

Kedia Construction Co. Limited

**35th Annual Report
2015-2016**

Board of Directors

Mr. Nitin S. Kedia	–	Chairman
Mr. Vijay P. Khowala	–	Wholetime Director
Mr. Murlidhar J. Gupta	–	Independent Director
Ms. Preethi Anand	–	Independent Non-Executive Director

Bankers

Kotak Mahindra Bank Ltd.
HDFC Bank Limited

Statutory Auditors

Sandeep Rathi & Associates
Chartered Accountants

Secretarial Auditors

Kala Agarwal
Company Secretary

Legal Advisors

Narayanan & Narayanan
Advocate & Solicitor

Registered Office

231, 2nd Floor,
Rahul Mittal Industrial Premises Co-Op Soc. Ltd.,
Sanjay Building No. 3, Sir M.V. Road, Andheri (East),
Mumbai – 400 059.

Corporate Office

Prestige Precinct, 3rd Floor,
Almeida Road, Panchpakhadi,
Thane (West) – 400 601

Registrar & Share Transfer Agent

Sharex Dynamic (India) Pvt. Ltd.
Unit No. 1, Luthra Industrial Premises,
Andheri-Kurla Road, Safed Pool,
Andheri (East), Mumbai – 400 072

Directors' Report

To,

The Members,

KEDIA CONSTRUCTION CO. LIMITED

Your Directors have pleasure in submitting the **Thirty-Fifth Annual Report** on the business and operation of the Company along with the Audited Accounts for the financial year ended 31st March, 2016.

FINANCIAL RESULT:

The performance of the Company for the financial year ended 31st March, 2016 is summarized below:

Sr. No.	Particulars	Current Year (₹)	Previous Year (₹)
a.	Total Income	9,85,087	9,35,884
b.	Expenditure Before Depreciation	9,75,921	9,17,746
c.	Profit before depreciation & amortization	9,166	18,138
d.	Depreciation & Amortization	Nil	16,127
e.	Profit before Taxes	9,166	2,011
f.	Tax Expenses including Deferred Tax	2,159	464
g.	Profit after Taxes	7,007	1,547
h.	Add : Balance brought forward from previous year	4,97,760	4,96,213
i.	Amount available for appropriation	5,04,767	4,97,760
j.	Proposed Dividend (Including tax) on Equity Shares	Nil	Nil
k.	Net Balance carried to Profit & Loss Account	5,04,767	4,97,760

BUSINESS RESULT:

During the year under review, your Company has registered a turnover of ₹9,69,940/- as against ₹8,15,780/- in the previous year. The Profit before taxes in the current year is ₹9,166/- as against ₹2,011/- in the previous year and profit after taxes are ₹7,007/- as against ₹1,547/- in the previous year.

FINANCE:

Cash and cash equivalents as at March 31, 2016 was ₹3,80,651/-. The company continues to focus on judicious management of its working capital. Receivables, inventories and other working capital parameters were kept under strict check through continuous monitoring.

DIVIDEND:

In order to conserve the resources for future, your Directors do not recommend any dividend for the financial Year 2015-2016.

AMOUNT PROPOSED TO CARRY TO ANY RESERVES:

No amount has been carried to any reserves as on 31st March, 2016.

FUTURE OUTLOOK:

The Company's plans for securing the growth is under way and appropriate action will be taken in future at appropriate time for future development.

MATERIAL CHANGES AND COMMITMENTS AFFECTING FINANCIAL POSITION BETWEEN THE END OF THE FINANCIAL YEAR AND DATE OF THE REPORT:

There are no changes affecting the financial position from the end of Financial Year i.e. 31st March, 2016 till date.

LISTING OF SHARES AND DEMATERIALIZATION:

The Company's shares are listed and traded at Bombay Stock Exchange (BSE) and its scrip code is 508993 and ISIN No. INE511J01019

SAFETY:

The Management is committed to ensure safety of its employees, plant and community at all its operations. The safety Management system has been established, communication, involvement, motivation, skill development, training and health have been identified as the key drivers for safe working environment. These initiatives have resulted in reducing the injuries and lost time significantly.

FIXED DEPOSIT:

During the year under review, the Company has not raised any funds by way of fixed deposits and as such, no amount of principal or interest was outstanding as of the balance sheet date.

DIRECTORS' RESPONSIBILITY STATEMENT:

In pursuance of section 134 (5) of the Companies Act, 2013, the Directors hereby confirm that:

- (a) in the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures;
- (b) the directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company at the end of the financial year and of the profit and 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) that proper internal financial controls were in place and that the financial controls were adequate and were operating effectively.
- (f) that systems to ensure compliance with the provisions of all applicable laws were in place and were adequate and operating effectively.

DIRECTORS:

In pursuant to the provisions of the Companies Act, 2013 and the Articles of Associations of the Company, Mr. Vijay Kumar Khowala, Director of the Company liable to retire by rotation and being eligible, offer himself for re-appointment.

Name	Designation	Gross Remuneration	Qualification	Age & Experience (Years)	Date of Commencement of Employment
Mr. Vijay Kumar Khowala	Whole time Director	Nil	B. Com	58/32	05/11/2001

BOARD MEETINGS:

The Board of Directors met Four times during this financial year 2015-2016. The details of the meetings are elaborated in the Corporate Governance Section of this Report.

SEPARATE INDEPENDENT DIRECTORS' MEETINGS:

The Independent Directors meet at least once in a year, without the presence of Executive Directors or Management representatives. They also have a separate meeting with the Non-Executive Chairman, to discuss issues and concerns, if any.

The Independent Directors met once on 29th January, 2016 during the Financial Year ended 31st March, 2016.

FAMILIARIZATION PROGRAMME FOR INDEPENDENT DIRECTORS:

The Company proactively keeps its Directors informed of the activities of the Company, its management and operations and provides an overall industry perspective as well as issues being faced by the industry. The details of the same is available on the website of the Company.

DECLARATION OF INDEPENDENCE:

Your Company has received declarations from all the Independent Directors confirming that they meet the criteria of independence as prescribed under Section 149(7) of the Companies Act, 2013 read with Schedules and Rules issued thereunder and under Regulation 25 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

BOARD & COMMITTEE EVALUATION:

Pursuant to the provisions of the Companies Act, 2013 and under Regulation 25 of the SEBI (Listing obligations and disclosure requirements) Regulations, 2015, the Board has carried out an evaluation of its own performance, the directors individually as well as the evaluation of the working of its Audit, Nomination & Remuneration Committees. The manner in which the evaluation has been carried out has been explained in the Corporate Governance Report.

SHARE CAPITAL:**A) Issue of Equity Shares with Differential Rights:**

The Board of Directors has not made any issue of Shares in current financial year.

B) Issue of Sweat Equity Shares:

No Sweat Equity Shares were issued in current financial year.

C) Issue of Employee Stock Options:

No Employee Stock Options were issued in current financial year.

D) Provision of Money by Company for Purchase of Its Own Shares by Employees or by Trustees for the benefit of employees:

No provision is made by Company for purchase of its own shares by employees or by trustees for the benefit of employees.

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 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.

POLICY ON DIRECTORS APPOINTMENT AND THEIR REMUNERATION:

The Board has, on the recommendation of the Nomination & Remuneration Committee framed a policy for selection and appointment of Directors, Senior Management and their remuneration. The Remuneration Policy is stated in the Corporate Governance Report.

VIGIL MECHANISM / WHISTLE BLOWER POLICY:

The Company has a vigil mechanism named Fraud and Risk Management Policy to deal with instance of fraud and mismanagement, if any. In staying true to our values of Strength, Performance and Passion and in line with our vision of being one of the most respected companies in India, the Company is committed to the high standards of Corporate Governance and stakeholder responsibility.

The Company has a Fraud Risk and Management Policy to deal with instances of fraud and mismanagement, if any. The FRM Policy ensures that strict confidentiality is maintained whilst dealing with concerns and also that no discrimination will be meted out to any person for a genuinely raised concern. A high level Committee has been constituted which looks into the complaints raised. The Committee reports to the Audit Committee and the Board.

INTERNAL AUDIT SYSTEM:

The Company's has in house Internal Audit department commensurate with its nature and size of the Company.

INTERNAL CONTROL SYSTEM AND ITS ADEQUACY:

The Company has a proper and adequate internal control system for all its activities including safeguarding and protecting its assets against any loss from its unauthorized use of disposition. All transaction are properly documented, authorized, recorded and reported correctly. The Company has well defined Management Reports on key performance indicators. The systems are reviewed continuously and its improvement and effectiveness is enhanced based on the reports from various fields.

PARTICULARS OF EMPLOYEES:

In terms of the provisions of Section 197(12) of the Companies Act, 2013 and the Companies (Particulars of Employee) Rules, 1975, names and other particulars of the employees required are not given as none of the employee is covered under the said provisions of the Act.

ENVIRONMENT PROTECTION AND POLLUTION CONTROL:

The Company has always been socially conscious corporate, and has always carried forward all its operations and procedures following environment friendly norms with all necessary clearances.

Your Company has taken the following steps towards environment and Ecological balance in manufacturing of Castings.

- Continuous plantation activities in and around the Factory as usual has helped in keeping the environment pollution free.

CONSERVATION OF ENERGY AND TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNING & OUTGO:

The Company has taken all possible measures for the conservation of energy by undertaking required steps. The information regarding the foreign exchange earnings and outgo is not applicable hence there is no such transactions.

SEXUAL HARASSMENT OF WOMEN AT WORKPLACE:

There were no cases of sexual harassment filed during the year under review, in terms of the provision of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.

CORPORATE SOCIAL RESPONSIBILITY:

As the Company does not fall in the mandatory bracket for Corporate Social Responsibility pursuant to Section 135 of the Companies Act, 2013 the Company did not adopt any activity pursuant to the same for the financial year 2015-16.

RELATED PARTY TRANSACTIONS:

All related party transactions that were entered into during the financial year were on an arm's length basis and were in the ordinary course of business.

There are no materially significant related party transactions made by the Company with Promoters, Directors, Key Managerial Personnel or other designated persons which may have a potential conflict with the interest of the Company at large.

Pursuant to the provisions of section 134 (3) (h) of the Companies Act, 2013 read with Rule 8 (2) of the Companies (Accounts) Rules, 2014, **Form AOC-2** is annexed to this report. ANNEXURE

MANAGEMENT DISCUSSION AND ANALYSIS AND CORPORATE GOVERNANCE REPORT:

In compliance with various Regulations of the SEBI (Listing obligations and disclosure requirements) Regulations, 2015 entered in with the Stock Exchanges, a separate section on Management Discussion and Analysis that includes details on the state of affairs of the Company as required to be disclosed in the Directors Report forms part of this Annual Report. Further, the Corporate Governance Report, as approved by the Board of Directors, together with a certificate from the Statutory Auditors confirming the compliances also forms part of Annual Report.

STATUTORY AUDITORS:

M/s. Sandeep Rathi & Associates, Chartered Accountants, (FRN # 113728W) are appointed as the Statutory Auditor of the Company to fill the casual vacancy caused due to indisposition of **M/s. Jajodia & Company, Chartered Accountants (FRN #121911W)** to hold office till the term M/s. Jajodia & Company was to hold the office.

The Board has further appointed **M/s. Sandeep Rathi & Associates, Chartered Accountants, (FRN # 113728W)** to hold the office of the statutory auditor of the Company from the conclusion of the ensuing Annual General Meeting till the Annual General Meeting to be held in the year 2020 subject to ratification by the shareholder annually and at a remuneration to be fixed by the Board of Directors in consultation with the auditors, plus applicable service tax and reimbursement of out of pocket expenses incurred by them for the purpose of audit.

Further, Certificate from the Auditors has been received to the effect that their re-appointment, if made, would be within the limits prescribed under section 139 of the Companies Act, 2013.

STATUTORY AUDITORS' REPORT:

The statutory auditors' report is self explanatory. It does not require any comment as there is no qualification in reports.

SECRETARIAL AUDITOR:

Pursuant to provisions of section 204 of the Companies Act, 2013 and The Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 the company has appointed **Ms. Kala Agarwal, a firm of Company Secretaries in Practice (C.O.P. No.- 5356)** to undertake the Secretarial Audit of the Company. The Secretarial Audit report is annexed herewith. ANNEXURE

SECRETARIAL AUDIT REPORT:

The Secretarial auditors' report is self explanatory. It does not require any comment as there is no qualification in reports.

EXTRACT OF ANNUAL RETURN:

In accordance with Section 134(3)(a) of the Companies Act, 2013, an extract of the annual return in the prescribed format is appended as annexure to the Board's report. ANNEXURE

PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS UNDER SECTION 186:

The Company has not given/ made any loans, guarantees and investments under Section 186 of the Companies Act, 2013.

DISCLOSURE RELATING TO SUBSIDIARY COMPANIES/ ASSOCIATE COMPANIES/JOINT VENTURES:

The Company does not have any Subsidiary/Associate Company/ Joint Venture.

However, Pursuant to first proviso to sub-section (3) of section 129 read with rule 5 of Companies (Accounts) Rules, 2014, **Form AOC-1** is annexed to this report. ANNEXURE

ACKNOWLEDGEMENTS:

The Directors wish to convey their appreciation to all the Company employees for their enormous personal efforts as well as their collective contribution to Company's record performance.

The Directors would also like to thank Shareholders, Customers, Dealers, Suppliers, Bankers, Financial Institutions, Government Authorities and all Other Business Associates for the continued support given by them to the Company and their confidence in the Management.

BY ORDER OF THE BOARD OF DIRECTORS

NITIN .S. KEDIA
DIRECTOR
DIN: 00050749

Place: Mumbai
Date: 16/07/2016