

KINTECH RENEWABLES LIMITED

38TH ANNUAL REPORT FY 2022-23



CORPORATE INFORMATION

BOARD OF DIRECTORS

Shivkumar Niranjnlal Bansal-Executive Director
(Joint MD)

Khushboo Singhal- Non-Executive Director
Prakash Kumar Singh - Independent Director
Arihant Chopra - Independent Director

AUDIT COMMITTEE

Prakash Kumar Singh - Chairman
Arihant Chopra - Member
Khushboo Singhal - Member

STAKEHOLDERS RELATIONSHIP COMMITTEE

Prakash Kumar Singh - Chairman
Shivkumar Niranjnlal Bansal - Member
Khushboo Singhal - Member

NOMINATION AND REMUNERATION COMMITTEE

Prakash Kumar Singh - Chairman
Arihant Chopra - Member
Khushboo Singhal - Member

CHIEF FINANCIAL OFFICER

Somya Gupta

COMPANY SECRETARY

Sachin Kumar

BANKERS

HDFC Bank Limited
Axis Bank Limited
Kotak Bank
Federal Bank

STATUTORY AUDITORS

M/s. Ashok Kumar Goyal & Co.
Chartered Accountants

INTERNAL AUDITOR

M/s. Nilesh Desai & Co.

SECRETARIAL AUDITOR

Mr. Kuldeep Dahiya (Proprietor)
M/s. Kuldeep Dahiya & Associates,
Company Secretaries

REGISTERED OFFICE

Kintech House, 8, Shivalik Plaza,
Opp. AMA, IIM Road,
Ahmedabad – 380 015
Phone: (079) 26303064-74

CORPORATE OFFICE

Unit No. 705 GDITL Tower,
Plot No. B-8, Netaji Subhash Place,
Pitampura, Delhi -110034
Phone: (011)- 9205556113

WEBSITE

www.kintechrenewables.com

REGISTRAR & SHARE TRANSFER AGENT

MCS Share Transfer Agent Ltd.
1stFloor, Neelam Apartment,
Above Chhapanbhog, 88, Sampatrao
Colony, Alkapuri, Vadodara – 390 007
Tel: (0265) 2314757, 2350490
E-mail: mcsltbaroda@gmail.com
Website: www.mcsregistrars.com

INVESTOR SERVICE EMAIL ID

cskintechrenewables@gmail.com

CORPORATE IDENTITY NUMBER

L46102GJ1985PLC013254

SCRIP NAME: KRL

SCRIP CODE : 512329

BOARD'S REPORT

To the members of

Kintech Renewables Limited,

Your Directors are pleased to present the 38th Annual Report on the business and operations of your Company along with the Audited Financial Statement for the financial year ended March 31, 2023.

FINANCIAL PERFORMANCE:

The Company's financial performance for the year under review along with the previous year's figures is given hereunder:

(₹ In Lakhs)

Particulars	FY 2022-23	FY 2021-22
Revenue from Operations	155.88	3.74
Add : Other income	102.47	57.86
Total revenue	258.35	61.60
Operating expenses	231.64	20.30
EBITDA	26.71	41.30
Less : Finance cost	-	0.43
Less : Depreciation and amortization	0.02	0.02
Profit before tax (PBT)	26.69	40.85
Less : Tax expense	6.98	10.78
Profit after tax for the year (PAT)	19.71	30.07

The Company's gross revenue in financial year 2022-23 increased significantly by 319% from ₹61.60 lakhs to ₹258.35 lakhs. The EBITDA decreased by 35% from ₹41.30 lakhs to ₹26.71 lakhs for the year under review. The net profit of the Company also decreased by 34% from ₹30.07 lakhs to ₹19.71 lakhs during the year under review.

DIVIDEND

In order to augment the resources, the Board of Directors has deemed it prudent not to recommend dividend to the shareholders of the Company for the year ended March 31, 2023.

TRANSFER TO RESERVES

The Board of Directors of your Company, has decided not to transfer any amount to the Reserves for the year under review.

OVERVIEW

India displayed resilience in an otherwise dull economic environment registering strong GDP growth. This growth was underpinned by Government thrust on capital expenditure and robust private consumption.

While inflation remained elevated throughout the year, RBI's interventions helped scale inflation below the upper tolerance levels towards the close of the fiscal. Despite a dismal global economic environment, India recorded its highest export numbers. The Government's revenue collection also scaled new heights.

Optimism in India soared with the announcement of the Union Budget 2023-24, which allocated a massive amount to world-class infrastructure creation, the benefit of which is expected to cascade to multiple sectors.

India is likely to retain its spot among the fastest-growing major economies in the world in FY24, although estimates suggest a dip in GDP. This conservative assessment is due to global risks that could impact India's progressive journey.

BUSINESS PERFORMANCE

Your Company was an Independent Power Producer Company engaged in the business of power generation, electric power, light and supply and to generate and accumulate electric power and renewable energy i.e. wind, solar. Further, the company is also Engineering, Procurement and Construction (EPC) Company which is in the business of turnkey wind / solar power solutions like wind farm / solar rooftop development, wind power generation and wind turbine installation and maintenance services.

However, post closure of the financial year your Company had altered its main objects and diversify the business activity into trading and initiated activities relating to B2B trading of building material products. The Company was also in the process of appointing channel partners to penetrate the construction sector.

Branding initiatives continued throughout the year through social media campaigns and other electronic media to enhance product and brand visibility.

PROSPECTS

Resurgence in the real estate sector provides considerable promise for improved business performance. Further reduced inflationary pressures and stability in input prices suggest improved profitability going forward. The Company's focus on strengthening its presence further in the building products segment should improve margins.

INTERNAL FINANCIAL CONTROL

The Company has in place adequate internal financial controls within the meaning of Section 134(5)(e) of the Companies Act, 2013 (the "Act"). For the financial year ended March 31, 2023, the Board is of the opinion that the Company had sound Internal Financial Controls commensurate with the size and nature of its operations and are operating effectively and no reportable material weakness was observed in the system during the year.

Based on annual Internal Audit programme as approved by Audit Committee of the Board, regular internal audits are conducted covering all offices and key areas of the business. Findings are placed before Audit Committee, which reviews and discusses the actions taken with the management. The Audit Committee also reviews the effectiveness of Company's internal controls and regularly monitors implementation of audit recommendations.

There are existing internal policies and procedures for ensuring the orderly and efficient conduct of business, including adherence to the Company's policies, safeguarding of its assets, prevention and detection of frauds and errors, accuracy and completeness of the accounting records and timely preparation of reliable financial disclosures.

ANNUAL RETURN

In accordance with the provisions of Section 134(3)(a) of the Act, the Annual Return as required under Section 92 of the Act for the financial year 2022-23, is available on the Company's website at <https://kintechrenewables.com>.

SUBSIDIARIES COMPANIES, JOINT VENTURES AND ASSOCIATES

During the year under review, the Company had no subsidiary, joint venture(s) or associate(s) companies. Hence, disclosure in form AOC-1 is not applicable to the Company.

DEPOSITS

Your Company has neither accepted nor renewed any public deposits within the meaning of Section 73 of the Act read with Companies (Acceptance of Deposits) Rules, 2014, during the year under report.

LISTING OF SHARES AND LISTING FEES

The equity shares of the Company are listed on BSE Limited vide Scrip Code 512329. The Company confirms that it has paid the annual listing fees for the Financial Year 2023-24 to BSE Limited, Mumbai.

SHARE CAPITAL

As on March 31, 2023, the authorized share capital of the Company stood at ₹6,00,00,000/- (Rupees Six Crore only) divided into 60,00,000 (Sixty Lakh) equity shares of ₹10/- (Rupees Ten only) each.

The paid up Equity Share capital of the Company as on March 31, 2023 was ₹1,00,00,000/- (Rupees One Crore Only) divided into 10,00,000 (Ten Lakh Only) equity shares of ₹10/- (Rupees Ten only) each.

Post closure to the year under review, the Company had allotted 30,00,000 (Thirty Lakh) equity shares on preferential basis, on July 10, 2023, to persons belonging to 'Non-Promoter category' of face value of Rs. 10/- each at an issue price of Rs. 450/- per equity share aggregating upto Rs. 135,00,00,000/- (Rupees One Hundred Thirty Five Crore Only) in accordance with provisions of Chapter V of SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2018.

Consequent to the said allotment, the Paid-up Equity Share Capital of the Company stand increased to Rs. 4,00,00,000 (Four Crore Only) divided into 40,00,000 (Forty Lakh) Equity Shares of Rs. 10/- (Rupees Ten Only) each.

The Company has neither issued shares with differential voting rights nor has issued any sweat equity shares.

DIRECTORS AND KEY MANAGERIAL PERSONNEL

In accordance with the provisions of Section 152 of the Act and in terms of Articles of Association of the Company, Ms. Khushboo Singhal will retire at the ensuing Annual General Meeting (AGM) and being eligible, offers herself for reappointment.

The Company has received declaration from all the Independent Directors of the Company, confirming that they meet the criteria of independence as prescribed both under the Act and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (the "Listing Regulations").

In the opinion of the Board all the Independent Directors are person of integrity and having requisite expertise, skills and experience (including the proficiency) required for their role and are independent of the management.

Composition of the Board of Directors of the Company as on 31.03.2023:

1. Ms. Khushboo Singhal (DIN: 09420048) - Managing Director (Executive)
2. Mr. Gaurank Singhal (DIN: 09081559) - Director (Non-Executive and Non-Independent)
3. Mr. Prakash Kumar Singh (DIN: 06398868) - Director (Non-Executive and Independent)

4. *Mr. Arihant Chopra (DIN: 09436637) - Director (Non-Executive and Independent)

*Mr. Arihant Chopra (DIN: 09436637) was appointed as Non-Executive and Independent Director of the Company w.e.f. May 26, 2022.

Note: Post closure of the financial year 2022-23 there were following changes in the Composition of the Board and KMPs:

1. *Ms. Khushboo Singhal was re-designated as Non-Executive Director of the Company w.e.f. April 3, 2023;*
2. *Mr. Gaurank Singhal resigned from the position of the Director of the Company w.e.f. April 3, 2023;*
3. *Mr. Shivkumar Niranjana Bansal was appointed as additional and whole time director (Joint MD) of the Company w.e.f. April 3, 2023;*
4. *Mr. Sachin Kumar (M. No. A61525) was appointed as the Company Secretary & Compliance Officer w.e.f. April 3, 2023; and*
5. *Ms. Richa Srivastava resigned from the position of Company Secretary & Compliance Officer w.e.f. April 3, 2023.*

EVALUATION OF BOARD

The Evaluation of the Board of Directors, its committee, individual Directors (Independent and Non-independent Directors) was carried out as per the process and criteria laid down by the Board of Directors based on the recommendation of the Nomination and Remuneration Committee.

During the year, the Board adopted a formal mechanism for evaluating its performance as well as that of its Committees and individual Directors. The exercise was carried out through a structured evaluation process covering various aspects of the Boards functioning such as composition of the Board and Committees, experience and competencies, performance of specific duties & obligations, governance issues etc. Separate exercise was carried out to evaluate the performance of individual Directors, who were evaluated on parameters such as attendance, contribution at the meetings and otherwise, independent judgement, safeguarding of minority shareholders interest, ability to guide the Company in key matters, knowledge, and understanding of relevant areas, and responsibility towards stakeholders etc. The feedback on the evaluation of Individual Directors were discussed individually with them. During the year under review, in line with the requirements under the Act, the Independent Directors had a separate Meeting on February 13, 2023 without the presence of the Management team and the Non-Independent Directors of the Company to review the matters as required by Schedule IV of the Act and the Listing Regulations. The Independent Directors reviewed the performance of Non-Independent Directors and the Board as a whole, taking into account the views of Executive Directors and Non-Executive Directors and assessed the quality, quantity and timeliness of flow of information between the Company Management and the Board that is necessary for the Board to effectively and reasonably perform their duties.

POLICY ON DIRECTORS' APPOINTMENT AND REMUNERATION INCLUDING CRITERIA FOR DETERMINING QUALIFICATION, POSITIVE ATTRIBUTES, INDEPENDENCE OF DIRECTOR

The Board has adopted Nomination and Remuneration Policy to align with the requirement of Companies Act, 2013 and SEBI (LODR) Regulations and formulated Nomination Remuneration and Evaluation Policy as under:

POLICY ON DIRECTORS' APPOINTMENT

The Nomination and Remuneration Committee (NRC) has approved the criteria and process for identification /appointment of Directors which are as under:

A. Appointment Criteria and Qualifications:

The Committee shall identify and ascertain the integrity, qualification, expertise and experience of the person for appointment as Director, KMP or at Senior Management level and recommend to the Board his / her appointment.

- i. A person should possess adequate qualification, expertise and experience for the position he / she is considered for appointment. The Committee has discretion to decide whether qualification, expertise and experience possessed by a person is sufficient / satisfactory for the concerned position.
- ii. The Company shall not appoint or continue the employment of any person as Whole-time Director who has attained the age of seventy years. Provided that the term of the person holding this position may be extended beyond the age of seventy years with the approval of shareholders by passing a special resolution based on the explanatory statement annexed to the notice for such motion indicating the justification for extension of appointment beyond seventy years.
- iii. The Committee has discretion to consider and fix the criteria for appointment / selection of the most suitable candidates for the Company.

B. Recommendation of appointment for approval of Board:

If the candidate is able to satisfy the criteria laid down by the Committee, the Committee shall recommend appointment of such person for approval of the Board, after completion of the selection process.

The Committee may recommend the candidates to the Board when:

- i. any vacancy in the Board is required to be filled due to resignation or retirement of any Board Member, or
- ii. any vacancy arisen out of annual performance evaluation of the Board, or
- iii. any vacancy as a result of end of tenure in accordance with the Act, Rules made thereunder and in terms of applicable regulations of LODR, or
- iv. any change required in the Board on account of its diversity policy, or
- v. any change required by the law.

C. Positive attributes of Directors / Independent Directors:

Directors to:

- i. Demonstrate integrity, trustworthiness and ability to handle situations of conflict
- ii. Update their knowledge and skills with the latest developments in legal provisions, in the renewable energy industry and also in the market conditions in which the Company operates;
- iii. Devote sufficient time and attention to the business and to address issues proactively;
- iv. Take independent judgment on issues of business strategy, risk management, key appointments and code of conduct;
- v. Develop an effective relationship with Board Members and the senior management;
- vi. Protect the interests of the Company, its stakeholders and employees; Independent Directors of the Company shall also meet the requirements of the Act read with the Rules made thereunder and provisions of the relevant regulations of LODR, as in force and as amended from time to time.

Independent Directors of the Company shall also meet the requirements of the Act read with the Rules made thereunder and provisions of the relevant regulations of LODR, as in force and as amended from time to time.

D. Standards of Independence:

The Committee shall lay down criteria to evaluate the independence of Directors for recommending to the Board for appointment / reappointment. A Director is independent if he /she does not have a direct or indirect material pecuniary relationship with the Company, including its affiliates or any member of senior management. Also, the candidate shall be evaluated based on the criteria provided under the applicable provisions of the Act read with Rules thereon and LODR. In addition to applying these guidelines, the Board will consider all other relevant facts and circumstances in making its determination relating to an independence of a Director.

E. Evaluation of performance and Independence Review Procedures:

The Committee shall determine a process for evaluating the performance of every Board Member, the Committees of the Board and the Board on an annual basis. The Committee shall also review its own performance on an annual basis. The Committee may also take the support of external experts for this purpose.

- i. Annual Evaluation: The Board will determine the independence for the independent director on an annual basis upon the declaration made by such independent director.
- ii. Determination of Director's Independence: The Board shall determine independence of candidate to the position of independent director prior to appointment in case his/her appointment is considered between two Annual General Meetings of the Company.
- iii. Change of Independent Status: Each director shall inform the Board with respect to any change in his / her independent status.

F. Evaluation of performance of executive directors and determination of remuneration:

The Committee shall evaluate the performance of the managing director/s by setting key result areas and performance parameters at the beginning of each financial year and it shall ensure that the said performance objectives are aligned with the present and future goals of the Company. The Committee shall consider and recommend the remuneration of the managing director or whole-time director for approval of the Board and Members of the Company. The remuneration may include basic salary, benefits, allowances, perquisites, commission, etc. The Committee shall also ensure that the remuneration is in accordance with applicable law and has an adequate balance between fixed and variable component.

G. Criteria for appointment of KMP/Senior Management:

The Committee shall lay down criteria like qualifications, expertise and experience required for senior management positions like Managing Director & CEO, CFO and Company Secretary of the Company. The Committee may make recommendation to the Board for the appointment/ reappointment and any change required to the senior management positions of the Company. Key Managerial Personnel / Senior Management shall:

- i. Possess the requisite qualifications, expertise and experience to effectively discharge assigned responsibilities;
- ii. Comply with the provisions of the Code of Conduct & Ethics
- iii. Practice professionalism
- iv. Encourage transparent working environment; and
- v. Establish an effective leadership, build teams and include team members to achieving targets of the Company;

On an annual basis, the Committee shall evaluate the performance of the senior management of the Company. The Committee shall also ensure that the remuneration to the key managerial persons and senior management involves a balance between fixed and variable/ incentive pay reflecting short term and long term performance objectives.

H. Criteria for making payments to Non-Executive Directors:

The Committee may determine a commission payable to the non-executive directors after taking into their contribution to the decision making at Board / Committee Meetings, active participation and time spent as well as providing strategic inputs and supporting highest level of Corporate Governance and Board effectiveness. Commission, if decided to be paid, shall be within the overall limits prescribed in the Act and as may be fixed by the Members of the Company.

The payment of commission to the Non-Executive Directors of the Company who are neither in the whole time employment nor managing directors shall be approved by the shareholders of the Company. The Committee and the Board shall, in accordance with the approval of the shareholders of the Company, determine the manner and extent upto which the commission shall be paid to the Non-Executive Directors. Further, the following is the criteria for remuneration:

- i. Independent Directors ("ID") being paid sitting fees for attending the meetings of the Board and of committees of which they are members. Quantum of sitting fees may be subject to review on a periodic basis, as required.
- ii. Commission, if approved by the Board and the shareholders of the Company to be paid to the Non-Executive Directors, on the basis of participation in the meetings of Board and Audit Committee at the rate within the prescribed limits of the Act and the Rules made thereunder.
- iii. Payment of Commission, if payable, to be made annually on determination of profits of the Company for particular financial year.
- iv. Directors may be reimbursed for the expenses incurred for attending any meeting of the Board or Committees thereof, and which may arise from performance of any special assignments given by the Board.

FAMILIARIZATION PROGRAMME FOR THE INDEPENDENT DIRECTORS

As on date of this report, the Company has Two Independent Directors. The Company has familiarized the Independent Directors with the Company, their roles and responsibilities in the Company, nature of industry in which the Company operates, business model of the Company, etc. The Independent Directors have been updated with their roles, rights and responsibilities in the Company by specifying them in their appointment letter alongwith necessary documents, reports and internal policies to enable them to familiarise with the Company's procedures and practices. The Company endeavors, through presentations at regular intervals, to familiarise the Independent Directors with the strategy, operations and functioning of the Company and also with changes in the regulatory environment having a significant impact on the operations of the Company and the building materials

industry as a whole. Details of familiarization programs extended to the Non-executive and Independent Directors are also disclosed on the Company website from time to time and can be accessed on the Company's website at: <http://kintechrenewables.com>.

PARTICULARS OF REMUNERATION

Disclosure of ratio of the remuneration of each Executive Director to the median remuneration of the employees of the Company and other requisite details pursuant to Section 197(12) of the Act read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 as amended, is annexed to this report as **Annexure '1'**. Further, particulars of employees pursuant to Rule 5(2) & 5(3) of the above Rules form part of this report. However, in terms of provisions of section 136 of the said Act, the report and accounts are being sent to all the members of the Company and others entitled thereto, excluding the said particulars of employees. Any member interested in obtaining such particulars may write to the Company Secretary at email-cskintechrenewables@gmail.com. The said information is available for inspection at the Corporate Office of the Company during working days of the Company up to the date of the ensuing Annual General Meeting.

AUDITORS AND AUDITORS' REPORT

A. Statutory Auditors

In terms of Section 139 of Companies Act, 2013 ("the Act"), M/s. Ashok Kumar Goyal & Co., Chartered Accountants, (Firm Registration No. 002777N) had been appointed as Statutory Auditors of the Company in the 37th Annual General Meeting held on September 29, 2022 to hold the office from the conclusion of the said Annual General Meeting till the conclusion of the 42nd Annual General Meeting to be held in year 2027.

The report of Statutory Auditor on the financial statements for the financial year ended on March 31, 2023, is self-explanatory and does not contain any qualification, reservation or adverse remark or disclaimer.

B. Cost Auditors

During the financial year 2022-23, the provisions related to maintenance of cost accounts and records under Section 148 (1) of the Companies Act, 2013 are not applicable to the Company.

C. Secretarial Auditors

Pursuant to the provisions of Section 204 of the Act, the Board of Directors had appointed M/s Kuldeep Dahiya & Associates, Company Secretaries in practice as Secretarial Auditor's to carry out the Secretarial Audit of the Company for the financial year 2022-23. The report given by them for the said financial year in the prescribed format is annexed to this report as **Annexure '2'**. The Secretarial Audit Report is self-explanatory and does not contain any qualification, reservation or adverse remark etc.

D. Internal Auditors

Pursuant to the provisions of Section 138 of the Act, the Board of Directors had appointed M/s Nilesh Desai & Co., Chartered Accountants as Internal Auditor's to carry out the Internal Audit of the Company for the financial year 2022-23.

RELATED PARTY TRANSACTIONS

During the financial year ended March 31, 2023, the Company has not entered into any contract or arrangement or transaction with the related parties.