



MADHUCON

PROJECTS LIMITED

AN ISO-9001 : 2008 COMPANY

**29th
ANNUAL REPORT
2018 - 2019**



MADHUCON PROJECTS LIMITED

(CIN: L74210TG1990PLC011114)

Board of Directors	: Sri.Ramadas Kasarneni Chairman and Independent Director Sri N. Seethaiah Managing Director Sri. K. Srinivasa Rao Whole-time Director Sri. Mohammad Shafi Whole-time Director Sri. P. Madhava Rao Independent Director Smt. Ch. LakshimiKumari Woman-Independent Director Sri Deepakbhai Kumudray Joshi Chief Financial Officer & Company Secretary
Registered Office	: 1-7-70, Madhu Complex, Jublipura, Khammam-507003.
Corporate Office	: Madhucon House, Plot No.1129/A, Road No.36, Jubilee Hills, Hyderabad-500033.
Registrar & Share transfer Agents	Karvy Fintech Private Limited : Karvy Selenium Tower-B, Plot 31- 32, Gachibowli, Financial District, Nanakramguda, Hyderabad - 500 032
Bankers	: Axis Bank Limited Bank of India Canara Bank IDBI Bank Limited ICICI Bank Limited Kotak Mahindra Bank Oriental Bank of Commerce State Bank of India
Auditors	: P.Murali& Co., Chartered Accountants, (FRN 007257S) 6-3-655/2/3, Somajiguda, Hyderabad - 500036



NOTICE

**To
The Members,
Madhucon Projects Limited**

NOTICE is hereby given that the 29th Annual General Meeting of the Members of Madhucon Projects Limited will be held on Saturday, 21st September, 2019 at 03:00 P.M at the Registered Office of the Company situated at Madhu Complex, 1-7-70, Jublipura, Khammam-507003 to transact the following Business:

ORDINARY BUSINESS:

1. To receive, consider and adopt:

- a) the Audited Financial Statements of the Company in IND AS format for the financial year ended 31st March, 2019 together with the Reports of the Board of Directors and Auditors thereon; and
- b) the Audited Consolidated Financial Statements of the Company in IND AS format for the financial year ended 31st March, 2019 together with the report of the Auditors thereon.

2. To appoint Auditors and to fix their remuneration.

To consider and if thought fit to pass with or without modification, the following resolution as Ordinary resolution:

"RESOLVED THAT pursuant to Sections 139, 142 and other applicable provisions, if any, of the Companies Act, 2013 (the "Act") and the Companies (Audit and Auditors) Rules, 2014 ("Rules") (including any statutory modification or re-enactment thereof, for the time being in force), the Company hereby re-appoints P.Murali & Co, Chartered Accountants (FRN 007257S), Hyderabad, as Auditors of the Company to hold office from the conclusion of this Annual General Meeting until the conclusion of the 30th Annual General Meeting at such remuneration as may be determined by the Board of Directors of the Company."

SPECIAL BUSINESS:

3. Re-appointment of Sri. Seethaiah Nama (DIN:00784491) as Managing Director of the Company.

To consider and, if thought fit, to pass, with or without modifications, the following resolution as an Ordinary Resolution:

"RESOLVED THAT pursuant to the provisions 196, 197, 198 & 203 read with the Companies (Appointment & Remuneration of Managerial Personnel) Rules, 2014, Schedule V and all other applicable provisions of the Companies Act, 2013 (including any statutory modifications or re-enactment thereof for the time being in force), and such other approvals as may be required if any, consent of the Members be and is hereby accorded for re-appointment of Sri. Seethaiah Nama, Managing Director of the Company for a period of three years w.e.f. 01st May 2019 on Monthly Managerial Remuneration of Rs. 5,00,000/- (Rupees Five lakhs only) (inclusive of all allowances and perquisites) on recommendation and approval of the Nomination and Remuneration committee.

"RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorized to do all acts and take all such steps as may be necessary, proper or expedient to give effect to this resolution."

4. Approval for the remuneration of the Cost Auditor for the financial year ending on 31st March, 2020.

To consider and, if thought fit, to pass, with or without modifications, the following resolution as an Ordinary Resolution:

"RESOLVED THAT pursuant to the provisions of Section 148 and other applicable provisions, if any, of the Companies Act, 2013 and Companies (Audit and Auditors) Rules, 2014 (including any statutory modification(s) or enactment(s) thereof, for the time being in force), the remuneration of Rs.1,50,000 (Rupees One Lakh fifty Thousand only) inclusive of all taxes payable to BVR & Associates, Cost Accountants (Firm Registration No. 000453), the Cost Auditors of the Company to conduct audit of cost records made and maintained by the Company for the financial year ending 31st March, 2020, as recommended by Audit Committee and approved by Board of Directors be and is hereby ratified.

"RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorized to do all acts and take all such steps as may be necessary, proper or expedient to give effect to this resolution."

5. Approval for Non-Provision of the Interest on Working Capital Loans & Unsecured Loans :

To consider and, if thought fit, to pass, with or without modifications, the following resolution as an Ordinary Resolution:

"RESOLVED THAT the Interest of Rs.33.93 Cr. and Rs.0.88 Cr. provided on Working Capital limits and Unsecured Loans respectively aggregating to Rs. 34.81 Cr. for the first two quarters - April to June, 2018 and July to Sept, 2018 in the books of accounts of the Company be reversed and not provided for.

RESOLVED FURTHER THAT the Interest provision for the 3rd and 4th Qtr. of the Financial Year 2018-19 on Working Capital Loans and Unsecured Loans of Rs. 37.43 Cr. and Rs.1.40 Cr. respectively and aggregating to Rs. 38.83 Cr. be not provided.

RESOLVED FURTHER THAT the total interest provisions of Rs.71.36 Cr. and Rs. 2.28 Cr. on Working Capital Loans and Unsecured loans respectively and aggregating to Rs. 73.64 Cr. for the full financial year 2018-19 be not applied and provided for in the books of accounts of the Company on the basis that the Company has submitted the One Time Settlement proposal to all Working Capital Banks and is working for the approval, with required improvements, modifications, if any, as may be mutually agreed upon by and between the Company and Working Capital Banks."

By Order of the Board For **Madhucon Projects Limited**
Sd/-

Place: Hyderabad
Date: 13-08-2019

Nama Seethaiah
Managing Director
DIN:00784491

**NOTES :**

1. The Explanatory Statement pursuant to Section 102(1) of the Companies Act, 2013 relating to Special Business to be transacted at the Annual General Meeting is annexed hereto.
2. The Register of Members and Shares Transfer Books of the company will remain closed from Saturday the 14th September, 2019 to Saturday the 21st September, 2019 (both days inclusive).
3. The business set out in the Notice will be transacted through electronic voting system and the Company is providing facility for voting by electronic means. The Company will also send communication relating to remote e-voting which inter alia would contain details about User ID and Password along with a copy of this Notice to the members separately.
4. A member entitled to attend and vote at the Annual General Meeting ("Meeting") is entitled to appoint a proxy to attend and vote on a poll instead of himself and the proxy need not be a member of the Company. Proxies, in order to be effective, must be received by the Company not less than 48 hours before the meeting. Proxy form is attached herein. A person can act as proxy on behalf of the members not exceeding 50 (Fifty) and holding in the aggregate not more than 10% (Ten percent) of the total share capital of the Company carrying voting rights. A member holding more than 10% (ten percent) of total share capital of the Company carrying voting rights may appoint a single person as proxy and such person shall not act as a proxy for any other person or shareholder as per rule 19 of the Companies (Management and Administration) Rules, 2014.
5. Corporate Members intending to send their authorized representatives to attend the Meeting are requested to send to the Company a duly certified copy of the Board Resolution authorizing their representative to attend and vote at this Annual General Meeting as per Section 113 of the Companies Act, 2013.
6. In case of Joint shareholders attending the Meeting, only such joint holder whose name stands first on the Register in respect of such share will be entitled to vote.
7. Members who hold shares in the physical form and wish to make/ change nomination in respect of their shareholding in the Company, as permitted under Section 72 of the Companies Act, 2013, may submit their request to the Company in Form No. SH.13.
8. Members who are holding shares in physical form are requested to dematerialize their physical shareholdings with Depository Participants (DP) in order to facilitate the benefit of electronic trading.
9. Members holding shares in electronic form are requested to intimate immediately any change in their address or bank mandates to their Depository Participants with whom they are maintaining their demat accounts. Members holding shares in physical form are requested to advise any change in their address or bank mandates immediately to the Company / Karvy Fintech Private Limited (RTA).
10. Members, who have not registered their e-mail addresses so far and holding shares in electronic form are requested to register their e-mail address to their Depository Participants with whom they are maintaining their demat accounts. Members holding shares in physical form are requested to register their e-mail address to the Company / Karvy Fintech Private Limited (RTA) for receiving all communication including Annual Report, Notices etc.
11. The Shareholders who have not encashed their dividend for the financial year 2011-12 to 2016-2017 may approach the Secretarial Department of the Company for issue of fresh Demand Drafts against production of such proof of documents as may be required.
12. Members may also note that the copy of notice of this Meeting and the Annual Report for the financial year 2018-19 will also be available on the website of the Company www.madhucon.com

ANNEXURE :**Explanatory Statement Pursuant to the provision of Section 102(1) of the Companies Act, 2013:**

The following explanatory statement sets out all material facts relating to the special business mentioned in the accompanying Notice.

Item No. 3:**Re-appointment of Sri.Seethaiah Nama (DIN:00784491) as Managing Director of the Company.**

The Board of Directors of the Company on the recommendation of the Nomination and Remuneration Committee at its meeting held on 11th February, 2019 had recommended for re-appointment of Sri Seethaiah Nama as Managing Director of the Company on existing monthly managerial Remuneration of Rs. 5,00,000/- (Rupees Five lakhs only)(inclusive of all allowances and perquisites) for a period of 3 years w.e.f. 01st May 2019.

In terms of the provisions of sections 196, 197, 198 & 203 read with schedule V and other applicable provisions of the Companies Act, 2013 approved by the Board of Directors Accordingly, the shareholders are requested to ratify re-appointment of Sri Seethaiah Nama as Managing Director of the Company as set out in Item No. 3.

None of the Directors and Key Managerial personnel of the company is concerned or interested in financial or otherwise in the said resolution.

Item No.4:**Approval for the remuneration of the Cost Auditor for the financial year ending on 31st March, 2020:**

The Board of Directors of the Company on the recommendation of Audit Committee approved the appointment and remuneration of BVR & Associates, Cost Accountants (Firm Registration No. 000453) as the Cost Auditors of the Company to conduct the audit of the Cost Records of the Company for the financial year ending on 31st March, 2020.

In terms of the provisions of Section 148 of the Companies Act, 2013, read with Rule 14 of the Companies (Audit and Auditors) Rules, 2014, the remuneration payable to the Cost Auditor as approved by Board of Directors, has to be ratified by the Shareholders of the Company. Accordingly, the Shareholders are requested to ratify the remuneration payable to the Cost Auditor for the financial year ending 31st March, 2020, as set out in the Ordinary Resolution in Item No. 4.

None of the Directors and Key Managerial Personnel of the Company is concerned or interested in financial or otherwise, in the said Resolution.

Item No. 5:

Approval for Non-Provision of the Interest on Working Capital Loans & Unsecured Loans:

The Board members were informed of the decision taken in the earlier Board meeting in respect of non-provision of Interest liability on the Working Capital limits, for an amount of Rs. 19.11 Cr. for the 3rd quarter ended on December, 2018. Members further discussed in line with the above earlier decision of the Board and further noted as recommended by the Audit Committee in their meeting dated 28th May, 2019, for not to provide the interest on Working Capital Loan and Unsecured Loan for the 4th Quarter ended on 31st March, 2019 for an amount of Rs.19.05 Cr. and Rs. 82 Cr. aggregating to Rs. 19.87 Cr.

The board members discussed in this connection that the Company has submitted the One Time Settlement (OTS) proposal to each of the Working Capital Banks during the year 2018-19 and is working with them and is hopeful to get it approved with suitable modifications, if any. It was further deliberated that as the Company has put up OTS proposal with each Working Capital Bank against their respective outstanding, the interest provided for the first two quarter of the Financial Year 2018-19 ie. April-June,18 & July-Sept,18 towards Working Capital Loans for Rs. 16.43 Cr. & Rs. 18.37 Cr. resp. and aggregating to Rs. 34.80 Cr. on the principal amount of Working Capital thus be reversed in the books of account as on 31st March, 2019 on the above ground.

The board members further discussed, for the non-provision of Interest on Unsecured Loans, in line with the non-provision of Interest on working capital limits, and decided that the interest amount of Rs. 0.21 Cr. and Rs. 1.09 Cr. provided on Unsecured loans for the first two quarters ie., April -June, 2018 and July-Sept,2018 aggregating to Rs. 0.88 Cr. be reversed and further discussed and decided that the provision of interest of Rs. 0.58 Cr. and Rs.0.82 Cr. for 3rd and 4th quarter, ie., Oct.-Dec.2018 and Jan-March,2019 respectively totalling to Rs. 1.40 Cr. and all aggregating to Rs. 2.28 Cr. of four quarters of the financial year 2018.19 be not provided in the books of account

None of the Directors and Key Managerial Personnel of the Company is concerned or interested in financial or otherwise, in the said Resolution.

By Order of the Board
For **Madhucon Projects Limited**

Place: Hyderabad
Date: 13-08-2019

Sd/-
Nama Seethaiah
Managing Director
DIN:00784491



INSTRUCTIONS FOR E-VOTING

- a) The instructions for e-Voting are as under:
- i) Launch internet browser by typing the following URL: <https://evoting.karvy.com>.
 - ii) User ID and Password for e-voting is provided in the table appearing above document.
 - iii) Enter the login credentials, i.e., user id and password mentioned in your email. Your Folio No/DP ID Client ID will be your user ID. However, if you are already registered with Karvy for e-voting, you can use your existing User ID and Password for casting your votes.
 - iv) After entering the details appropriately, Click on "LOGIN".
 - v) The Password Change Menu will appear on your screen. Wherein you are required to mandatorily change your password. The new password shall comprise minimum 8 characters with the least one upper case (A-Z), one lower case (a-z), one numeric (0-9) and a special character (@, #, \$, etc.) The system will also prompt you to update your contact details like mobile number, email id, on first login. You may also enter a secret question and answer of your choice for retrieving your password in case you forget it. It is strongly recommended that you do not share your password with any other person and that you take utmost care to keep your password confidential.
 - vi) Homepage of e-voting opens. Click on "Event": Active Voting Cycles.
 - vii) Select the "EVENT" (e-Voting Event Number) of Madhucon Projects Limited.
 - viii) Now you are ready for e-Voting as Cast Vote page opens.
 - ix) On the voting page, the number of shares (which represents the number of votes) as held by the member as on the Cutoff date will appear. If you desire to cast all the votes assenting/dissenting to the resolution, then enter all shares and click "FOR"/ "AGAINST" as the case may be or partially in "FOR" and partially in "AGAINST", but the total number in "FOR"/ "AGAINST" taken together should not exceed your total shareholding as on the cut-off date. You may also choose the option "ABSTAIN" and the shares held will not be counted under either head.
 - x) Members holding multiple folio / demat accounts shall choose the voting process separately for each Folio / demat account.
 - xi) Once Cast your votes by selecting an appropriate option and click on "SUBMIT". A confirmation box will be displayed. Click "OK" to confirm, else "CANCEL" to MODIFY. Once you confirm, you will not be allowed to modify your vote subsequently. During the voting period, you can login multiple times till you have confirmation that you have voted on the resolution.
 - xii) Corporate/Institutional share holders (i.e. other than individuals, HUFs, NRIs etc.) are required to send scanned copy (PDF/JPG Format) of the relevant Board Resolution/ Authority Letter etc. together with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer through e-mail to cssvcredy@gmail.com. They may also upload the same in the e-voting module in their login. The scanned image of the above documents should be in the naming format "Corporate Name_EVENT No". with a copy marked to evoting@karvy.com.
 - xiii) In case of any queries, you may refer the Frequently Asked Questions (FAQs) for Shareholders and e-voting user manual for Shareholders available at the Downloads section of <https://evoting.karvy.com>. Or call Karvy's toll free number 1800-3454-001 for any information or clarification regarding E-voting.
 - xiv) The members who have cast their vote by remote e-voting may also attend the Meeting but shall not be entitled to cast their vote again.
 - xv) If e-mail address of the members is registered against Folio No. / DP ID Client ID, then on the home page of <https://evoting.karvy.com>, the member may click "Forgot Password" and enter Folio No. or DP ID Client ID and PAN to generate a new password.
 - xvi) Members may send an e-mail request to evoting@karvy.com. if the member is already registered with the Karvy e-voting platform then such member can use his/her existing User ID and password for casting the vote through remote e-voting.
 - xvii) Any person who becomes a member of the Company after dispatch of Notice of the Meeting and holds the shares as on the cut-off date i.e. September 13, 2019 may write / send an E-mail request to evoting@karvy.com and obtain the user id and password.

**b) Other Instructions:**

- i) You can also update your mobile number and e-mailID in the user profile details of the folio which may be used for sending future communication(s).
- ii) The E-voting shall commence at 9.00 a.m. (IST) on 18th September, 2019 and ends at 5.00 p.m. (IST) on 20th September, 2019. During this period, Members of the Company holding shares either in physical form or in dematerialized form, as on the cut-off i.e. date 13th September, 2019, may cast their vote electronically. The e-voting module shall be disabled by Karvy for voting thereafter. Once the vote on a resolution is cast by the shareholder, he/she shall not be allowed to change it subsequently. Electronic voting shall not be available beyond the said date and time.
- iii) The voting rights of the Members shall be in proportion to their share of the paid-up equity shares capital of the Company as on the cut-off date i.e. Friday, 13th September, 2019 and as per the Register of Members of the Company.
- iv) Mr. S Venkata Krishna Reddy, Practicing Company Secretary (Membership No. ACS 53083) (PCS No. 19542) has been appointed as the Scrutinizer to scrutinize and ensure that the e-voting process is conducted in a fair and transparent manner.
- v) The scrutinizer shall, within a period not exceeding three(3) working days from the conclusion of the e-voting period, unblock the votes in the presence of at least two (2) witnesses who are not in the employment of the Company and make a Scrutinizer's Report of the votes cast in favour or against, if any, forthwith to the Chairman/Managing Director of the Company.
- vi) The results declared along with the Scrutinizer's Report shall be placed on the Company's website www.madhucon.com and on the website of the Company's Registrar & Share Transfer Agent Karvy <https://evoting.karvy.com> within 48 hours of passing of the resolutions at the 29th Annual General Meeting of the Company being held on Saturday, the 21st September, 2019 and communicated to National Stock Exchange of India Limited (NSE) and BSE Limited (BSE) where the shares of the Company are listed.
- vii) The resolution shall be deemed to be passed on the date of the AGM, subject to receipt of sufficient votes through a compilation of e-Voting results and voting held at the Annual General Meeting.



DIRECTORS REPORT

Your Directors have pleasure in presenting the 29th Annual Report of the Company together with the Audited Financial Statements for the year ended March 31, 2019.

1) FINANCIAL SUMMARY

₹ in Lakhs)

S. No.	Particulars	Standalone Year ended		Consolidated Year ended	
		31.03.2019	31.03.2018	31.03.2019	31.03.2018
		(Audited)	(Audited)	(Audited)	(Audited)
1	Income from Operations :				
	(a) Net Sales/ Income from Operations	66,944.33	66,393.34	94,244.01	103,546.55
	(b) Other income	1,540.56	2,211.28	4,074.00	4,820.25
	Total Income	68,484.89	68,604.62	98,318.01	108,366.80
2	Expenses :				
	(a) Cost of Materials Consumed	58,666.41	47,401.29	71,345.13	71,154.82
	(b) Purchase of Stock-in-trade	-	-	-	-
	(c) Changes in Inventory of Finished goods, Work-in-Progress and stock-in-trade	-	(337.40)	3,489.78	(3,753.17)
	(d) Employee benefits expense	3,000.88	4,457.49	4,519.33	4,505.99
	(e) Other expenses	4,395.45	4,945.57	9,153.31	29,087.26
	(f) Financial Costs	2,252.53	9,313.06	27,904.87	83,477.19
	(g) Depreciation and amortisation expense	771.31	1,744.13	22,420.08	24,876.77
	Total Expenses	69,086.58	67,524.14	1,38,832.50	209,348.86
	Profit/(Loss) Before Exceptional Items (1-2)	(601.69)	1,080.48	(40,514.49)	(100,982.06)
4	Exceptional Items	-	-	-	-
5	Profit/(Loss) Before Tax (3-4)	(601.69)	1,080.48	(40,514.49)	(100,982.06)
6	Tax Expense				
	a) Current Tax	-	2,200.55	-	(1,937.22)
	b) Deferred Tax	(2,462.40)	(2,431.46)	(2,462.40)	(2,431.46)
	Total Tax (a+b)	(2,462.40)	(230.91)	(2,462.40)	(4,368.68)
7	Net Profit/(Loss) After Tax (5-6)	1,860.71	1,311.39	(38,052.09)	(96,613.38)
	Share of Loss transferred to Non Controlling Interest	-	-	(3,663.03)	(10,029.72)
	Profit/(Loss) after Tax after Non Controlling Interest	1,860.71	1,311.39	(34,389.06)	(86,583.66)
	Share of Profit or Loss from Associated Companies		-	-	--
	Profit/(Loss) after Tax after Share of Minority Interest & Associated Companies	1,860.71	1,311.39	(34,389.06)	(86,583.66)
8	Other Comprehensive Income	34.45	28.19	107.91	406.51
	Share of Other Comprehensive Income transferred to Non Controlling Interest	-	-	13.05	54.79
9	Total Comprehensive Income (7+8)	1895.16	1,339.58	(34,294.21)	(86,231.94)
10	Paid up equity share capital(Face Value of Rs.1/- each)	737.95	737.95	737.95	737.95
11	Other Equity	80722.03	78,826.86	(212,984.36)	(177,495.81)
12	(i) Earning per share of Re.1/- each (not annualised)				
	(a) Basic	2.52	1.78	(46.60)	(117.33)
	(b) Diluted	2.52	1.78	(46.60)	(117.33)

2) EXTRACT OF ANNUAL RETURN:

Pursuant to Section 92(3) of the Companies Act, 2013 and Rule 12(1) of the Companies (Management and Administration) Rules, 2014, an extract of annual return in MGT 9 as a part of this Annual Report is annexed as **ANNEXURE I** to this report.

**3.) RESERVES: [Section 134(3)(j)]:**

Company has not transferred any amount to reserves due to the loss.

4.) DIVIDEND: [Section 134(3)(k)]

No dividend was declared on equity shares for the year ended 31.03.2019 due to insufficient profits.

5) BOARD MEETINGS :

The Board met 5 (Five) times (including adjourned meeting) during the financial year 2018-2019. The following are the dates of meeting convened in different Quarters of the financial year.

First Quarter		Second Quarter		Third Quarter		Fourth Quarter	
Meeting No.	Date	Meeting No.	Date	Meeting No.	Date	Meeting No.	Date
579	04.04.2018	581	13.08.2018	582	12.11.2018	583	11.02.2019
580	28.05.2018						

6) DIRECTORS' RESPONSIBILITY STATEMENT:

Pursuant to the requirement under section 134(3) (c) of the Companies Act, 2013, it is hereby confirmed :

- That in the preparation of annual accounts for the financial year ended 31st March, 2019; the applicable Accounting Standards have been followed along with proper explanation relating to material departures.
- That the Directors have selected 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 or loss of the Company for that period.
- That the Directors have taken proper and sufficient care 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 frauds and other irregularities.
- That the Directors have prepared the annual accounts for the year ended 31st March, 2019 on a "Going Concern" basis.
- That the directors had laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and are operating effectively.
- That the directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems are adequate and operating effectively.

7) ADEQUACY OF INTERNAL FINANCIAL CONTROL

The Company has structured and implemented framework for Internal Financial Controls ("IFC") in terms of the explanation to Section 134(5) (e) of the Companies Act, 2013. The Board of Directors of the Company is of the opinion that the Company has sound IFC for the year 2018-2019. The Company is continuously monitoring and identified the gaps if any, and implements improved controls wherever the effect of such gaps would have a material effect on the Company's operations.

8) DECLARATION FROM INDEPENDENT DIRECTORS ON ANNUAL BASIS

The Company has received Declarations of independence as stipulated under sec 149(7) of Companies act 2013 and regulation 25 of the listing regulations from Independent directors confirming that he /she is not disqualified from continuing as independent Director, the Same annexed to this report as ANNEXURE-VIII.

9) NOMINATION AND REMUNERATION POLICY

The Board has, on the recommendation of the Nomination & Remuneration Committee revised Nomination and Remuneration policy in its meeting held on 28.05.2019 which lays down a framework in relation to selection, appointment and remuneration to Directors, Key Managerial Personnel and Senior Management and criteria for determining qualifications, positive attributes, and independence of a director of the Company. The Nomination and Remuneration Policy is stated in the Corporate Governance Report.

10) PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS U/S 186

Details of Loans, Guarantees and Investments covered under the provisions of Section 186 of the Companies Act, 2013 are given in the notes to the Financial Statements.

11) RELATED PARTY TRANSACTIONS

The transactions entered with the related parties by the Company for the year under review with respect to rendering of services were on arm's length basis and in the ordinary course of business. Hence Section 188(1) is not attracted to the Company. Thus disclosure in Form AOC-2 is not applicable to the Company. There are no material related party transactions during the year under review with the promoters, Directors or Key Managerial Personnel.

12) STATE OF THE COMPANY'S AFFAIRS

The Company is a well-established Construction Company and a leading Contractor in executing projects, in various sectors



- Transportation (National & State Highways, Roads, Railways & Ports, Irrigation & Water Resources, Buildings & Property Development, Mining (Coal & other Minerals) Energy (Generation, Transmission & Distribution) and other Infrastructure Projects. Further information on the Company's Business and the developments, opportunities and outlook of the Company and the industry in which it operates are discussed in detail in the Management Discussion & Analysis, which is enclosed in ANNEXURE II.

13) MATERIAL CHANGES AND COMMITMENTS AFFECTING THE FINANCIAL POSITION OF THE COMPANY

There are no material changes and commitments affecting the financial position of the Company occurred between the end of the financial year to which the financial statements relate and the date of this report.

14) INFORMATION AS PER SECTION 134(3)(m) OF THE COMPANIES ACT, 2013 READ WITH RULE 8 OF THE COMPANIES (ACCOUNTS) RULES, 2014

The information as required under Section 134(3) (m) of the Companies Act, 2013 read with Rule 8 of the Companies (Accounts) Rules, 2014 relating to conservation of energy, technology absorption and foreign exchange earnings and outgo are set out in the ANNEXURE III and is attached to this report.

15) RISK MANAGEMENT

Periodic assessments to identify the risk areas are carried out and management is briefed on the risks in advance to enable the Company to control risk through a properly defined plan. The risks are taken into account while preparing the annual business plan for the year. The Board is also periodically informed of the business risks and the actions taken to manage them.

16) CORPORATE SOCIAL RESPONSIBILITY (CSR) POLICY

Pursuant to the provisions of Section 135 and Schedule VII of the Companies Act, 2013, CSR Committee of the Board of Directors was formed to recommend;

- a) The policy on Corporate Social Responsibility (CSR) and
- b) Implementation of the CSR Projects or Programs to be undertaken by the Company as per CSR Policy by the Board of Directors.

Annual Report on CSR in the prescribed format is enclosed in ANNEXURE IV.

17) RANCHI EXPRESSWAYS LIMITED LEGAL MATTER:

The PIL was filed in the Hon'ble High Court of Jharkhand in 2014 vide no 3503/14 and FIR, bearing No. RC2(A)/2019-R, dated 12.03.2019. The matter was under sub judice.

18) FORMAL ANNUAL EVALUATION

In compliance with the Companies Act, 2013 and Regulation 17(10) of SEBI (Listing Obligations and Disclosure Requirements), Regulations, 2015, the performance evaluation of the Board was carried out during the year under review.

19) REPORT ON THE PERFORMANCE/FINANCIAL POSITION OF THE SUBSIDIARIES /ASSOCIATES/JOINT VENTURES COMPANIES

A separate statement containing the salient features of the financial statements of the subsidiary Companies/Associate Companies/Joint Ventures is prepared in Form AOC-1 as per the provisions of Section 129 of the Companies Act, 2013 read with Companies (Accounts) Rules, 2014 as Amended and is attached in ANNEXURE V.

20) CONSOLIDATION OF ACCOUNTS

In compliance with Regulation 33 of the SEBI (LODR) Regulations, 2015 a and in compliance with the provisions of the Companies Act, 2013 and the Ind AS 28 Investments in Associates & joint ventures and Ind AS 110 Consolidated Financial Statements, Your Directors have pleasure in attaching the consolidated financial statements for the financial year ended March 31, 2019, duly audited by the Statutory Auditors which forms part of the Annual Report.

The Annual Accounts of the Subsidiary Companies and the related information will be made available to shareholders, who may be interested in obtaining the same at any point of time. The Annual Accounts of Subsidiary Companies will also be kept for inspection by any shareholder at the Registered Office of the Company and also at its Subsidiary Companies.

21) DETAILS OF DIRECTORS AND KEY MANAGERIAL PERSONNEL APPOINTED AND RESIGNED DURING THE YEAR.

- a) Change in Key Managerial Personnel during the year

Smt. Niralee Rasesh Kotdawala was appointed as the Company Secretary of the Company w.e.f. 12/03/2018 and she resigned and was relieved of her services w.e.f. 17/05/2018. Sri. Deepakbhai Kumudray Joshi was appointed as Chief Financial Officer and Company Secretary of the company w.e.f. 01/03/2019.

- b) Change in Directors during the year

The tenure of Sri. Mohammad Shafi, Whole Time Director also expired on 30/05/2018 and hence the board in its meeting dated May 28, 2018 re-appointed him as the Whole time Director of the company for a further period of 3 (three) years w.e.f. 30/05/2018. The board recommended to ratify his appointment in previous 28th Annual General Meeting.

The Board in its meeting held on 13/08/2018 appointed Sri Ramadas Kasaraneni as the Chairman & Independent Director of the Company for a period of 3 (three) years w.e.f. 13/08/2018. The board recommended to ratify his appointment in previous 28th Annual General Meeting.