board.

CODE OF CONDUCT:-

The Board of Directors has approved a Code of Conduct which is applicable to the Members of the Board and all employees in the course of day to day business operations of the company. The Company believes in "Zero Tolerance" against bribery, corruption and unethical dealings / behaviours of any form and the Board has laid down the directives to counter such acts. The code laid down by the Board is known as "code of business conduct" which forms an Appendix to the Code. The Code has been posted on the Company's website. The Code lays down the standard procedure of business conduct which is expected to be followed by the Directors and the designated employees in their business dealings and in particular on matters relating to integrity in the work place, in business practices and in dealing with stakeholders. The Code gives guidance through examples on the expected behaviour from an employee in a given situation and the reporting structure. All the Board Members and the Senior Management personnel have confirmed compliance with the Code. All Management Staff were given appropriate training in this regard.

EXTRACT OF ANNUAL RETURN:-

As provided under section 92(3) of the Act, the extract of Annual Return in Form MGT-9 as on 31st March, 2019 is attached as **Annexure-E** to this report.

BOARD MEETINGS HELD DURING THE YEAR:-

During the year, 4 meetings of the Board of Directors were held. The details of the meetings are furnished in the Corporate Governance Report which is attached to this report.

DIRECTORS' RESPONSIBILITY STATEMENT:-

To the best of their knowledge and belief and according to the information and explanations Obtained by them, your Directors make the following statements in terms of Section 134(3)(c) of the Companies Act, 2013 that:

- a. in the preparation of the annual financial statements for the year ended March 31, 2019, the applicable accounting standards have been followed along with proper explanation relating to material departures, if any;
- b. such accounting policies as mentioned in the Notes to the Financial Statements have been selected and applied consistently and judgment and estimates have been made that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at March 31, 2019 and of the profit of the Company for the year ended on that date;
- c. proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- d. the annual financial statements have been prepared on a going concern basis;
- e. proper internal financial controls were in place and that the financial controls were adequate and were operating effectively.
- f. systems to ensure compliance with the provisions of all applicable laws were in place and were adequate and operating effectively.

PARTICULARS OF LOANS, GURANTEES OR INVESTMENTS UNDER SECTION 186 OF THE ACT:

Details of loans, guarantees and investments covered under the provisions of section 186 of the Act are given in the Notes to financial statements.

PARTICULARS OF CONTRACTS OR ARRANGEMENTS MADE WITH RELATED PARTIES:-

None of the transactions with related parties falls under the scope of section 188 (1) of the Act. Information on transactions with related parties pursuant to section 134(3) (h) of the Act read with rule 8 (2) of the Companies (Accounts) Rules, 2014, in the prescribed Form AOC-2, is appended as **Annexure B** to the Board's report.