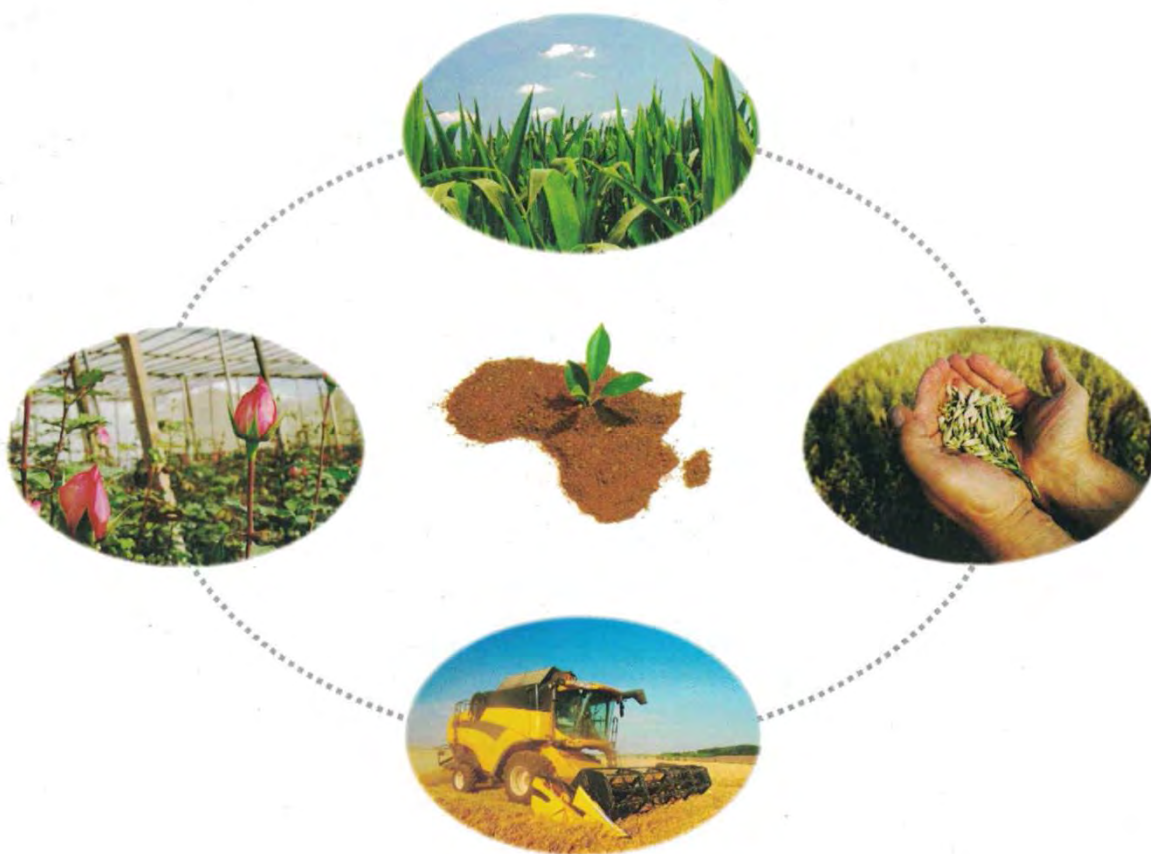




neha

## **Twenty Fourth Annual Report**



**Neha International Limited**



# NEHA INTERNATIONAL LIMITED

## BOARD OF DIRECTORS

### Chairman & Managing Director

**Shri G. Vinod Reddy**

### Directors

**Shri Ravi Chand Kotha**

**Smt. G. Vani**

**Smt. G Lavanya Reddy**

(\*\*With effect from 05/12/2018)

### Chief Financial Officer

**Galla Kameshwar Rau**

### Company Secretary

**Satya Ranjan Jena**

(\*\*With effect from 27/04/2018)

### Statutory Auditors

M/s Mathesh & Ramana,  
Chartered Accountants  
# 3-6-145, Himayathnagar,  
Hyderabad – 500029

### Secretarial Auditor

Ashok Pipalwa & Co.  
6-6-412/5, 2<sup>nd</sup> Floor,  
Gandhinagar,  
Secunderabad-500003

### Bankers

Bank of Maharashtra  
IndusInd Bank  
Union Bank of India,  
Oriental Bank of Commerce

### Registrar & Transfer Agents

XL Softech Systems Ltd.  
#3, Sagar Society, Road No. 2,  
Banjara Hills,  
Hyderabad – 500034

### Regd. Office

No. 6-3-1090/a/12 & 13, 5<sup>th</sup> Floor, Manbhumi Jade Towers  
Rajbhavan Road, Somajiguda, Hyderabad – 500082  
Telangana, India, [www.nehainternational.com](http://www.nehainternational.com)  
Tel: 040-66364543, 66363504



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## NOTICE

Notice is hereby given that the 24<sup>th</sup> Annual General Meeting of the members of Neha International Limited will be held on Sunday 30<sup>th</sup> of December 2018 at 11.00 A.M at Bhaskara Auditorium, B.M Birla Science Centre, Adarshnagar, Hyderabad 500 063 to transact the following business.

### **ORDINARY BUSINESS:**

1. To receive consider and adopt the Audited Financial Statements of the Company for the Financial Year ended 31<sup>st</sup> March 2018, together with the Report of the Board of Directors and the Auditors thereon and the Audited Consolidated Financial Statements of the Company for the Financial Year ended on 31<sup>st</sup> March, 2018 together with the Report of the Auditors thereon.

2. To consider the appointment of a Director in place of Mr. G. Vinod Reddy (DIN: 00074308) who retires by rotation and being eligible, offers himself for re-appointment.

### **SPECIAL BUSINESS:**

**3. To regularize and approve the appointment of Mrs. G Vani (DIN: 08040631) as an independent director of the Company.**

To consider and if thought fit, to pass with or without modification(s) the following resolution as an :

#### **Ordinary resolution:**

**"RESOLVED THAT** pursuant to section 149, 150 & 152 read with Schedule IV and any other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or enactment thereof for the time being in force), Mrs G Vani (DIN: 08040631) who was appointed as an Additional Director in the capacity of Independent director of the Company by the Board of Directors effective from 30<sup>th</sup> January, 2018 and whose term of office expires at the Annual General Meeting in terms of Section 161 of the Companies Act, 2013 and in respect of whom the Company has received a notice in writing from a member along with the requisite deposit in terms of Section 160 of the Companies Act, 2013 signifying her intention to propose Mrs. G Vani (DIN: 08040631) as a candidate for the office of the director of the Company, be and is hereby appointed as an Independent Director of the Company."

**4. To regularize and approve the appointment of Mrs. G Lavanya Reddy (DIN: 06686222) as a Non-Executive director of the Company.**

To consider and if thought fit, to pass with or without modification(s) the following resolution as an

#### **Ordinary resolution:**

**"RESOLVED THAT** pursuant to section 149 & 152 read with Schedule IV and any other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or enactment thereof for the time being in force), Mrs G Lavanya Reddy (DIN: 06686222) who was appointed as an Additional Director by the Board of Directors effective from 5<sup>th</sup> December, 2018 and whose term of office expires at the Annual General Meeting in terms of Section 161 of the Companies Act, 2013 and in respect of whom the Company has received a notice in writing from a member along with the requisite deposit in terms of Section 160 of the Companies Act, 2013 signifying her intention to propose Mrs. G Lavanya Reddy (DIN: 06686222) as a candidate for the office of the director of the Company, be and is hereby appointed as a Non-Executive Director of the Company."

**Date: 06-12-2018**

**Place: Hyderabad**

**By Order of the Board  
For Neha International Limited  
Sd/-  
(G. Vinod Reddy)  
Chairman & Managing Director**

**NOTES:**

1. An 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 here to.
2. A MEMBER ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY, PROXIES, IN ORDER TO BE EFFECTIVE, MUST BE RECEIVED AT THE COMPANY'S REGISTERED OFFICE NOT LESS THAN 48 HOURS BEFORE THE MEETING. PROXIES SUBMITTED ON BEHALF OF LIMITED COMPANIES, SOCIETIES, ETC., MUST BE SUPPORTED BY APPROPRIATE RESOLUTION / AUTHORITY, AS APPLICABLE.
3. Members are requested to bring their copies of Annual report to the Annual General Meeting.
4. The register of Member's and Share transfer books of the Company will be closed from **24<sup>th</sup> December, 2018 to 30<sup>th</sup> December, 2018** (both the days inclusive).
5. Members holding shares in physical form are requested to inform any change in address immediately to the Company's Registrar and Transfer Agents, M/s XL Softech Systems Limited, # 3, Sagar Society, Road No.2, Banjara Hills, Hyderabad-500 034. Members holding shares in electronic form must send the advice about change in address to their respective Depository Participant and not to the Company or the Company's Register and Share Transfer Agents.
6. Members who hold the shares in dematerialized form are requested to write their Client ID and DPID on the attendance slip for easy identification of attendance at the meeting.
7. In terms of Regulation 36(3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulation, 2015 brief resume of the Directors seeking appointment/re-appointment at the AGM are given in the annexure to this Notice.
8. **Important Communication to Members:** The Ministry of Corporate Affairs has introduced "Green Initiative in the Corporate Governance" vide its circulars dated 21.04.2011 and 29.04.2011 by allowing the Companies to service the notices / documents including Annual Report by way of e-mail to its members. This initiative is a step towards protection of environment and enabling faster communication with the members. Accordingly the Company has proposed to serve all the documents to e-mail addresses of the members in coming years. The members are requested to support the green initiative of the Government by registering / updating their e-mail address with their concerned Depository Participants (DP) to get the Annual Report and other documents on such e-mail address. Members holding shares in physical form are also requested to send their e-mail address to the Company either through e-mail at [complianceofficer@nehainternational.com](mailto:complianceofficer@nehainternational.com) or by sending the communication to the registered office of the Company. If any member is interested to receive such documents in physical form, a communication in this regard may be made to the Company.

Hence members holding shares in physical form are requested to consider converting their holding to dematerialized form to eliminate all risks associated with the physical transfer and for ease in portfolio management. Members can contact the Company or the Registrar and Transfer agent, XL Softech Systems Limited for assistance in this regard.

**9. The instructions for shareholders voting electronically are as under:**

- (i) The voting period begins on **27.12.2018 At 09.00 A.M** and ends on **29.12.2018 at 5.00 PM**. During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date of **23.12.2018** 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 below:

<b>For Members holding shares in Demat Form and Physical Form</b>	
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 first two letters of their name and the 8 digits of the sequence number in the PAN Field.</li> <li>In case the sequence number is less than 8 digits enter the applicable number of 0's before the number after the first two characters of the name in CAPITAL letters. Eg. If your name is Ramesh Kumar with sequence number 1 then enter RA00000001 in the PAN field.</li> </ul>
DOB	Enter the Date of Birth as recorded in your demat account or in the company records for the said demat account or folio in dd/mm/yyyy format.
Dividend Bank Details	Enter the Dividend Bank Details as recorded in your demat account or in the company records for the said demat account or folio. <ul style="list-style-type: none"> <li>Please enter the DOB or Dividend Bank Details in order to login. If 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 the relevant <Company Name i.e. **Neha International Limited**> 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 out print of the voting done by you by clicking on "Click here to print" option on the Voting page.
- (xvii) If Demat account holder has forgotten the same password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
- (xviii) Note for Non – Individual Shareholders and Custodians



- Non-Individual shareholders (i.e. other than Individuals, HUF and NRI etc.) and Custodian are required to log on to [www.evotingindia.com](http://www.evotingindia.com) and register themselves as Corporate.
  - 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 a compliance user should be created using the admin login and password. The Compliance user would be able to link the account(s) for which they wish to vote on.
  - The list of accounts 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 favor of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.
- (xix) 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).

**EXPLANATORY STATEMENT**  
(Pursuant to Section 102 of the Companies Act, 2013)

**Item No. 3**

Pursuant to the provisions of Section 161 of the Companies Act, 2013 and Regulation 25(6) of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, Mrs. G Vani (DIN : 08040631) was appointed as Additional Directors of the Company vide Circular Resolution dated 30<sup>th</sup> January, 2018 in the category of Non-Executive Independent Director of the Company. The Company has received notices in writing under the provisions of Section 160 of the Act from Members along with required deposit proposing the candidature of Mrs. G Vani for the office of Director of the Company.

Mrs. G Vani has given declaration to the Board of Directors that she meets the criteria of independence as provided under Section 149 of the Act. The above appointee is not disqualified from being appointed as Director in terms of Section 164 of the Act and has given his consent to act as Director in accordance with Section 152 of the Act. In the opinion of the Board, the above Director fulfils the conditions for her appointment as an Independent Director in terms of Section 149 of the Companies Act, 2013. Keeping in view her vast experience, expertise and knowledge, it would be in the interest of the Company that Mrs. G Vani be appointed as an Independent Director.

None of the Directors, Key Managerial Personnel of the Company or their relatives are, in any way, concerned or interested in the resolution.

**A Brief Profile of Mrs. G Vani**

Mrs. G Vani has 17 years of experience in Customer Relationship Management. She is Graduate from Dr Ambedkar Open University in India. She is not related to any directors of the Company.

**ANNEXURE TO THE NOTICE**

**Details of Directors seeking appointment at the Annual General Meeting.**

<b>Name of the Director</b>	<b>Mrs. G Vani</b>
Date of Birth	24 <sup>th</sup> July, 1976
Date of Appointment	30/01/2018
Qualification	B.A
Brief resume and expertise in specific functional areas	17 years of experience in Customer Relationship Management.
Directorship in other Companies	NIL
Chairmanship/membership of Committees of other Companies	NIL
Shareholding in the Company	NIL

**Item No. 4**

Pursuant to the provisions of Section 161 of the Companies Act, 2013 and Regulation 25(6) of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, Mrs G Lavanya Reddy (DIN : 06686222) was appointed as Additional Directors of the Company vide Resolution dated 5<sup>th</sup> December, 2018 in the category of Non-Executive Director of the Company. The Company has received notices in writing under the provisions of Section 160 of the Act from Members along with required deposit proposing the candidature of Mrs. G Lavanya Reddy for the office of Director of the Company.

The above appointee is not disqualified from being appointed as Director in terms of Section 164 of the Act and has given his consent to act as Director in accordance with Section 152 of the Act. In the opinion of the Board, the above Director fulfils the conditions for her appointment in terms of Section 149 of the Companies Act, 2013.

**ANNEXURE TO THE NOTICE**

**Details of Directors seeking appointment at the Annual General Meeting.**

<b>Name of the Director</b>	<b>Mrs. G Lavanya Reddy</b>
Date of Birth	31 <sup>st</sup> December 1964
Date of Appointment	5 <sup>th</sup> December, 2018
Qualification	Post Graduate
Brief resume and expertise in specific functional areas	21 years of experience in Administration and Management.
Directorship in other Companies	MVR PROJECTS PVT LTD
Chairmanship/membership of Committees of other Companies	NIL
Shareholding in the Company	403 Shares

**DIRECTOR'S REPORT****To the Members,**

The Directors have pleasure in presenting before you the Twenty Fourth Annual Report of the Company together with the Audited Statements of Accounts for the year period ended 31st March, 2018.

**FINANCIAL RESULTS:**

Stand Alone		(Rs. In lakhs)	
Sl. No.	Particulars	(2017-18) 01.04.2017 to 31.03.2018	(2016-17) 01.04.2016 to 31.03.2017
1	Gross Income	31072.83	30091.10
2	Profit Before Interest and Depreciation	886.4	771.59
3	Finance Charges	501.94	399.32
4	Gross Profit	384.46	372.27
5	Provision for Depreciation	5.68	6.27
6	Net Profit Before Tax	378.78	366.00
7	Provision for Tax	129.67	127.55
8	Net Profit After Tax	249.11	238.45
9	Balance of Profit brought Forward	249.11	238.45
10	Balance available for appropriation	249.11	238.45
11	Proposed Dividend on Equity Shares	0	0
12	Tax on proposed Dividend	0	0
13	Transfer from General Reserve	0	0
14	Surplus carried to Balance Sheet	249.11	238.45

Financial Results - Consolidated		(Rs. In lakhs)	
Sl.No.	Particulars	(2017-18) 01.04.2017 to 31.03.2018	(2016-17) 01.06.2016 to 31.03.2017
1	Gross Income	32,362.60	45167.19
2	Profit Before Interest and Depreciation	(1387.33)	944.73
3	Finance Charges	598.13	526.12
4	Gross Profit/(Loss)	(1985.46)	418.61
5	Provision for Depreciation	317.05	150.34
6	Net Profit Before Tax	(2302.51)	268.27
7	Provision for Tax	129.67	152.08
8	Net Profit After Tax	(2432.18)	116.19
9	Minority Interest	0.01	-
10	Balance of Profit brought forward	(2432.17)	116.19
11	Balance available for appropriation	(2432.17)	116.19
12	Proposed Dividend on Equity Shares	-	-
13	Tax on proposed Dividend	-	-
14	Transfer from General Reserve	-	-
15	Surplus carried to Balance Sheet	(2432.17)	116.19

**OPERATIONS:**

The standalone revenues stood to Rs.31072.83 lakhs for the year ended 31.03.2018. The Company achieved a standalone operational profit of Rs.249.11 Lakhs. The Directors do not recommend any dividend for the period ended 31st March 2018, keeping in mind the fund requirements.

The company consolidated revenue of Rs.32362.60 lakhs for the period ended 31st March 2018.

**MANAGEMENT DISCUSSION AND ANALYSIS REPORT:**

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

**CORPORATE GOVERNANCE AND SHAREHOLDERS INFORMATION:**

Your Company has taken adequate steps to adhere to all the regulations laid down in SEBI (Listing Obligations and Disclosures Requirements), 2015.

A report on Corporate Governance is included as a part of this Annual Report. Certificate from the Statutory Auditors of the company M/s. Mathesh & Ramana, Chartered Accountants confirming the compliance with the conditions of Corporate Governance as stipulated under SEBI (Listing Obligations and Disclosures Requirements), 2015 is included as a part of this report.

**LISTING WITH STOCK EXCHANGES:**

The Company confirms that it has paid the Annual Listing Fees for the year 2018-19 to BSE where the Company's Shares are listed.

**DEMATERIALISATION OF SHARES:**

99.21% of the company's paid up Equity Share Capital is in dematerialized form as on 31<sup>st</sup> March, 2018 and balance 0.79% is in physical form. The Company's Registrars are M/s XL Softech Systems Ltd., having their registered office at 3 Sagar Society, Road No.2, Banjara Hills, Hyderabad - 500 034.

**Notes:** The Securities and Exchange Board of India (SEBI) vide its notification dated June 8, 2018 amended SEBI (listing Obligation and Disclosure Requirements) Regulation, 2015, which mandates that transfer of securities with effect from December 5, 2018 would be in dematerialized form only.

Accordingly, we urge all the shareholders who holds their shares in physical form to take necessary steps with your Depository Participant(s) to dematerialize your shares held in the Company. Please note that as per the above SEBI Notification, the Company will be obliged to reject any request for transfer of your shares after due date. However, request for transmission or transposition and dematerialization shall continue to be considered.



**Number of Board Meetings held:**

This is included in Corporate Governance Report.

**Changes & Cessations in Directorships:**

Mrs. G Vani (DIN: 08040631) has been appointed as Additional Director (Independent) category by the Board.

Approval of members by way of Ordinary resolution is required for regularization of appointment of Mrs. G Vani in the AGM to be held on 30<sup>th</sup> December 2018.

Mrs. G. Lavanya Reddy (DIN: 06686222) has been appointed as Additional Director by the Board.

Approval of members by way of Ordinary resolution is required for regularization of appointment of Mrs. G. Lavanya Reddy in the AGM to be held on 30<sup>th</sup> December 2018.

Mr. Mukesh Arora resigned from the office of Independent Director with effect from 23.05.2018 due to his personal reason.

Mr. Sarath Kumar Pakalapati resigned from the office of Independent Director with effect from 16.06.2018 due to his personal reason.

The Board placed on record its appreciation for the Services, guidance and assistance provided by them while working as a director of the Company.

**Changes in the Key Managerial Personnel as below:**

Mr. Matru Prasad Mishra resigned from the office of Company Secretary on 30.11.2017 and the Board has appointed Mr. Satya Ranjan Jena as the Company Secretary of the Company with effect from 27.04.2018

**Board Evaluation:**

The Board has adopted a formal mechanism for evaluating its performance as well as the Committees including the individual director also including the Chairman of the Board. The exercise was carried out through a structured evaluation process covering various aspects of the Board such as Composition of the Board & Committees, experience & competencies, performance of specific duties & obligations, contribution at the meeting and otherwise, independent judgment, governance issues etc.

**Familiarization Programs for Independent Directors:**

The Company proactively keeps its directors informed of the activities of the Company, its management and operations and provides an overall industry perspective as well as issues being faced by the industry.

**Independent Directors Meeting:**

The independent Directors met on 10<sup>th</sup> February, 2018 without the attendance of Non- Independent Directors and the members of management. The Independent directors revised the performance of Non-independent directors as a whole, the Chairman of the Company taking into account the various factors 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.

**Declaration by the Independent Directors:**

The Company has received necessary declaration from each independent director under section 149(7) of the Companies Act, 2013 that they meet the criteria of independence as mentioned in Section 149(6) of the Companies Act, 2013 and SEBI (LODR) Regulations, 2015.

**DIRECTORS RESPONSIBILITY STATEMENT:**

Pursuant to Section 134(5) of the Companies Act, 2013, Directors of your Company hereby state and confirm that:

- in the preparation of the annual accounts for the period ended 31<sup>st</sup> March, 2018, the applicable accounting standards have been followed along with proper explanation relating to material departures;
- they have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company at the end of the period and of the profit of the company for the same period;
- 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 fraud and other irregularities;
- they have prepared the annual accounts on a going concern basis;
- they have laid down internal financial controls in the company that are adequate and were operating effectively.
- they have devised proper systems to ensure compliance with the provisions of all applicable laws and these are adequate and are operating effectively.

**AUDIT OBSERVATIONS:**

The Management has taken reasonable steps for the maintenance of Fixed Assets Register, providing for bad debts, verification of Stock account balances, etc.

The management is taking various steps to improve the net worth and is confident of achieving it in the coming years.

**AUDITORS:****i) Statutory Auditors:**

The requirement to place the matter relating to appointment of Auditors for ratification by members at every Annual General Meeting is done away with vide notification dated 7<sup>th</sup> May, 2018 issued by Ministry of Corporate Affairs. Accordingly no resolution is proposed for ratification of appointment of Auditors, who were appointed in the Annual General Meeting 29<sup>th</sup> September, 2017.

**ii) Secretarial Audit:**

According to the provision of section 204 of the Companies Act, 2013 read with Rule 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Secretarial Audit Report submitted by Company Secretary in Practice is enclosed as a part of this report Annexure-A.

**Comments on qualifications made in secretarial audit report:****SECRETARIAL AUDITORS' REPORT –  
EXPLANATION TO OBSERVATIONS OF AUDIT**

As prescribed under Section 204(1) of the Act, the Company has received the Secretarial Audit Report.

The observations made therein and the corresponding explanations are given below:

Sl. No	Observation	Our Explanation
1	The Company is yet to file Annual Return on Foreign Liabilities and Assets for the Financial Year ended 31 <sup>st</sup> March, 2017 with the Reserve Bank of India.	Company is operating in various territory of the world with the presence of its subsidiaries in different regions. Due to differences in financial year of the Subsidiaries from the parent Company there was delay in the audit process of subsidiaries and delay in the preparation of accounts of subsidiaries. Company has also intimated BSE regarding the same.
2	The Company has not Consolidated its Financial Statements within specified time as required under regulation 33 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 for the financial year ended 31 <sup>st</sup> March, 2017.	
3	The company has delay in filing up of casual vacancy of Women Director as required under Section 149 of the Companies Act, 2013 read with Companies (Appointment and Qualification of Directors) Rules, 2014.	
4	The Company has in few instances delays in filing of forms/returns/documents with the Registrar of Companies beyond the due dates. There is also instance where the Company is yet to file form MGT-14 for approval of Directors report.	
5	The company has delay of one day in filing Corporate Governance report for the quarter ended 31 <sup>st</sup> December, 2017 as required under regulation 27 of SEBI (Listing Obligation and Disclosure Requirements) Regulations 2015.	



**FIXED DEPOSITS**

The Company has not invited / accepted deposits from the public within the meaning of Section 73 to 76 of the Companies Act, 2013

**PERSONNEL**

Employee relations continue to be cordial.

**CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNINGS AND OUTGO:**

Information required under section 134(3)(m) of the Companies Act, 2013 read with Rule 8 of the Companies (Accounts) Rules, 2014.

The Company is not into manufacturing activity. Hence Not Applicable to the Company

**CORPORATE SOCIAL RESPONSIBILITY (CSR):**

The company has not crossed the threshold limit to implement CSR. Hence CSR is not Applicable to the Company during the year under report.

**VIGIL MECHANISM:**

In pursuant to the provisions of section 177(9) & (10) of the Companies Act, 2013, a Vigil Mechanism for directors and employees to report genuine concerns has been established.

**CONSOLIDATED FINANCIAL STATEMENTS**

In terms of Regulation 33 of SEBI(LODR), 2015 and as prescribed by Accounting Standard 21 notified by the Government of India under section 211(3c) of the Companies Act, 2013, the Audited consolidated financial statements for the period ended 31<sup>st</sup> March, 2018 are annexed and forms part of the annual Report.

**RELATED PARTY TRANSACTIONS:**

Related party transactions that were entered during the financial year were in the ordinary course of business. There were no materially significant related party transactions, which could have had a potential conflict with the interests of the Company.

**EXTRACT OF ANNUAL RETURN:**

The details forming part of the extract of the Annual Return in Form MGT-9 is annexed herewith as Annexure-B.

**PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS**

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.

**REMUNERATION RATIO OF THE DIRECTORS / KEY MANAGERIAL PERSONNEL (KMP) / EMPLOYEES:**

The information required pursuant to Section 197 read with Rule 5 of The Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 and Companies (Particulars of Employees) Rules, 1975, in respect of employees of the Company and Directors is furnished hereunder:

S. No	Name	Designation	Remuneration paid FY 2016-17 Rs. In Lakhs	Remuneration paid FY 2017-18 Rs. in Lakhs	Increase in remuneration from previous year Rs. In Lakhs
1	Mr. G.Vinod Reddy	Managing Director (KMP)	18	18	-
2	Mr.G.Kameshwar Rau	CFO (KMP)	NA	7.50	-
3	Mr. Satya Ranjan Jena	CS (KMP)	NA	NA	-

**DEVELOPMENT AND IMPLEMENTATION OF A RISK MANAGEMENT POLICY:**

The Company has been addressing various risks impacting the Company and the policy of the Company on risk management is provided elsewhere in this Annual Report in Management Discussion and Analysis.

**Acknowledgement:**

Directors take this opportunity to express their thanks to various departments of the Central and State Government, Banker, Raw Material Supplier, Customers and Shareholders for their continued support and guidance.

The Directors wish to place on record their appreciation for the dedicated efforts put in by the Employees of the Company at all levels.

Place: Hyderabad  
Date: 06.12.2018

For On behalf of the Board  
Sd/-  
G. Vinod Reddy  
Chairman & Managing Director



Form No. MR-3  
**SECRETARIAL AUDIT REPORT**  
 FOR THE FINANCIAL YEAR ENDED 31<sup>ST</sup> MARCH 2018

*[Pursuant to section 204(1) of the Companies Act, 2013 and rule No.9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]*

To

The Members,

**NEHA INTERNATIONAL LIMITED**

6-3-1090/A/12&13 NO.501, MANBHUM JADE TOWERS,  
 RAJBHAVAN ROAD, SOMAJIGUDA HYDERABAD-500082

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **NEHA INTERNATIONAL LIMITED** (hereinafter called as "the Company"). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of Secretarial Audit, we hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on 31<sup>st</sup> March, 2018, complied with the statutory provisions listed hereunder in the manner and subject to the reporting made hereinafter.

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31<sup>st</sup> March 2018 according to the provisions of

- (i) The Companies Act, 2013 (the Act) and the rules made thereunder;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder.
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment & Overseas Direct Investment.
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'): —
  - (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
  - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
  - (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009; **Not Applicable to Company during the Audit Period**
  - (d) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 and The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014; **Not Applicable to Company during the Audit Period**
  - (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008; **(Not applicable to the Company during the Audit Period);**
  - (f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
  - (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009 **(Not applicable to the Company during the Audit Period);** and
  - (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998 **(Not applicable to the Company during the Audit Period).**

We further report that, based upon the information provided and explanations given to us by the Company and the representations made by the Management, there were no laws which are specifically applicable to the Company during the Financial Year under review.

We have also examined compliance with the applicable clauses of the following:

- (i) Secretarial Standards - 1 & 2 issued by The Institute of Company Secretaries of India;
- (ii) The Listing Agreements entered into by the Company with Stock Exchanges;

During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, etc mentioned above subject to the following observations.

1. The Company is yet to file Annual Return on Foreign Liabilities and Assets for the Financial Year ended 31<sup>st</sup> March, 2017 with the Reserve Bank of India.
2. There was delay in filling up of casual vacancy of Women Director as required under Section 149 of the Companies Act, 2013 read with Companies (Appointment and Qualification of Directors) Rules, 2014.
3. In few instances, there were delays in filing of forms/returns/documents with the Registrar of Companies beyond the due dates. There is also instance where the Company is yet to file form MGT-14 for approval of Directors report.
4. There was delay of one day in filing Corporate Governance report for the quarter ended 31<sup>st</sup> December, 2017 as required under regulation 27 of SEBI (Listing Obligation and Disclosure Requirements) Regulations 2015.
5. The Company has not Consolidated its Financial Statements within specified time as required under regulation 33 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 for the financial year ended 31<sup>st</sup> March, 2017.