



ENGINEERS  
&  
CONTRACTORS

# R. J. SHAH & COMPANY LIMITED

CIN No. L45202MH1957PLC010986

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## 61ST ANNUAL REPORT

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### 2018 - 2019

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**61<sup>st</sup> ANNUAL REPORT**

**2018-2019**

**R J SHAH AND COMPANY LIMITED**

REGD. OFFICE: Mahul Road, Antop Hill, Mumbai - 400037  
CIN: L45202MH1957PLC010986  
Tel No: 91-24148081/82  
Email ID: [rishah\\_191@hotmail.com](mailto:rishah_191@hotmail.com)

**BOARD OF DIRECTORS:**

Ms. Kalindi Shah (DIN-00402482)	: Chairperson & Managing Director
Ms. Tejaswini Shah (DIN- 00402478)	: Joint Managing Director
Dr. Manubhai Patel (DIN- 00909485)	: Director.
Mr. Raghavendra Raichur (DIN- 06926975)	: Independent Non-Executive Director
Mrs. Swati Agrawal (DIN- 00402476)	: Independent Non-Executive Director
Mr. Sunil Masand (DIN- 00371211)	: Independent Non-Executive Director

**AUDITORS:**

**Brijesh Dutt & Associates**  
Chartered Accountants

**LISTING OF EQUITY SHARES:**

**BSE Limited**  
Phiroze Jeejeebhoy Towers,  
Dalal Street, Mumbai - 400 001

**AUDIT COMMITTEE**

Mr. Sunil Masand  
Mr. Raghavendra Raichur  
Ms. Swati Agrawal

**SECTERIAL AUDITOR**

M/s Deepak Rane

**REGISTRAR & SHARE TRANSFER AGENTS**

**Satellite Corporate Services Pvt. Ltd.**  
Unit No. 49, Bldg No.13-A-B, 2nd Floor,  
Samhita Commercial Co-Op. Soc. Ltd.  
Off Andheri Kurla Road, MTNL Lane,  
Sakinaka, Mumbai - 400 072  
E-mail: [scs\\_pl@yahoo.co.in](mailto:scs_pl@yahoo.co.in)  
Alternate Email Id : [service@satellitecorporate.com](mailto:service@satellitecorporate.com)  
Tel no.28520461-62

**BANKERS:**

Union Bank of India  
State Bank of India

## NOTICE

NOTICE is hereby given that 61<sup>ST</sup> ANNUAL GENERAL MEETING of the members of **R. J. SHAH & COMPANY LIMITED** will be held on Monday the 30<sup>th</sup> September, 2019 at 4.00 p.m. at the Registered Office of the Company at Mahul Road, Antop Hill, Mumbai – 400 037. to transact the following business:-

### **ORDINARY BUSINESS**

1. To receive, consider and adopt the audited financial statement of the Company for the financial year ended 31<sup>st</sup> March, 2019, and report of the Board of Directors and Auditors thereon.
2. To declare dividend on equity share capital for the financial year ended 31<sup>st</sup> March, 2019
3. To appoint a Director in place of Dr. Manubhai Patel, who retires by rotation, and being eligible offers himself for re-appointment
4. To ratify the appointment of Statutory Auditors and fix their remuneration and, if thought fit, to pass, with or without modification(s), the following resolution as an Ordinary Resolution.

"Resolved That pursuant to Section 139, Section 142, and other applicable provisions, if any, of the Companies Act, 2013 and the rules made thereunder, including any statutory modification(s) or re-enactment(s) thereof for the time being in force, the appointment of M/s. Brijesh Dutt & Associates, Chartered Accountants (Firm Registration No.104607W) as Statutory Auditors of the Company to hold office from the conclusion of the 59th Annual General Meeting of the Company to the conclusion of the 64<sup>th</sup> Annual General Meeting to be held in 2022, on a remuneration as may be agreed upon by the Board of Directors and the Auditors, be and is hereby ratified."

### **SPECIAL BUSINESS**

5. To consider and, if thought fit, to pass with or without modification the following resolution as a Special Resolution:

To re-appoint Shri Sunil Masand as an Independent Director and in this regard, pass the following resolution as a Special Resolution:

"RESOLVED THAT pursuant to recommendation of the Nomination and Remuneration Committee and approval of the Board of Directors in their respective meetings held on 19th May, 2018 and pursuant to the provisions of Sections 149, 150, 152 read with Schedule IV and any other applicable provisions, if any, of the Companies Act, 2013 and the Companies (Appointment and Qualification of Directors) Rules, 2014 and the applicable provisions of Listing Regulations (including any statutory modification(s) or re-enactment thereof for the time being in force), the approval of the Members of the Company be and is hereby accorded for re-appointment of Shri Sunil Masand (DIN 00371211) and who has submitted a declaration confirming the criteria of Independence under Section 149(6) of the Companies Act, 2013 read with the Listing Regulations, as amended from time to time, and who is eligible for re-appointment for a second term under the provisions of the Companies Act, 2013, Rules made thereunder and Listing Regulations and in respect of whom the Company has received a notice in writing from a Member proposing his candidature for the office of Director pursuant to Section 160 of the Companies Act, 2013, as an Independent Non-Executive Director of the Company, whose term shall not be subject to retirement by rotation, to hold office for 3 (five) consecutive years on the Board of the Company for a term w.e.f. 1st April, 2019 upto 31st March, 2024."

"RESOLVED FURTHER THAT the Board of Directors (which term shall, unless repugnant to the context or meaning thereof, be deemed to include a duly authorised 'Committee' thereof) be and is hereby authorised to do and perform all such acts, deeds, matters or things as may be considered necessary, appropriate, expedient or desirable to give effect to above resolution."

6. To consider and, if thought fit, to pass the following resolution as a Special Resolution:

To re-appoint Smt. Swati Agarwal as an Independent Director and in this regard, pass the following resolution as a Special Resolution:

"RESOLVED THAT pursuant to recommendation of the Nomination and Remuneration Committee and approval of the Board of Directors in their respective meetings held on 19th May, 2018 and pursuant to the provisions of Sections 149, 150, 152 read with Schedule IV and any other applicable provisions, if any, of the Companies Act, 2013 and the Companies (Appointment and Qualification of Directors) Rules, 2014 and the applicable provisions of Listing Regulations (including any statutory modification(s)



or re-enactment thereof for the time being in force), the approval of the Members of the Company be and is hereby accorded for re-appointment of Smt Swati Agarwal (DIN 00402476) and who has submitted a declaration confirming the criteria of Independence under Section 149(6) of the Companies Act, 2013 read with the Listing Regulations, as amended from time to time, and who is eligible for re-appointment for a second term under the provisions of the Companies Act, 2013, Rules made thereunder and Listing Regulations and in respect of whom the Company has received a notice in writing from a Member proposing his candidature for the office of Director pursuant to Section 160 of the Companies Act, 2013, as an Independent Non-Executive Director of the Company, whose term shall not be subject to retirement by rotation, to hold office for 5 (five) consecutive years on the Board of the Company for a term w.e.f. 1st April, 2019 upto 31st March, 2024."

**"RESOLVED FURTHER THAT** the Board of Directors (which term shall, unless repugnant to the context or meaning thereof, be deemed to include a duly authorised 'Committee' thereof) be and is hereby authorised to do and perform all such acts, deeds, matters or things as may be considered necessary, appropriate, expedient or desirable to give effect to above resolution."

7. To consider and, if thought fit, to pass the following resolution as a Special Resolution:

To re-appoint Shri R. A. Raichur. Swati Agrawal as an Independent Director and in this regard, pass the following resolution as a Special Resolution:

**"RESOLVED THAT** pursuant to recommendation of the Nomination and Remuneration Committee and approval of the Board of Directors in their respective meetings held on 19th May, 2018 and pursuant to the provisions of Sections 149, 150, 152 read with Schedule IV and any other applicable provisions, if any, of the Companies Act, 2013 and the Companies (Appointment and Qualification of Directors) Rules, 2014 and the applicable provisions of Listing Regulations (including any statutory modification(s) or re-enactment thereof for the time being in force), the approval of the Members of the Company be and is hereby accorded for re-appointment of Shri R. A. Raichur (DIN 00235556) and who has submitted a declaration confirming the criteria of Independence under Section 149(6) of the Companies Act, 2013 read with the Listing Regulations, as amended from time to time, and who is eligible for re-appointment for a second term under the provisions of the Companies Act, 2013, Rules made thereunder and Listing Regulations and in respect of whom the Company has received a notice in writing from a Member proposing his candidature for the office of Director pursuant to Section 160 of the Companies Act, 2013, as an Independent Non-Executive Director of the Company, whose term shall not be subject to retirement by rotation, to hold office for 5 (five) consecutive years on the Board of the Company for a term w.e.f. 1st April, 2019 upto 31st March, 2024."

**"RESOLVED FURTHER THAT** the Board of Directors (which term shall, unless repugnant to the context or meaning thereof, be deemed to include a duly authorised 'Committee' thereof) be and is hereby authorised to do and perform all such acts, deeds, matters or things as may be considered necessary, appropriate, expedient or desirable to give effect to above resolution."

8. To consider and, if thought fit, to pass the following resolution as a Special Resolution:

**"RESOLVED THAT** pursuant to Section 197 and other applicable provisions, if any, of the Companies Act, 2013 ("Act") and the Rules made thereunder, as amended from time to time, a sum not exceeding 1% of the net profits of the Company per annum, calculated in accordance with the provisions of Section 198 of the Act, be paid and distributed amongst the Directors of the Company or some or any of them in such amounts or proportions and in such manner and in all respects as may be decided by the Board of Directors and such payments shall be made with respect to the profits of the Company for the year ended 31st March, 2019."

## NOTES

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF / HERSELF AND SUCH PROXY NEED NOT BE A MEMBER OF THE COMPANY. THE FORM OF PROXY FOR THE ANNUAL GENERAL MEETING IS ENCLOSED. PROXY IN ORDER TO BE VALID MUST BE RECEIVED AT THE REGISTERED OFFICE OF THE COMPANY NOT LESS THAN 48 HOURS BEFORE THE COMMENCEMENT OF THE MEETING.
2. The Register of Members and Share Transfer Books of the Company will remain closed from the Friday 23<sup>rd</sup> September, 2019 to Friday 30<sup>th</sup> September, 2019 (both days inclusive).
3. Members/Proxy should bring their copy of the Annual Report for reference at the meeting and also the attendance slip duly filled in for attending the meeting.

4. All documents referred to in the notice are open for inspection at the registered office of the Company between 11.00 a.m. and 1.00 p.m. on all working days upto the date of Annual General Meeting.
5. Dividend @ Rs. 5.00/- per share as recommended by the Board of Directors for the year ended 31st March, 2019 and subject to the approval of the shareholders at the ensuing Annual General Meeting, is proposed to be paid or dispatched not later than 28<sup>th</sup> October, 2019 to those members whose names appear in the Register of Members of the company as of the close of business hours as on 30<sup>th</sup> September, 2019.
6. Unpaid Dividend payable to the Shareholders in respect of the 54<sup>th</sup> Dividend for the year ended 31<sup>st</sup> March, 2012 onwards shall be transferred to the Investor Education and Protection Fund under the amended provisions of the Companies Act, 2013 on the expiry of the 7<sup>th</sup> year from the date of such transfer to unpaid dividend account and hence unpaid dividend for the year 2011-2012 declared on 29<sup>th</sup> September, 2012 will be transferred to the said Account of Central Government on or before 28-12-2019.
7. The shares of the Company has been dematerialised during the financial year.
8. Members are requested to notify immediately any change in their address to the Company alongwith any change in their bank details already registered with the company.

MUMBAI  
DATED: 24/05/2019  
REGISTERED OFFICE  
Mahul Road, Antop Hill,  
Mumbai - 400 037.

By Order of the Board  
Sd/-  
K. R. SHAH  
Chairperson & Managing Director  
Din No. 0402482

#### Explanatory Statement

#### Pursuant to Section 102(1) of the Companies Act, 2013

##### Item No. 5

Mr. Sunil Masand, is a Non-Executive Independent Director of the Company. He joined the Board of Directors of the Company in June 29, 1996. Mr. Sunil Masand, is a Chartered Accountants by profession.

Mr. Sunil Masand, is a director whose period of office is liable to determination by retirement of directors by rotation under Section 149/152 of the Companies Act 2013. Mr. Sunil Masand, being eligible and offering himself for appointment, is proposed to be appointed as an Independent Director for five consecutive years for a term upto 31st March, 2024. A notice has been received from a member proposing Mr. Sunil Masand, as a candidate for the office of Director of the Company.

In the opinion of the Board, Mr. Sunil Masand proposed to be appointed as an Independent Director fulfils the conditions specified in the Section 149/152 of the Companies Act, 2013 and the rules made there under and that the proposed director is independent of the management.

The Board considers that his continued association would be of immense benefit to the Company and it is desirable to continue to avail services of Mr. Sunil Masand as an Independent Director. Accordingly, the Board recommends the resolution in relation to re-appointment of Mr. Sunil Masand Independent Director, for the approval by the shareholders of the Company.

Except Mr. Sunil Masand, being an appointee, none of the Directors and Key Managerial Personnel of the Company and their relatives is concerned or interested, financial or otherwise, in the resolution set out at Item No. 5.

##### Item No. 6

Mr Raghavendra A. Raichur is a Non-Executive Independent Director of the Company. He joined the Board of Directors of the Company on May 31, 1999. Mr. Raghavendra A. Raichur is a gold medalist from IIT- Btech, Mumbai.

Mr. Raghavendra A. Raichur, alongwith his relatives hold shares in the Company.

Mr. Raghavendra A. Raichur, is a director whose period of office is liable to determination by retirement of directors by rotation under Section 149/152 of the Companies Act 2013. Mr. R. A. Raichur, being eligible and offering himself for appointment, is proposed to be appointed as an Independent Director for five consecutive



years for a term upto 31st March, 2024. A notice has been received from a member proposing Mr Raghavendra A. Raichur, as a candidate for the office of Director of the Company.

In the opinion of the Board, Mr. Raghavendra A. Raichur proposed to be appointed as an Independent Director fulfils the conditions specified in the Section 149/152 of the Companies Act, 2013 and the rules made there under and that the proposed director is independent of the management.

The Board considers that his continued association would be of immense benefit to the Company and it is desirable to continue to avail services of Mr. Raghavendra A. Raichur as an Independent Director. Accordingly, the Board recommends the resolution in relation to appointment of Mr. Raghavendra A. Raichur Independent Director, for the approval by the shareholders of the Company.

Except Mr. Raghavendra A. Raichur, being an appointee and his relative, none of the Directors and Key Managerial Personnel of the Company and their relatives is concerned or interested, financial or otherwise, in the resolution set out at Item No.6.

#### **Item No. 7**

Ms Swati Agarwal is a Non-Executive Independent Director of the Company. He joined the Board of Directors of the Company in November 25, 1997. Ms. Swati Agarwal is a M.S.C by thesis from the University of Mumbai.

Ms. Swati Agarwal, alongwith her relatives hold shares in the Company.

Ms. Swati Agarwal, is a director whose period of office is liable to determination by retirement of directors by rotation under Section 149 /152 of the Companies Act 2013, Ms. Swati Agarwal, being eligible and offering herself for appointment, is proposed to be appointed as an Independent Director for five consecutive years for a term upto 31st March, 2024. A notice has been received from a member proposing Ms. Swati Agarwal, as a candidate for the office of Director of the Company.

In the opinion of the Board, Ms. Swati Agarwal proposed to be appointed as an Independent Director fulfils the conditions specified in the Section 149/152 of the Companies Act, 2013 and the rules made there under and that the proposed director is independent of the management.

The Board considers that her continued association would be of immense benefit to the Company and it is desirable to continue to avail services of Ms. Swati Agarwal as an Independent Director. Accordingly, the Board recommends the resolution in relation to appointment of Ms. Swati Agarwal as Independent Director, for the approval by the shareholders of the Company.

Except Ms. Swati Agarwal, being an appointee and her relative, none of the Directors and Key Managerial Personnel of the Company and their relatives is concerned or interested, financial or otherwise, in the resolution set out at at Item No.7.

#### **Item No. 8**

Section 197 of the Companies Act, 2013 permits payment of remuneration to Non-Executive Directors of a Company by way of commission, if the Company authorised such payment by way of a resolution of members also commission is being paid to executive directors

The remuneration payable to Non-Executive Directors of the Company by way of commission not exceeding one per cent of the net profits of the Company for the year ended 31st March, 2019. Considering the rich experience and expertise brought to the Board by the Executive & Non-Executive Directors, it is proposed that, commission not exceeding one per cent of the net profits of the Company calculated in accordance with provisions of the Act, be continued to be paid and distributed amongst the Executive & Non-Executive Directors of the Company in accordance with the recommendations of the Nomination and Remuneration Committee of the Board and approval by the Board of Directors of the Company, for the year ended 31st March, 2019. Such payment will be in addition to the sitting fees for attending Board/Committee meetings.

All the Directors of the company to whom the resolution relates are concerned or interested in the Resolution mentioned at Item No. 8 of the notice. The Board recommends the resolution set forth in Item No. 8 for the approval of the Members.

PLACE: MUMBAI  
DATED: 24/05/2019  
REGISTERED OFFICE  
Mahul Road, Antop Hill,  
Mumbai - 400 037.

By Order of the Board

Sd/-  
K. R. SHAH  
Chairperson & Managing Director  
Din No. 0402482

## DIRECTORS' REPORT 2018-2019

To,  
The Members,  
R. J. Shah & Co. Ltd.

The Directors have pleasure in submitting their 61<sup>st</sup> ANNUAL REPORT along with the Audited Balance Sheet and Profit & Loss Account for the year ended 31<sup>st</sup> March, 2019.

### FINANCIAL RESULTS

	Current Year ended 31.03.2019	Previous Year ended 31.03.2018
	(Rs.)	(Rs.)
<b>Income</b>		
Revenue from operations	4,40,00,000	0
Other Income	1,22,71,401	1,23,90,104
<b>Total Revenue</b>	<b>5,62,71,401</b>	<b>1,23,90,104</b>
Less: Total Expenses (Excluding Depreciation)	1,67,18,660	60,92,273
<b>Profit Before Depreciation &amp; Taxation</b>	<b>3,95,52,741</b>	<b>62,97,831</b>
# (-) Depreciation	11,39,739	12,95,144
<b>Profit Before Taxation</b>	<b>3,84,13,002</b>	<b>50,02,687</b>
(-) Provision for Taxation		
(i) Current Tax	1,10,00,000	15,41,000
(ii) Deferred Tax	(2,37,789)	(2,92,630)
<b>Profit for the year</b>	<b>2,76,50,791</b>	<b>37,54,317</b>

### OPERATIONAL REVIEW:

Gross revenues for the year ended 31<sup>st</sup> March, 2019 is Rs. 5,62,71,401/- as against Rs. 1, 23, 90,104/- in the previous year. Profit before depreciation and taxation is Rs. 3,95,52,741/- as against Rs. 62, 97,831/- in the previous year. The net profit of the Company for the year under review was placed is Rs. 2,76,50,791/- as against 37, 54,317/- in the previous year.

### DIVIDEND

The Board of Directors are pleased to recommend dividend @ 50% i.e. Rs.5/- per share on 2, 80,100 Equity shares of Rs.10/- each for the year under review subject to the approval of members at the ensuing Annual General Meeting of the Company.

The dividend, if approved by the Shareholders at the Annual General Meeting, shall entail a payout of Rs. 14,00,500/-.

### SHARE CAPITAL

The paid up equity capital as on March 31, 2019 was Rs.28, 01,000/-. During the year under review, the Company has not issued any shares.

### CHANGES IN THE NATURE OF BUSINESS

There is no change in the nature of business of the Company during the year.

### MATERIAL CHANGES AND COMMITMENTS

There have not been any material changes and commitments affecting the financial position of the Company between the end of the financial year of the Company as on March 31, 2019 and the date of this report i.e. May 24, 2019.

### GENERAL

During the financial year 2018-19, your Company has not accepted any deposit within the meaning of Sections 73 and 74 of the Companies Act, 2013 and rules made there under.

No significant or material orders were passed by the Regulators or Courts or Tribunals which impact the going concern status and Company's operations in future.



The Company has in place policy as per the provisions of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013. During the year, no case was reported to the Committee constituted under the said Act.

#### **DIRECTOR & KMP**

Dr. Manubhai Patel (DIN 00402478) shall be the Director liable to retire by rotation at the ensuing Annual General Meeting in accordance with the provisions of the Companies Act, 2013 and Articles of Association of the Company; and being eligible, offers himself for re-appointment.

#### **DECLARATION OF INDEPENDENT DIRECTORS**

The Independent Directors have submitted their disclosures to the Board that they fulfill all the requirements as stipulated in Section 149(6) of the Companies Act, 2013 so as to qualify themselves to be appointed as Independent Directors under the provisions of the Companies Act, 2013 and the relevant rules.

#### **Board Evaluation**

Pursuant to the provisions of the Companies Act, 2013, the Board has carried out an evaluation of its own performance, the directors individually as well as the evaluation of the working of its Audit.

#### **DIRECTOR'S RESPONSIBILITY STATEMENT:**

In terms of Section 134 (5) of the Companies Act, 2013, the directors would like to state that:

- i) In the preparation of the annual accounts, the applicable accounting standards have been followed.
- ii) The directors have selected such accounting policies and applied them consistently and made judgments and estimates that were 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 the year under review.
- iii) The directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities.
- iv) The directors have prepared the annual accounts on a going concern basis.
- v) The directors had laid down internal financial controls to be followed by the company and that such internal financial controls are adequate and were operating effectively.
- vi) The directors had devised proper system to ensure compliance with the provisions of all applicable laws and that such system were adequate and operating effectively.

#### **SUBSIDIARY COMPANIES:**

The Company does not have any subsidiary.

#### **Meetings**

Minimum four prescheduled Board meetings are held every year. Additional meetings are held to address specific needs of the Company. In case of any exigency/ emergency, resolutions are passed by circulation. During the Financial Year 2018-19 the Board of Directors met four times on- 25/05/2018, 09/08/2018, 14/11/2018 and 08/02/2019. The maximum gap between any two meetings was less than one hundred and twenty days, as stipulated under Regulation 17 of the Listing Regulations and Secretarial Standards.

#### **RELATED PARTY TRANSACTIONS:**

All related party transactions that were entered into during the financial year were on arm's length basis and were in the ordinary course of the business. There are no materially significant related party transactions made by the company with Promoters, Key Managerial Personnel or other designated persons which may have potential conflict with interest of the company at large.

#### **PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS:**

The company has not given any loans or guarantees covered under the provisions of section 186 of the Companies Act, 2013.

The detail of the investments made by company is given in the notes to the financial statements.



## **INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY:**

The Company has an Internal Control System, commensurate with the size, scale and complexity of its operations. To maintain its objectivity and independence, the Internal Audit function reports to the Chairman of the Audit Committee of the Board & to the Chairman & Managing Director.

The Accounts Department monitors and evaluates the efficacy and adequacy of internal control system in the Company, its compliance with operating systems, accounting procedures and policies.

Based on the report of internal audit function, corrective action is taken and thereby strengthen the controls. Significant audit observations and recommendations along with corrective actions thereon are presented to the Audit Committee of the Board.

## **NOMINATION AND REMUNERATION COMMITTEE**

The Nomination and Remuneration Committee has been constituted as per the section 178(1) of the Companies Act, 2013. One Meeting of the Nomination & Remuneration Committee Held during the Year

## **REMUNERATION POLICY**

### **Remuneration to Executive Directors:**

The remuneration paid to Executive Directors is recommended by the Nomination and Remuneration Committee and approved by Board in Board meeting, subject to the subsequent approval of the shareholders at the General Meeting and such other authorities, as may be required. The remuneration is decided after considering various factors such as qualification, experience, performance, responsibilities shouldered, industry standards as well as financial position of the Company.

### **Remuneration to Non- Executive Directors:**

Remuneration by way of sitting fees for attending Board meetings, are paid to Non-executive Director per meeting Rs. 5,000/- per person commission is also being proposed to be paid subject to the shareholders' approval.

## **AUDIT COMMITTEE**

The Company's Audit Committee has been constituted as per section 177 of the Companies Act, 2013. Four meetings of the Audit Committee were held during the financial year 2018-19.

## **STAKEHOLDERS RELATIONSHIP COMMITTEE:**

The Company's Stakeholders Relationship Committee has been constituted as per section 177 of the Companies Act, 2013. Five meeting of the Stakeholder Relationship Committee During the year

## **VIGIL MECHANISM / WHISTLE BLOWER POLICY:**

The Company has a vigil mechanism named Fraud and Risk Management Policy to deal with instance of fraud and mismanagement, if any.

In staying true to our values of Strength, Performance and Passion and in line with our vision of being one of the most respected companies in India, the Company is committed to the high standards of Corporate Governance and stakeholder responsibility.

The Company has a Fraud Risk and Management Policy to deal with instances of fraud and mismanagement, if any.

The FRM Policy ensures that strict confidentiality is maintained whilst dealing with concerns and also that no discrimination will be meted out to any person for a genuinely raised concern.

A high level Committee has been constituted which looks into the complaints raised. The Committee reports to the Audit Committee and the Board.

## **BUSINESS RISK MANAGEMENT:**

Pursuant to section 134 (3) (n) of the Companies Act, 2013 the company has constituted a business risk management committee. The details of the committee and its terms of reference are set out in the corporate governance report forming part of the Boards report.

At present the company has not identified any element of risk which may threaten the existence of the company.

## **AUDITORS & REPORT thereon**

The Auditors Report does not contain any qualification, reservation or adverse remark on the financial statements for the year ended March 31, 2019. The Notes on financial statement referred to in the Auditors' Report are self-explanatory and do not call for any further comments.

In accordance with Sec 139 of the Companies Act, 2013, M/s. Brijesh Dutt & Associates, (FRN: 144568W), were appointed by the shareholders of the Company at the Annual General Meeting held on September 26, 2017, as Statutory Auditors for a period of 5 years to hold office until the conclusion of the 64th Annual General Meeting of the Company in calendar year 2022.

## **INTERNAL AUDITOR**

As per section 138 of the Companies Act, 2013, the Company has appointed M/s. N S Bhatt & Co., internal auditors for the year to 2018-19 to conduct the internal audit and to ensure adequacy of the internal controls, adherence to Company's policies and ensure statutory and other compliance through, periodical checks and internal audit.

## **COST AUDITORS**

As per Section 148 read with Companies (Audit & Auditors) Rules, applicable to cost auditors, the company was not liable to appoint Cost auditors for the financial year 2018-19.

## **SECRETARIAL AUDITOR:**

Pursuant to provisions of section 204 of the Companies Act, 2013 and The Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 the Company has appointed M/s Deepak Rane a Practising Company Secretaries in practice to undertake the Secretarial Audit of the Company. The Secretarial Audit report is annexed herewith

## **REPLY ON SECRETARIAL AUDITOR OBSERVATION**

(i) The company's paid up capital is only Rs. 28.01 lacs with Bombay Stock Exchange (BSE) listed and the shares are in physical mode with no trading taking place. The Company is enjoying the services of Practising Company Secretary (PCS) since last so many years for observance and compliance as per the Companies Act, 2013 & other applicable corporate laws. The Companies Act, 2013 mandates the appointment but since the company's sole purpose of continuation is to recover its outstanding and no further orders have been executed for the last few years, the appointment looks very difficult and un viable

(ii) e-voting Facility AS the Company's 100% equity shares admitted in demat and provide shareholders with demat facility and hence e-voting facility will be granted by the Company to the shareholder along with the ballot paper.

## **TRANSFER OF SHARES TO INVESTOR EDUCATION AND PROTECTION FUND**

In pursuance of the provisions of Section 124(6) of the Companies Act, 2013 and the IEPF (Accounting, Audit, Transfer and Refund) Rules, 2016 notified on 7th September, 2016, in addition to the transfer of amounts of unclaimed/ unpaid dividend for the year 2011-12, the underlying shares are also due for transfer to the IEPF Authority in case the dividend remaining unclaimed for a further 7 (Seven) continuous years.

This was in pursuance of the recent enforcement of section 124(6) of the Companies Act, 2013 and the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 which requires every Company to mandatorily transfer to IEPF, the underlying shares in respect of which unpaid/ unclaimed dividend has been transferred to IEPF and for which the dividend has still remained unpaid or unclaimed for a consecutive period of next 7 (seven) years.