

**ANNUAL REPORT**  
**2018-19**



**Madhusudan**

Industries Limited





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**Board of Directors**

Shri Rajesh B. Shah  
Shri Sanwamal Agarwal  
Shri P. K. Shashidharan  
Shri P. C. Surana  
Smt. Rutva Acharya

**Auditors**

Shailesh Shah & Associates  
Chartered Accountants,  
2, Nilima Park, Next to Rasranjan, Near Vijay Cross Road,  
University Road, Ahmedabad - 380 009.

**Registered Office**

Survey No. 359/B, 359/C, 361 and 362,  
Rakhial - 382 315, Taluka - Dehgam,  
Dist. Gandhinagar, Gujarat.  
Phone : (02716) 267270  
E-mail : madhusudan\_i@yahoo.in  
Website : www.madhusudan-india.com  
CIN : L29199GJ1945PLC000443

**Ahmedabad Office**

"Madhusudan House", Opp. Navrangpura Telephone Exchange, Ahmedabad - 380 006.

**Registrar & Share Transfer Agent**

MCS Share Transfer Agent Limited,  
201, Shatdal Complex, 2nd Floor,  
Opp. Bata Show Room, Ashram Road,  
Ahmedabad - 380 009.

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**Annual General Meeting at 11.30 a.m. on Thursday,  
the 19<sup>th</sup> day of September, 2019 at the Registered Office.**

NOTICE

NOTICE is hereby given that the 73<sup>rd</sup> Annual General Meeting of the Members of **MADHUSUDAN INDUSTRIES LIMITED** will be held at 11.30 a.m. on Thursday, the 19<sup>th</sup> day of September, 2019 at the Registered Office of the Company at Survey No. 359/B, 359/C, 361 and 362, Rakhial – 382315, Taluka Dehgam, District Gandhinagar to transact the following business:

**ORDINARY BUSINESS**

1. To receive, consider and adopt the financial statements of the Company for the year ended 31<sup>st</sup> March, 2019 including statement of Audited Profit and Loss and Cash Flow Statement for the year ended 31<sup>st</sup> March, 2019 and Balance Sheet as at that date and the Directors' and Auditors' Reports thereon.
2. To appoint a director in place of Shri P. K. Shashidharan (DIN: 06506263), who retires by rotation and being eligible, offers himself for re-appointment.

Regd. Office :  
Survey No. 359/B, 359/C, 361 and 362,  
Rakhial – 382 315, Taluka - Dehgam,  
Dist. Gandhinagar.  
2<sup>nd</sup> May, 2019  
CIN : L29199GJ1945PLC000443

By Order of the Board of Directors  
For, Madhusudan Industries Limited

Neha Singh  
Company Secretary  
(ACS: 55606)

**NOTES**

1. A MEMBER ENTITLED TO ATTEND AND VOTE IS ENTITLED TO APPOINT PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND SUCH PROXY NEED NOT BE A MEMBER OF THE COMPANY. A person can act as proxy on behalf of members not exceeding fifty (50) and holding in aggregate not more than ten percent of total share capital of the company.
2. Members are requested to notify immediately the change of address, e-mail id, bank details, if any, to the Company or MCS Share Transfer Agent Limited, Registrar and Share Transfer Agent of the Company.
3. The Register of Members and Share transfer book of the Company will remain closed from 5<sup>th</sup> September, 2019 to 12<sup>th</sup> September, 2019 (both days inclusive).
4. Corporate members intending to send their authorized representative to attend the Annual General Meeting are requested to send to the Company a Certified true copy of the Board Resolution/ Power of Attorney authorizing their representative(s) to attend and vote on their behalf at the Meeting.
5. Members / Proxies should bring the attendance slip sent herewith duly filled in for attending the meeting.
6. Members are requested to send their queries at least ten days before the date of the meeting so that the information can be made available at the meeting.
7. Unpaid / Unclaimed Dividend, Share application money received and due for refund and matured deposits unclaimed and unpaid for a period of seven years as applicable have been transferred to the Investor Education and Protection Fund pursuant to the provisions of the Companies Act.
8. 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 or to the Registrar. Securities and Exchange Board of India has prohibited physical transfer of shares w.e.f. 01.04.2019.
9. Annual Report 2018-19 along with notice of the AGM, Attendance Slip, Proxy Form and process instructions and the manner of conducting E-voting is being sent electronically to all the members whose email IDs are registered with the Company / Depository Participant(s). For members who request for a hard copy and for those who have not registered their email address, physical copies of Annual Report are being sent through the permitted mode. Members who have not registered their email address are requested to get their email address registered with the Company / Depository Participants and update the same, if required. This may be treated as an advance opportunity in terms of proviso to Rule 18(3)(i) of the Companies (Management and Administration) Rules, 2014.
10. All the documents, if any, referred to in this notice are available for inspection of the members at the registered office of the Company on any working day except Saturday, between 10:00 a.m. to 1:00 p.m. up to the conclusion of this meeting.
11. Voting through electronic means  
  
In compliance with provisions of Section 108 of the Companies Act, 2013 and Rule 20 of the Companies (Management and Administration) Rules, 2014, the company is pleased to provide members facility to exercise their right to vote at the 73<sup>rd</sup> Annual General Meeting (AGM) by electronic means and the business may be transacted through e-Voting Services provided by Central Depository Services (India) Limited (CDSL). The members shall refer to the detailed procedures on e-voting attached herewith.
12. 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](http://www.evotingindia.com) under help section or write an email to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com)

13. Members are required to vote only through the electronic system or through ballot at Annual General Meeting only and in no other form. In the event a member casts his/her votes through both the processes, the votes in the electronic system would be considered and the ballot vote would be ignored.
14. The remote e-voting period commences on Monday, 16<sup>th</sup> September, 2019 (10:00 a.m.) and ends on Wednesday, 18<sup>th</sup> September, 2019 (5:00 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 of Thursday, 12<sup>th</sup> September, 2019 may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter. Once the vote on a resolution is cast by the shareholder, the shareholder shall not be allowed to change it subsequently.
15. The e-voting rights of shareholders shall be in proportion to their shares of the paid up equity share capital of the Company as on the cut-off date of 12<sup>th</sup> September, 2019. A person other than member on cut-off date should treat this notice for information only.
16. A member may participate in the Annual General Meeting even after exercising his right to vote through e-voting but shall not be allowed to vote again.
17. Parikh Dave & Associates, Companies Secretaries, has been appointed as the Scrutinizer to scrutinize the e-voting process and voting process at AGM in a fair and transparent manner.
18. The scrutinizer shall, immediately after the conclusion of voting at the Annual General Meeting, first count the votes cast at the meeting, thereafter unblock the votes cast through remote e-voting in the presence of at least two witnesses not in the employment of the company and make, not later than three days of conclusion of the meeting, a consolidated scrutinizer's report of the total votes cast in favour or against, if any, to the Chairman or a person authorized by him in writing who shall countersign the same.
19. The Results will be declared on receipt of Scrutinizer's Report at Registered Office of the Company at Survey No. 359/B, 359/C, 361 and 362, Rakhial - 382 315, Taluka - Dehgam, Dist. Gandhinagar, Gujarat. The Results declared along with the Scrutinizer's Report shall be placed on the Company's website [www.madhusudan-india.com](http://www.madhusudan-india.com) and on the website of CDSL immediately and communicated to the BSE.
20. Shri Thomas Koshy, Chief Executive Officer of the Company, "Madhusadan House", Opp. Navrangpura Telephone Exchange, Ahmedabad - 380 006, shall be responsible for addressing all the grievances in relation to this Annual General Meeting including e-voting. His Contact details are **E-mail:** madhusudan\_i@yahoo.in, **Phone No.** 079-49112222
21. Members holding equity shares in electronic form and proxies thereof, are requested to bring their DP ID. and Client ID. for identification.
22. Brief resume of Directors, proposed to be appointed / re-appointed at this Annual General Meeting is given below:

Name of Director	Shri P. K. Shashidharan
DIN	06506263
Date of Birth	07.08.1958
Date of appointment	26.02.2013
Brief Resume and nature of expertise in specific Functional areas	Marketing & Marketing Services
List of other directorships held	NIL
Chairman / Member of the Committees of the Board of other Companies	NIL
Shareholding in the Company	NIL
Relationship between Directors Inter-se	NIL
No. of Board Meetings attended during 2018-19	4

Regd. Office :  
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2<sup>nd</sup> May, 2019  
CIN : L29199GJ1945PLC000443

By Order of the Board of Directors  
For, Madhusudan Industries Limited

Neha Singh  
Company Secretary  
(ACS: 55606)

## Annual Report 2018-2019

### Procedure on e-voting

#### The instructions for shareholders voting electronically are as under:

- (i) The voting period begins on Monday, 16<sup>th</sup> September, 2019 (10:00 a.m.) and ends on Wednesday, 18<sup>th</sup> September, 2019 (5:00 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 Thursday, 12<sup>th</sup> September, 2019 may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
- (ii) The shareholders should log on to the e-voting website [www.evotingindia.com](http://www.evotingindia.com)
- (iii) Click on Shareholders.
- (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](http://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

For Members holding shares in Demat Form and Physical Form	
PAN	Enter your 10 digit alpha-numeric PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders) <ul style="list-style-type: none"><li>- Members who have not updated their PAN with the Company / Depository Participant are requested to use the sequence number which is printed on Address Sticker.</li></ul>
Dividend Bank Details OR Date of Birth (DOB)	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. <ul style="list-style-type: none"><li>- 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).</li></ul>

- (viii) After entering these details appropriately, click on "SUBMIT" tab.
- (ix) Members holding shares in physical form will then directly reach 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 relevant Madhusudan Industries Ltd. 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 a print of the votes cast by clicking on "Click here to print" option on the Voting page.
- (xvii) If Demat account holder has forgotten the log in password then enter the User ID and Image Verification Code and click on Forgot Password & enter the details as prompted by the system.
- (xviii) Shareholders can also use Mobile app - "m-Voting" for e-voting. Shareholders may login to m-Voting using their e voting credentials to vote for the company resolution(s).
- (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](http://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](mailto:helpdesk.evoting@cdslindia.com).
  - After receiving the login details user would be able to link the account(s) for which they wish to vote on.
  - The list of accounts linked in the log in should be mailed to [helpdesk.evoting@cdslindia.com](mailto: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](http://www.evotingindia.com), under help section or write an email to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).

## Directors' Report

To

The Members,

The Directors have pleasure in submitting the Annual Report together with the Statement of Accounts of your Company for the year ended 31<sup>st</sup> March, 2019.

### Performance

The summary of your Company's financial performance is given below:

	Year ended March 31, 2019 (Rs. in lakhs)	Year ended March 31, 2018 (Rs. in lakhs)
Profit before Depreciation and Taxes	37.83	153.84
Deducting there from Depreciation	12.80	14.31
Profit / Loss before tax after exceptional item	25.03	139.53
Deducting therefrom taxes of:		
- Current Tax	18.00	7.85
- Deferred Tax	(10.27)	25.15
Profit for the period	17.30	106.52
Add/(Less): Other Comprehensive Income (Net of Tax)	(2.13)	(1.15)
<b>Total Comprehensive Income</b>	<b>15.17</b>	<b>105.38</b>

### Transfer to Reserves

Due to Carry forward loss of previous years the Company has not transferred any amount to General Reserve in the current year.

### Highlights / Performance of the Company

Total income of the Company was Rs.114.61 Lakhs during the year.

### Management Discussion and Analysis

#### a) Industry Structure and Developments

The Company continues its search for a viable project to be set up at the available facilities at Rakhial.

#### b) Opportunities and Threats

The Management is interested in undertaking a suitable venture that can be set up in the available land and infrastructure with the Company. As such the Company does not face any threat in its existence.

#### c) Outlook

It will entirely depend on the project to be set up by the Company.

#### d) Risks and Concerns

Presently, Company is exposed to the prevalent risks of uncertainties and changes in government policies, unexpected regulatory changes etc.

#### e) Internal Control Systems and their adequacy

The Company has computerized its accounting system since many years. Adequate internal control system exists in the Company and the internal control system of the Company is commensurate with the size and complexity of the Company's business. The operations are subject to periodic internal audit by independent Auditors.

#### f) Financial performance with respect to Operational Performance is discussed in the main part of the report.

#### g) Material Developments in Human Resources, Industrial Relations, Environment, Health & Safety

The Company values and nurtures its human resources and Company would continue to adopt and implement the best HRD practices in future. Manpower strength of the Company as on March 31, 2019 stands at 6.

#### h) Key Financial Ratios : (in times / %)

Sr. No.	Ratio	2018-19	2017-18
1	Debtors Turnover -times	8105.53	7741.17
2	Inventory Turnover	0.00	0.00
3	Interest Coverage Ratio	0.00	0.00
4	Current Ratio - times	51.21	56.71
5	Debt. Equity Ratio	0.00	0.00
6	Operating Profit Margin %	21.84	127.38
7	Net Profit Margin %	15.09	97.25
8	Return on Net Worth %	0.94	5.81

Operating Profit Margin, Net Profit Margin and Return on Net Worth Ratios varies due to changes in the value of Non Current and Current Investments of the company compared to its earlier period carrying fair values are recognised in the statement of profit and loss account as per the requirement of Indian Accounting Standards (Ind AS)

## ***Annual Report 2018-2019***

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### **Conservation of energy, technology absorption and foreign exchange earnings and outgo**

The information required under Section 134 (3)(m) of the Companies Act, 2013 read with Rule 8 of The Companies (Accounts) Rules, 2014 is annexed herewith as a separate Annexure-I.

### **Particulars of contracts or arrangements with related parties**

All transactions entered with Related parties as defined under the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 during the financial year were in the ordinary course of business and on an arm's length basis, the details of which are included in the notes forming part of the financial statements.

There were no material related party transactions entered during the year. Accordingly, information in form AOC - 2 is not annexed. Further no materially significant related Party transactions were made by the Company with Directors, Key Managerial Personnel or other designated Persons, which may have a Potential Conflict with the interest of the Company at large. All related party transactions were placed before the Audit Committee and also the Board for approval. The Policy on related Party transactions as approved by the Board is uploaded on the Company's website i.e. [www.madhusudan-india.com](http://www.madhusudan-india.com).

### **Director's Responsibility Statement**

In compliance of Section 134(5) of the Companies Act, 2013, the Directors of your Company confirm:

- that in the preparation of annual accounts, the applicable accounting standards have been followed and that there are no material departures;
- that such accounting policies have been selected and applied consistently and made judgements and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as on March 31, 2019 and of the profit of the Company for the year ended on that date;
- that proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- that the annual accounts have been prepared on a going concern basis.
- that internal financial controls have been laid down to be followed by the Company and that such internal financial controls are adequate and were operating effectively;
- that proper systems have been devised to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

### **Managerial Remuneration and Employees**

Details required pursuant to Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules 2014 are enclosed as a separate Annexure-II.

Details of employees as specified under Rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules 2014 is annexed to this report as annexure, however it is not being sent alongwith this Annual Report but available for inspection at the Registered Office of the Company during working hours, 21 days before the Annual General Meeting and shall be made available to any shareholder on request, being made to the Company Secretary. The above detail is not being sent alongwith this Annual Report to the members in line with the provisions of Section 136 of the Companies Act, 2013 and rules made thereunder.

Company has not offered its shares to its employees under ESOS during the year under review.

Company has not sanctioned loan to any of its employees for purchase of Company's shares under any scheme.

### **Extract of Annual Return**

The details forming part of the extract of the annual return in Form No.MGT-9 is annexed herewith as a separate Annexure-III.

### **Corporate Governance**

Pursuant to SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, report on Corporate Governance has been included in this Annual Report as a separate Annexure - IV.

As per Regulation 15 the of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 the Company is not required to comply with Regulations 17 to 27 and Clauses (b) to (i) of sub-regulation (2) of Regulation 46 and para C, D and E of Schedule V. However as a good corporate governance practice, the Company has been complying with the aforesaid provisions / regulations voluntarily.

### **Number of Meetings of the Board**

The Board of Directors, during the financial year 2018-19 duly met 5 times on 19.04.2018, 28.05.2018, 10.08.2018, 02.11.2018 and 31.01.2019 in respect of which meetings, proper notices were given and the proceedings were properly recorded and signed in the Minutes Book maintained for the purpose.

### **Particulars of Loans, guarantees or investments**

The loans if any, made by the Company are within the limits prescribed u/s 186 of the Companies Act, 2013 and no guarantee or security is provided by the Company.

Details of investments covered u/s 186 of the Companies Act, 2013 are given in the notes to the Financial Statements.

### **Risk Management Policy**

The Board has approved and implemented risk management Policy of the Company including identification and element of risks.

The Risk Management is overseen by the Audit Committee / Board of Directors of the Company on a continuous basis. The Committee oversees Company's process and policies for determining risk tolerance and review management's measurement and comparison of overall



risk tolerance to established levels. Major risks identified by the businesses and functions are systematically addressed through mitigating actions on a continuous basis. For details please refer to the Management Discussion and Analysis.

#### **Audit Committee**

The Company has constituted Audit Committee. For details please refer Corporate Governance Report attached as a separate Annexure-V.

#### **Internal Control System and its Adequacy**

The Company has internal control system commensurate with the size, scale and complexity of its business operations. The scope and functions of Internal Auditor are defined and reviewed by the Audit Committee. The Internal Auditor reports to the Chairman of the Audit Committee. The Internal Auditor assesses opportunities for improvement of business processes, systems and controls, to provide recommendations, which can add value to the organisation.

#### **Dividend**

Due to carry forward loss of previous years, the Board of Directors has not recommended any dividend. During the year the Company was not required to transfer unclaimed dividend to the Investor Education and Protection Fund.

#### **Share Capital**

The paid up Equity Share Capital as on 31<sup>st</sup> March, 2018 was Rs.268.75 Lakhs. During the year under review the Company has not issued any shares. As on 31<sup>st</sup> March, 2019 the Share Capital was Rs.268.75 Lakhs.

No shares with differential voting rights, stock or sweat equity shares were issued by the Company during the year under review.

The Company was not required transfer any Shares to Investor Education and Protection Fund, pursuant to the provisions of section 124 & 125 of the Companies Act, 2013 and Investor Education and Protection Fund (Accounting, Audit, Transfer and Refund) Rules, 2016.

#### **Exchequer**

The Company has contributed Rs. 29.43 Lakhs to the exchequer by way of GST, Income Tax and other fiscal levies.

#### **Deposits**

For the year under review, the Company has not accepted fixed deposit from the public falling within the ambit of Section 73 of the Companies Act, 2013 and The Companies (Acceptance of Deposits) Rules, 2014. There have been no defaults in repayment of deposits or payment of interest thereon during the year.

The Company has no unclaimed/unpaid fixed deposits as at end of the year.

#### **Directors**

Members at the Annual General Meeting held on 25<sup>th</sup> September, 2018 have re-appointed Shri Rajesh B. Shah, Shri P. C. Surana and Smt. Rutva Acharya as Independent Directors of the Company to hold office for further period of five consecutive years for a term up to 31<sup>st</sup> March, 2024 (they will not retire by rotation).

All Independent Directors have given declarations that they meet the criteria of independence as laid down under Section 149(6) of the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirement) Regulations, 2015 and there has been no change in the circumstances which may affect their status as Independent director during the year under review and have also confirmed that they are not aware of any circumstance or situation, which exist or may be reasonably anticipated, that could impair or impact his/her ability to discharge his/her duties with an objective independent judgment and without any external influence. The Company keeps informed independent directors about changes in the Companies Act, 2013 and rules and other related laws from time to time and their role, duties and responsibilities.

Shri. P.K. Shashidharan, director is due to retire at the end of the ensuing Annual General Meeting and being eligible, offers himself for re-appointment. Brief resume of the Director who is proposed to be reappointed at the ensuing Annual General meeting as required as per SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 is provided in the notice convening this Annual General Meeting of the Company.

#### **Board Evaluation**

Pursuant to the provisions of the Companies Act, 2013 and Rules made thereunder, Schedule – IV of the Companies Act and SEBI (LODR) Regulations, 2015, the Board has carried the evaluation of its own performance, individual Directors, its Committees and Key Managerial Personnel, on the basis of attendance, contribution and various criteria as recommended by the Nomination and Remuneration Committee of the Company.

The performance of each of the Independent Director and non-independent director was also evaluated by the Independent Directors at the separate meeting held of Independent Directors of the Company.

#### **Policy on Directors appointment and remuneration**

Criteria determining the qualifications, positive attributes and independence of Directors.

#### **Independent Directors**

##### **- Qualifications of Independent Director**

An independent director shall possess appropriate skills, qualifications, experience and knowledge in one or more fields of finance, law, management, marketing, administration, corporate governance, operations or other disciplines related to the Company's business.

##### **- Positive attributes of Independent Directors**

An independent director shall be a person of integrity, who possesses knowledge, qualifications, experience, expertise in any area, integrity, level of independence from the Board and the Company etc. Independent Directors are appointed on the basis of requirement of the Company, qualifications & experience, association with the Company etc. He should also devote sufficient time to his professional obligations for informed and balanced decision making; and assist the Company in implementing the best corporate governance practices.

## ***Annual Report 2018-2019***

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### **- Independence of Independent Directors**

An independent director should meet the requirements of Section 149(6) of The Companies Act, 2013 and SEBI (LODR) Regulations, 2015 and give declaration every year to the Board of Directors for the same.

### **Other Directors and Senior Management**

The Nomination and Remuneration Committee shall identify and ascertain the qualifications, expertise and experience of the person for appointment as Director or at Senior Management Level and recommend to the Board his/her appointment.

The Company shall not appoint or continue the employment of any person as Director or Senior Management Personnel if the evaluation of his performance is not satisfactory.

Other details are disclosed in the Corporate Governance Report under the head Nomination and Remuneration Committee and details of Remuneration (Managing Director/Whole Time Director and Non-Executive Directors) are attached as separate Annexure IV to this report.

### **Remuneration / commission from Holding or Subsidiary Company**

The Company has no Holding Company or Subsidiary Company

### **Remuneration Policy**

It is separately disclosed in the Corporate Governance Report attached as a separate Annexure-IV to this Report.

### **Auditors and their Observations**

Shailesh Shah & Associates., Chartered Accountants are the statutory auditors of the company. They are appointed for a period of five years, from the conclusion of AGM held on 22nd September, 2017 till the conclusion of the AGM to be held for the Financial year 2021-22.

Pursuant to amendment to section 139 of the Companies Act, 2013 effective from May 7, 2018, ratification of Statutory Auditors' appointment is not required at every Annual General Meeting. Accordingly, resolution for ratification of Statutory Auditors is not proposed.

The Auditors' Report and Secretarial Audit Report to the members for the financial year under review do not contain any qualification, reservation or adverse remarks or disclaimer.

The Statutory Auditors have not reported any fraud during the year under review.

### **Secretarial Audit**

Pursuant to provisions of Section 204 of Companies Act, 2013 and Rules made there under, the Company has appointed Parikh Dave and Associates, Practicing Company Secretaries to undertake the secretarial audit of the Company for the year 2019-20.

The Secretarial Audit Report for the year 2018-19 given by Parikh Dave and Associates, Company Secretaries in practice is annexed with this report.

The company is complying with the applicable Secretarial Standards.

### **Cost Records and Cost Auditors**

The Company is not required to maintain cost records under Companies (Cost Records and Audit) Rules, 2014, accordingly Cost Auditors are not appointed.

### **Insurance**

Your Company has adequately insured all its properties.

### **Industrial Relations**

Your Company's relations with its employees remained cordial throughout the year. The Directors wish to place on record their deep appreciation for the services rendered by staff members and executives of the Company.

Your Company has taken adequate steps for the health and safety of its employees, as required under the Gujarat Factories Rules, 1963. During the year under review the Company has not received any complaint under The Sexual Harassment of women at Workplace (prevention, prohibition and redressal) Act, 2013.

### **Material Changes Affecting Financial Position of the Company**

No material changes or commitments, affecting the financial position of the Company have occurred between the end of the financial year of the Company to which the financial statements relate, i.e. 31st March, 2019 and the date of the Board's Report.

### **Change in Nature of Business**

There has been no change in the nature of the business of the Company during the Financial year 2018-19.

### **Orders passed by Regulatory Bodies or Courts**

No regulatory body or court or tribunal has passed any significant and material orders impacting the going concern status and operations of the company.

### **Vigil Mechanism**

The company has implemented Vigil Mechanism. For details please refer Corporate Governance Report attached as a separate Annexure-IV.

### **Appreciation**

Your Directors would like to place on record their gratitude for the co-operation and assistance given by various departments of both State and Central Governments.

Ahmedabad  
2<sup>nd</sup> May, 2019

For and on behalf of the Board of Directors,  
**Rajesh B. Shah (DIN : 00607602)**  
**P. C. Surana (DIN : 06508125)**  
**P. K. Shashidharan (DIN : 06506263)**  
**Rutva Acharya (DIN : 06933478)**  
Directors