

Kedia Construction Co. Limited

**38th Annual Report
2018-19**

Board of Directors

Mr. Nitin S. Kedia	– Chairman and Executive Director
Mr. Vijay Kumar Khowala	– Whole-time Director
Mr. Murlidhar J. Gupta	– Independent Non- Executive Director
Ms. Preethi Anand	– Independent Non-Executive Director (Resigned w.e.f. 29.05.2019)
Mr. Ravi Nevatia	– Independent Non-Executive Director

Chief Financial Officer

Mr. Vijay P. Khowala

Company Secretary

Ms. Pravita Khandelwal (Resigned w.e.f. July 01, 2019)

Bankers

Kotak Mahindra Bank Ltd.
HDFC Bank Limited

Statutory Auditors

Sandeep Rath & 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, Panchpakhandi,
Thane (West) – 400 601

Registrar & Share Transfer Agent

Sharex Dynamic (India) Pvt. Ltd.
C-101, 247 Park, L.B.S. Marg,
Vikhroli (West), Mumbai - 400 083

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DIRECTORS' REPORT

To,
The Members,
KEDIA CONSTRUCTION CO. LIMITED

Your Directors have the pleasure in submitting the **Thirty Eighth Annual Report of your Company** together with the Audited Statement of Accounts and the Auditors' Report for the financial year ended 31st March, 2019.

FINANCIAL RESULT

The performance of the Company for the financial year ended 31st March, 2019 is summarized below:

Sr. No.	Particulars	Current Year (Rs. in Lakhs)	Previous Year (Rs. in Lakhs)
a.	Total Income	34.39	44.75
b.	Total Expenditure	25.02	39.47
c.	Profit before depreciation & amortization	9.37	5.28
d.	Depreciation & Amortization	Nil	Nil
e.	Profit before Taxes	9.37	5.28
f.	Tax Expenses including Deferred Tax	2.96	2.87
g.	Profit after Taxes	6.41	2.41
h.	Add : Balance brought forward from previous year	13.22	10.81
i.	Amount available for appropriation	19.63	13.22
j.	Proposed Dividend (Including tax) on Equity Shares	Nil	Nil
k.	Net Balance carried to Profit & Loss Account	19.63	13.22

BUSINESS RESULT

During the year under review, your Company has registered a turnover of **Rs. 34.39 Lakhs** as against **Rs. 44.75 Lakhs** in the previous year. The Profit before taxes in the current year is **Rs. 9.37 Lakhs** as against **Rs. 5.28 Lakhs** in the previous year and profit after taxes is **Rs. 6.41 Lakhs** as against **Rs. 2.41 Lakhs** in the previous year.

FINANCE

Cash and cash equivalents as at 31st March, 2019 was **Rs. 3.04 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 Rathie & 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 2018-2019 does not contain any qualification, reservation or adverse remark.

DIRECTORS AND KEY MANAGERIAL PERSONNEL

The Company has appointed Ms. Pravita Khandelwal as a Company Secretary cum Compliance Officer of the Company w.e.f. November 23rd, 2019.

During the year under review there has been no change in the composition of Directors.

DIVIDEND

In order to conserve the resources for future, your Directors do not recommend any dividend for the financial Year 2018-19.

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. **INE511J01027**

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, 2019.

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

During the year under review the Company has Sub-divided the Equity shares of the Company from the face value of Rs. 10/- each to the face value of Rs. 5/- each. The result of Postal ballot for the same was been declared on February 21, 2019.

The notice of Postal ballot & Scrutinizers report for the same has been declared on the Bombay Stock Exchange & on the company's Website at www.kcclindia.in.

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.

ANNUAL EVALUATION OF BOARD PERFORMANCE AND ITS COMMITTEE AND INDIVIDUAL DIRECTORS

Criteria of performance evaluation of the Board Committees and Directors are laid down by Nomination and Remuneration Committee (NRC) of the Company. Further, pursuant to provisions of the Companies (Amendment) Act, 2017, NRC decided to continue existing method of performance evaluation through circulation of performance evaluation sheets based on SEBI Guidance Note dated 5th January, 2017 and that only Board should carry out performance evaluation of Board, Committees and Individual Directors.

An assessment sheet based on aforesaid SEBI Guidance Note, containing the parameters of performance evaluation along with rating scale was circulated to all the Directors. The Directors rated the performance against each criteria. Thereafter, consolidated score was arrived. Pursuant to the provisions of the Companies Act, 2013 and Listing Regulations, the Board has carried out performance evaluation of its own, evaluation of working of the Committees and performance evaluation of all Directors in the said manner.

A meeting of Independent Directors of the Company was held on 30.03.2019, in which Independent Directors inter-alia reviewed performance of Non-Executive Independent Chairman and other Non-Independent Directors and the Board as a whole through performance evaluation sheets.

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 Eight times during this financial year 2018-19. The details of the meetings are elaborated in the Corporate Governance Section of this Report.

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 said policy is uploaded on the website of the Company and web-link thereto is <http://www.kcclindia.in/pdf/Code-of-Conduct-For-Prevention-of-Insider-Trading.pdf>. The Remuneration Policy is stated in the Corporate Governance Report.

DECLARATION OF INDEPENDENCE

Criteria of performance evaluation of the Board Committees and Directors are laid down by Nomination and Remuneration Committee (NRC) of the Company. Further, pursuant to provisions of the Companies (Amendment) Act, 2017, NRC decided to continue existing method of performance evaluation through circulation of performance evaluation sheets based on SEBI Guidance Note dated 5th January, 2017 and that only Board should carry out performance evaluation of Board, Committees and Individual Directors.

An assessment sheet based on aforesaid SEBI Guidance Note, containing the parameters of performance evaluation along with rating scale was circulated to all the Directors. The Directors rated the performance against each criteria. Thereafter, consolidated score was arrived. Pursuant to the provisions of the Companies Act, 2013 and Listing Regulations, the Board has carried out performance evaluation of its own, evaluation of working of the Committees and performance evaluation of all Directors in the said manner.

Your Company has received declarations from all the Independent Directors confirming that they meet the criteria of independence as prescribed under Section 149(6) 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

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 said policy is uploaded on the website of the Company and web-link thereto is <http://www.kcclindia.in/pdf/familiarization-program.pdf>

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 Saturday March 30, 2019 during the Financial Year ended 31st March, 2019.

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.

AUDIT COMMITTEE

The details pertaining to composition of audit committee is included in the Corporate Governance Report which forms part of Annual Report. During the period under review there was no change in the composition of the committee, the Audit committee comprises of Mr. Murlidhar Gupta, chairman, Mr. Vijaykumar Khowala, member and Ms. Preethi Anand, member (Ms. Preethi Anand has resigned from the Company on 29.05.2019)

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 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 Auditors' Report on standalone financial statements for the year ended 31st March, 2019 forms part of this Annual Report. The Auditors' Report does not contain any qualifications, reservations, adverse remarks, disclaimer or emphasis of matter. Notes to the Financial Statements are self-explanatory and do not call for any further comments.

SECRETARIAL AUDITOR

Ms. Kala Agarwal, Practicing **Company Secretaries** stated their inability to continue with the Secretarial Audit of the Company. Thus, 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 **M/s. Somani & Associates, a firm of Company Secretaries in Practice** to undertake the Secretarial Audit of the Company. The Secretarial Audit report is annexed herewith. The Secretarial Audit Report issued by them in Form No. MR-3 has been annexed to this Report. The Secretarial Audit Report does not contain any qualifications, reservations or adverse remarks.

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. Your Company has adopted a policy on Related Party Transactions and is uploaded on the website of the Company at <http://www.kcclindia.in/pdf/RPT-Policy.pdf>.

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:

The Company has placed a Prevention of Sexual Harassment Policy in line with the requirement of the Sexual Harassment of Women at the Workplace (Prevention Prohibition & Redressal) Act, 2013; A Committee has been set up to redress complaints received regarding sexual harassment.

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.

PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS UNDER SECTION 186

During the year under review the Company has given loans under section 186 of Companies Act, 2013.

The necessary compliance with regards to same has been complied and the same has been noted in the Statutory Register of the Company.

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 2018-19.

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 Vigil Mechanism / Whistle Blower Policy may be accessed on the Company's website at <http://www.kcclindia.in/pdf/whistle-blower-policy.pdf>.

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.

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.

Note: During the financial year under review the Company has sub-divided the Equity Shares from the face value of Rs. 10/- each to the face value of Rs. 5/- each. The same

was been sanctioned with the prior approval of the Shareholders via Special Resolution passed through the process of Postal Ballot.

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.

VIJAY KUMAR KHOWALA
WHOLE TIME DIRECTOR & CFO
DIN: 00377686

BY ORDER OF THE BOARD OF DIRECTORS
FOR KEDIA CONSTRUCTION CO. LTD.

MURLIDHAR GUPTA
DIRECTOR
DIN: 01644127

THANE, 29TH DAY OF MAY, 2019

The ratio of the remuneration of each director to the median employee's remuneration and other details in terms of sub-section 12 of Section 197 of the Companies Act, 2013 read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014:

Sr. NO.	Requirements	Disclosures	
		Name of Director	Ratio to median remuneration
I.	The ratio of the remuneration of each director to the median remuneration of the employees for the financial year 2018-2019	Mr. Nitin Kedia	Nil
		Mr. Vijaykumar Khowala	Nil
		Mr. Murlidhar Gupta	Nil
		Mr. Ravi Nevatia	0.50
		Ms. Preethi Anand	0.50
II.	The percentage increase in remuneration of each directors, CFO, CEO, CS in the financial year	NIL	
III.	The percentage of increase in median remuneration of employees in the Financial year	NIL	
IV.	The number of permanent employees on the payroll of the Company	5 as on March 31, 2019	
V.	The explanation on the relationship between average increase in remuneration and Company performance	NA	
VI.	Comparison of the remuneration of the Key Managerial Personnel against the performance of the Company	Not applicable for the financial year 2018-19, because of the inadequate profit.	
VIII.	Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration;	Not Applicable as the Company has not given any increment to the employees including managerial personnel.	
IX.	Comparison of the each remuneration of the Key Managerial Personnel against the performance of the Company	Not applicable for the financial year 2018-19, in order to conserve the profit	
XII.	Affirmation that the remuneration is as per the remuneration policy of the Company	Yes, it is confirmed.	

** During the period under review the Company has not paid remuneration to any of the Directors/ Managing Directors.

BY ORDER OF THE BOARD OF DIRECTORS
FOR KEDIA CONSTRUCTION CO. LTD.

VIJAY KUMAR KHOWALA
WHOLE TIME DIRECTOR & CFO
DIN: 00377686

THANE, 29TH DAY OF MAY, 2019

BY ORDER OF THE BOARD OF DIRECTORS
FOR KEDIA CONSTRUCTION CO. LTD.

MURLIDHAR GUPTA
DIRECTOR
DIN: 01644127