

Kedia Construction Co. Limited

**37th Annual Report
2017-18**

Board of Directors

Mr. Nitin S. Kedia	– Chairman and Executive Director
Mr. Vijay P. Khowala	– Wholetime Director & Chief Financial Officer
Mr. Murlidhar J. Gupta	– Independent Non- Executive Director
Ms. Preethi Anand	– Independent Non-Executive Director
Mr. Ravi Nevatia	– Independent Non-Executive Director

Bankers

Kotak Mahindra Bank Ltd.
HDFC Bank Limited

Statutory Auditors

Sandeep Rathi & Associates
Chartered Accountants

Legal Advisors

Narayanan & Narayanan
Advocate & Solicitor

Registered Office

202, 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

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DIRECTORS' REPORT

To,
The Members,
KEDIA CONSTRUCTION CO. LIMITED

Your Directors have the pleasure in submitting the 37th Annual Report of the Company together with the Audited statement of account and the auditors report for the financial year ended 31st March, 2018

FINANCIAL RESULT

The performance of the Company for the financial year ended 31st March, 2018 is summarized below:

Sr. No.	Particulars	Current Year (Rs. in Lakhs)	Previous Year (Rs. in Lakhs)
a.	Total Income	44.75	18.98
b.	Expenditure Before Depreciation	39.47	11.68
c.	Profit before depreciation & amortization	5.28	7.31
d.	Depreciation & Amortization	-	-
e.	Profit before Taxes	5.28	7.31
f.	Tax Expenses including Deferred Tax	2.87	2.25
g.	Profit after Taxes	2.41	5.06
h.	Add : Balance brought forward from previous year	10.81	5.76
i.	Amount available for appropriation	13.22	10.81
j.	Proposed Dividend (Including tax) on Equity Shares	Nil	Nil
k.	Net Balance carried to Profit & Loss Account	13.22	10.81

BUSINESS RESULT

During the year under review, your Company has registered a turnover of **Rs. 44.75 Lakhs** as against **Rs. 18.98 Lakhs** in the previous year. The Profit before taxes in the current year is **Rs. 5.28 Lakhs** as against **Rs. 7.31 Lakhs** in the previous year and profit after taxes is **Rs. 2.41 Lakhs** as against **Rs. 5.06 Lakhs** in the previous year.

FINANCE

Cash and cash equivalents as at 31st March, 2018 was **Rs. 3.52 Lakhs**. 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.

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

In terms of the provisions of Regulation 34 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 the Management's discussion and analysis is set out in this Annual Report.

CORPORATE GOVERNANCE

A report on Corporate Governance along with a Certificate from M/s. Sandeep Rathi & Associates, Chartered Accountants in practice, regarding compliance of the requirements of Corporate Governance under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 is presented in a separate section forming part of the Annual Report. The auditors' certificate for fiscal 2017-2018 does not contain any qualification, reservation or adverse remark.

DIRECTORS AND KEY MANAGERIAL PERSONNEL

There has been no change in the composition of Directors and Key Managerial Personnel.

DIVIDEND

In order to conserve the resources for future, your Directors do not recommend any dividend for the financial Year 2017-18.

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**.

RISK MANAGEMENT

During the year, the company has developed and implemented Risk Management Policy consistent with the provisions of the Act and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 to identify the elements of risk which may threaten the existence of the Company and possible solutions to mitigate the risk involved.

AMOUNT PROPOSED TO CARRY TO ANY RESERVES

No amount has been carried to any reserves as on 31st March, 2018.

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 material changes affecting the financial position from the end of Financial Year i.e. 31st March, 2018 till date.

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 have 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 have 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 have 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.

BOARD MEETINGS

The Board of Directors met Five times during this financial year 2017-18. The details of the meetings are elaborated in the Corporate Governance Section of this Report.

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 AND 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.

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 30th March, 2018 during the Financial Year ended 31st March, 2018.

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.

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 / behaviors 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 behavior 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.

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.

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.

AUDIT COMMITTEE

The details pertaining to composition of audit committee is included in the Corporate Governance Report which forms part of Annual Report.

STATUTORY AUDITORS

The Board had 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 35th Annual General Meeting till the Annual General Meeting to be held in the year 2020 and at a remuneration to be fixed by the Board of Directors in consultation with the auditors, plus 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.

SECRETARIAL AUDIT REPORT

The Secretarial Audit Report contains qualifications, reservations & explanations as following. The same is annexed with this report.

Explanation by the Company

The Company has made efforts in appointing a suitable candidate for the post of whole time Company Secretary in employment, who shall also act as the compliance officer of the Company but aforesaid appointment is under process.

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 as **Annexure – I**.

DISCLOSURE RELATING TO SUBSIDIARY COMPANIES/ ASSOCIATE COMPANIES/ JOINT VENTURES

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

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 as **Annexure – II**.

PARTICULARS OF CONTRACTS & ARRANGEMENTS WITH RELATED PARTIES

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 as Annexure – III.

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 for environment friendly norms with all necessary clearances.

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.

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.

PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS UNDER SECTION 186

The Company has not granted any loan and / or any guarantee during the year.

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 2017-18.

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.

PREVENTION OF INSIDER TRADING

The Company has adopted a Code of Conduct for Prevention of Insider Trading with a view to regulate trading in securities by the Directors and designated employees of the Company. The Code requires pre-clearance for dealing in the Company's shares and prohibits the purchase or sale of Company shares by the Directors and the designated employees while in possession of unpublished price sensitive information in relation to the Company and during the period when the Trading Window is closed. The Board is responsible for implementation of the Code. All the Directors and the designated employees have confirmed compliance with the Code.

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
FOR KEDIA CONSTRUCTION CO. LTD.

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FOR KEDIA CONSTRUCTION CO. LTD.

VIJAY KUMAR KHOWALA
WHOLE TIME DIRECTOR & CFO
DIN: 00377686

MURLIDHAR GUPTA
DIRECTOR
DIN: 01644127

THANE, 30TH DAY OF MAY, 2018

Management Discussions and Analysis forming part of Director's Report for the year ended 31st March, 2018.

INDUSTRY STRUCTURE AND DEVELOPMENT

The real estate sector is one of the most globally recognized sectors. In India, real estate is the second largest employer after agriculture and is slated to grow at 30 per cent over the next decade. The real estate sector comprises four sub sectors - housing, retail, hospitality, and commercial. The growth of this sector is well complemented by the growth of the corporate environment and the demand for office space as well as urban and semi-urban accommodations. The construction industry ranks third among the 14 major sectors in terms of direct, indirect and induced effects in all sectors of the economy

The Indian real estate market is expected to touch US\$ 180 billion by 2020. Housing sector is expected to contribute around 11 per cent to India's GDP by 2020. In the period FY 2008-2020, the market size of this sector is expected to increase at a Compound Annual Growth Rate (CAGR) of 11.2 per cent. Retail, hospitality and commercial real estate are also growing significantly, providing the much-needed infrastructure for India's growing needs.

OPPORTUNITIES AND THREATS

As India awaits policy reforms to pick up speed, your Company firmly believes that the demand for Real Estate in a country like India should remain strong in the medium to long term. Your Company's well-accepted brand, contemporary architecture, well-designed projects in strategic locations, strong balance sheet, and stable financial performance even in testing times make it a preferred choice for customers and shareholders. Your company is ideally placed to further strengthen its development potential by acquiring new land parcels.

While the management of your Company is confident of creating and exploiting the opportunities, it also finds the many challenges such as unanticipated delays in project approvals, availability of accomplished and trained labour force Increased cost of manpower, rising cost of construction, growth in auxiliary infrastructure facilities, over-regulated environment.

OUTLOOK

The Securities and Exchange Board of India (SEBI) has given its approval for the Real Estate Investment Trust (REIT) platform which will help in allowing all kinds of investors to invest in the Indian real estate market. It would create an opportunity worth Rs 1.25 trillion (US\$ 19.65 billion) in the Indian market over the years. Responding to an increasingly well-informed consumer base and, bearing in mind the aspect of globalisation, Indian real estate developers have shifted gears and accepted fresh challenges. The most marked change has been the shift from family owned businesses to that of professionally managed ones. Real estate developers, in meeting the growing need for managing multiple projects across cities, are also investing in centralised processes to source material and organise manpower and hiring qualified professionals in areas like project management, architecture and engineering.

RISK AND CONCERNS

The Indian real estate sector has come a long way since the 1990s' by becoming one of the fastest growing markets in the world. It is not only successfully attracting domestic real estate investment but foreign investments too. The growth of the industry is attributed mainly to India's growing population, rising income level and rapid urbanization. However, despite the positive outlook for the sector in the coming years, it is battling challenges. These challenges restrain the sector from yielding full benefits of the potential growth.

SEGMENT OR PRODUCT WISE PERFORMANCE

The Company is operating in one segment known as construction activity. The product wise comparison is not possible as it is not producing the product but it is undertaking the project. Hence performance can be compared on project completion as such performance of the Company has to be seen in overall manner.

INTERNAL CONTROL SYSTEM AND THEIR ADEQUACY

The Company has developed adequate internal control system commensurate to its size and business. The Company has Internal Auditors, to conduct the internal audit to ensure adequacy of internal control system, compliance of rules and regulations of the country and adherence to the management policies.

FINANCIAL PERFORMANCE WITH RESPECT TO OPERATIONAL PERFORMANCE

The Company has registered a turnover of **Rs. 44.75 Lakhs** and Profit before depreciation and a tax were **Rs. 5.28 Lakhs**. The depreciation provided during the year was NIL and, the net profit after tax for the year was **Rs. 2.41 Lakhs**.

HUMAN RESOURCES

During the year, Company maintained harmonious and cordial relations. No man days lost due to any reason.

DISCLOSURE BY THE SENIOR MANAGEMENT PERSONNEL I.E. ONE LEVEL BELOW THE BOARD INCLUDING ALL HOD'S

None of the Senior Management Personnel has financial and commercial transaction with the Company, where they have personal interest that would have a potential conflict with the interest of the Company at large.

CAUTIONARY STATEMENT:

The statements in this management discussion and analysis describing the outlook may be "forward looking statement" within the meaning of applicable laws and regulations. Actual result might differ substantially or materially from those expected due to the developments that could affect the company's operations. The factors like significant change in political and economic environment, tax laws, litigation, technology, fluctuations in material cost etc. may deviate the outlook and result.