



Saurashtra Cement  
Limited



# Annual Report 2018-2019

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## GENERAL INFORMATION

### BOARD OF DIRECTORS

Mr. M. N. Mehta	Chairman
Mr. Jay M. Mehta	Executive Vice Chairman
Mr. Hemang D. Mehta	
Mr. M. N. Rao	
Mr. B. P. Deshmukh	
Mr. K. N. Bhandari	
Mr. Jayant N. Godbole	
Mr. Hemnabh Khatau	
Mr. Bimal Thakkar	
Mrs. Bhagyam Ramani	
Mr. Ashwani Kumar	
Mr. M. S. Gilotra	Managing Director

#### Chief Financial Officer

Mr. Rakesh H. Mehta

#### Sr. Vice President (Legal) & Company Secretary

Ms. Sonali Sanas

#### Bankers

Central Bank of India  
Bank of Baroda  
HDFC Bank Ltd.

#### Auditors

M/s. Manubhai & Shah LLP  
Chartered Accountants

#### Registered Office & Works

Near Railway Station,  
Ranavav 360 560 (Gujarat)  
Tel. 02801 - 235001/7, 02801 - 304200  
Fax: 02801 - 304376, 304384  
CIN: L26941GJ1956PLC000840

#### Corporate Office

N. K. Mehta International House, 2nd Floor,  
178, Backbay Reclamation, Mumbai 400 020.  
Tel. 022- 66365444, Fax : 022-66365445

#### Registrars & Transfer Agent:

M/s. Link Intime India Pvt Ltd  
(Unit: Saurashtra Cement Limited)  
C-101, 247 Park,  
L.B.S. Marg, Vikhroli (West), Mumbai - 400 083.  
Tel. 022- 49186000, Fax : 022-49186060

**Website:** [www.saurashtracementlimited.com](http://www.saurashtracementlimited.com)



## DIRECTORS' REPORT

Dear Members,

The Directors present the 61st Annual Report, Audited Accounts and Auditors Report for the Financial Year ended on the 31st of March, 2019.

### FINANCIAL HIGHLIGHTS

The highlights of the financial results for the Financial Year ended 31st of March 2019 are given below.

(₹ in Million)

Particulars	Standalone		Consolidated	
	Current Financial Year 2018-2019	Previous Financial Year 2017-2018	Current Financial Year 2018-2019	Previous Financial Year 2017-2018
Revenue from Operation (Net of Excise) and Other Income	<b>6300.31</b>	5,913.25	<b>6300.81</b>	5,913.63
Profit / (Loss) before Interest, Depreciation, Exceptional items and Tax	<b>131.52</b>	676.61	<b>131.02</b>	676.17
Finance Cost	<b>47.43</b>	34.19	<b>47.43</b>	34.19
Profit/(Loss) before Depreciation, Exceptional Items and Tax	<b>84.09</b>	642.42	<b>83.59</b>	641.98
Depreciation & Impairment	<b>183.35</b>	177.43	<b>183.35</b>	177.43
Exceptional Items – Profit on sale of land	<b>31.97</b>	-	<b>31.97</b>	-
Profit/(Loss) before Tax	<b>(67.29)</b>	464.99	<b>(67.79)</b>	464.55
Current Tax Expense	<b>2.05</b>	102.19	<b>2.03</b>	102.19
Deferred Tax Adjustment	<b>(20.61)</b>	(262.27)	<b>(20.61)</b>	(262.27)
Profit/(Loss) for the year	<b>(48.73)</b>	625.07	<b>(49.21)</b>	624.63
Total Other Comprehensive Income (net of tax)	<b>(11.69)</b>	(0.56)	<b>(11.69)</b>	(0.56)
Total Comprehensive Income	<b>(60.42)</b>	624.51	<b>(60.90)</b>	624.07
Retained Earnings – Opening Balance	<b>1,792.33</b>	1,250.64	<b>1,781.71</b>	1,240.46
Add/(Less)				
Profit/(Loss) for the Year	<b>(48.73)</b>	625.07	<b>(49.21)</b>	624.63
Remeasurement of Defined Benefit Plans (Net of Tax)	<b>(3.46)</b>	(0.10)	<b>(3.46)</b>	(0.10)
Less : Equity Dividend & Dividend Distribution Tax thereon	<b>83.41</b>	83.28	<b>83.41</b>	83.28
Retained Earnings – Closing Balance	<b>1,656.73</b>	1,792.33	<b>1,645.63</b>	1,781.71

### THE YEAR UNDER REVIEW

India is the second largest producer of cement in the world with an installed capacity of about 502 Million Tonnes Per Annum (MTPA) of cement production as at March 2019. During the Financial Year 2018-19, the cement production grew by 13 per cent to about 337 Million Tons resulting in capacity utilization of about 68 per cent. The consumption growth in the company's primary market Gujarat was about 9 per cent.

The growth in cement consumption is largely driven by the growth in housing sector, particularly rural and affordable housing coupled with the Government's thrust on infrastructure. The GST Council has reduced the GST rates for under-construction flats and affordable housing in March 2019, to five per cent and one per cent, respectively and also increased the carpet area of flats under affordable housing. RBI has reduced the Repo Rate by 50 basis points since December 2018, which will soften the interest rates on home loans and commercial borrowings. These factors coupled with Interest subsidy on home loans for affordable housing are expected to stimulate the housing demand further.

The financial year under review witnessed a substantial increase in the cost of energy (coal, pet coke and power) and petroleum fuels and restrictions on use of pet coke for power and as fuel in cement plants.

The Government, through Central and State Pollution Control Boards, has initiated measures for the use of Alternative Fuels and Raw Materials (AFR) in cement plants which help in reducing the fuel cost and also utilize the waste / hazardous materials thereby helping in maintaining ecological balance.

## **PERFORMANCE REVIEW**

### **Production and Despatches**

Your Company continued to operate at over 100% capacity utilization. The production of clinker for the year ended March 2019 was 1.31 million tonnes, around 6.4 percent higher than the clinker production of 1.23 million tonnes in the year ended March 2018. The cement production for the financial year ended March 2019 was 1.49 million tonnes, around 6.2 percent higher than the cement production of 1.40 million tonnes in the previous financial year.

The overall despatches of cement and clinker during the year ended March 2019 were 1.54 million tones, around 7 percent higher than the overall despatches of 1.44 million tonnes in the previous year ended March 2018.

The operating efficiencies of the plant improved resulting in lower specific power and fuel consumption. The specific power consumption was lower by about 3.5 kwh/Ton of cement.

Thermal Power cost and Fuel Cost were adversely affected on account of steep increases in the cost of coal and pet coke. The increase in the diesel prices resulted in increase in the logistics costs for both inbound materials and outbound finished goods.

Your company makes conscious efforts towards sustainable development through various energy conservation measures reduced carbon emissions by substituting clinker by fly ash and slag, use of Alternative Fuels and Raw Materials and afforestation measures. Your company has also initiated measures for lower emissions and water conservation.

### **Marketing and Exports**

Your Company's major sales volumes are from its primary market, Gujarat. Your Company increased its sales in Gujarat by about 8 per cent. Due to the large surplus in the region, your Company continues to maintain its presence in coastal regions of Maharashtra and Kerala. However, the profitability of these markets remains low on account of high cost of transport and non-availability of adequate public infrastructure.

Your Company also exported about 0.08 Million Tons of cement during the financial year under consideration.

## **MANAGEMENT DISCUSSION AND ANALYSIS**

The Management Discussion and Analysis Report is provided in a separate section and forms a part of this Report as **Annexure A**.

### **DIVIDEND**

In view of inadequacy of profits, your Directors do not recommend any dividend for the Financial Year ended 31st of March 2019.

### **SHARE CAPITAL**

#### **Equity Share Capital**

The paid up Equity Share Capital of the Company as on 1st April 2018 was ₹ 693.37 million. The paid up Equity Share Capital of the Company as on 31st March 2019 including the forfeited shares was ₹ 693.40 million. During the year under review, 1,46,249 Equity Shares of ₹ 10/- each were allotted to the employees in accordance with Employee Stock Option Scheme 2017.

### **Financial Statements**

The Audited Standalone and Consolidated Financial Statements of the Company which forms part of this Annual Report has been prepared pursuant to Regulation 33 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations 2015, in accordance with the provisions of the Companies Act, 2013 and Companies (Indian Accounting Standards) Rules 2015 on Consolidated Financial Statements.

The Consolidated Net Loss of the Company amounted to ₹ 49.21 million for the Financial year ended 31st of March 2019.

### **SUBSIDIARY AND ASSOCIATE COMPANIES**

The Company has five wholly owned subsidiary companies. Out of these five subsidiaries, four companies namely Pranay Holdings Limited, Prachit Holdings Limited, Ria Holdings Limited and Reeti Investments Private Limited had filed Petition with National Company Law Tribunal (NCLT) for amalgamation with the Company. The Petition was heard and the NCLT Bench pronounced the final order on 2nd May 2019 approving the Scheme of Amalgamation. Accordingly these four companies have been merged with the Company effective from 1st April 2018 being the Appointed Date under the Approved Scheme.

Agrima Consultants International Limited continues to remain a subsidiary of your Company. Section 136 of the Companies Act 2013 has exempted the listed companies from attaching the financial statements of the Subsidiary companies to the Annual Report of the Company.



In accordance with Section 129(3) of the Companies Act 2013 read with the rules made there under; statements containing the salient features of the Financial Statements of the Subsidiary Company is disclosed separately in this Annual Report under Form AOC 1.

The Company will make available the Annual Accounts of the subsidiary company to any Member on their request and shall also be kept open for inspection by any Member at the Registered office of the Company. The statement is also available on the website of the Company at <http://scl.mehtagroup.com/investors/financials>.

### **Directors' Responsibility Statement**

To the best of their knowledge and belief and according to the information and explanations obtained by them, your Directors make the following statements in terms of Section 134 (3) (c) of the Companies Act, 2013.

- (a) that in the preparation of the annual financial statements for the year ended 31st March 2019, the applicable accounting standards have been followed along with proper explanation relating to material departures; if any;
- (b) that the accounting policies as mentioned in Note No.1 (B) to the Financial statements have been selected and applied consistently and judgments and estimates have been made 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 and loss of the Company for that period;
- (c) that proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- (d) that the annual financial statements have been prepared on a going concern basis;
- (e) that proper internal financial controls were in place and that the financial controls were adequate and were operating effectively; and
- (f) that the systems to ensure compliance with the provisions of all applicable laws are in place and were adequate and operating effectively.

### **Corporate Governance**

Your Company has complied with the requirements of Regulations 17 to 27 of the Securities Exchange Board of India (Listing Obligations & Disclosure Requirements) Regulations, 2015 and as amended from time to time. Pursuant to Schedule V of the Securities Exchange Board of India (Listing Obligations & Disclosure Requirements) Regulations, 2015, report on Corporate Governance along with Auditors Certificate on its compliance is annexed separately to this report. A declaration by the Managing Director that Board and Senior Executives have complied with the Code of Conduct of the Company also forms a part of this Report as **Annexure B**.

### **PARTICULARS OF CONTRACTS OR ARRANGEMENTS WITH RELATED PARTIES**

All related party transactions are in accordance with the approvals being granted by the Audit Committee, Board and the Members at the General Meeting (as applicable). The other details as required under Securities & Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations 2015 and Section 134 (3) of the Companies Act, 2013 are mentioned in the Corporate Governance Report.

The particulars of every contract or arrangements entered into by the Company with related parties referred to in sub-section (1) of Section 188 of the Companies Act, 2013 including certain arms length transactions under third proviso thereto is Annexed herewith at **Annexure C** in Form No. AOC -2.

### **RISK MANAGEMENT POLICY**

The Company has in place a Risk Management policy to identify risks, monitor and mitigate various risks to key business objectives. Major risks identified are being addressed by the plant, marketing and corporate risk management committees through risk response strategies and subsequently mitigating actions is taken. The major risks are reported to the Audit Committee and Board on quarterly basis and action taken as suggested.

### **CORPORATE SOCIAL RESPONSIBILITY**

Your Company endeavours to create long term benefits for the community around its operations through continuous efforts of social upliftment. In constant pursuit of making life better for communities, your Company is constantly involved in various programmes / CSR activities like:-

1. Promotion of education, particularly for girls.
2. Rural development projects.
3. Environmental & Health related projects.

The Board of Directors, have based on the recommendation of the Corporate Social Responsibility Committee, formulated a Corporate Social Responsibility Policy for welfare of the society, which is available at the following link: <http://scl.mehtagroup.com/policy/csr-policy>.

The key philosophy of the CSR initiative of your Company is to promote development through social and economic transformation.

During the year under review, your Company has undertaken projects relating to promoting education for better life, rural development, environmental and healthcare.

The constitution and functions of the Corporate Social Responsibility Committee is provided under the Corporate Governance Report.

The details of various CSR activities undertaken during Financial Year 2018-19 are discussed in detail in The Management Discussion and Analysis report.

The annual report on CSR activities and expenditure required under Section 134 & 135 of the Companies Act, 2013 read with Rule 8 of the Companies (Corporate Social Responsibility Policy) Rules 2014 and Rule 9 of the Companies (Account) Rules 2014 are given in **Annexure D** of the Report.

### **LOANS, GUARANTEES AND INVESTMENTS**

The particulars of Loans, Guarantees and Investments covered under the provisions of Section 186 of the Companies Act, 2013 and under Schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 are provided in Notes to the Standalone Financial Statements.

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

The Company has adequate internal financial procedure commensurate with its size and nature of business. In accordance with the requirements, the Company has appointed Internal Auditors who periodically audit the adequacy and the effectiveness of the internal control systems and procedures as laid down by the management and suggest improvements.

The Audit Committee of the Board of Directors approves from time to time the quarterly audit assignments, reviews the progress of audit findings presented by the Internal Auditors. Also the status of the implementation of audit recommendations and adequacy internal controls is reviewed by the Audit Committee.

### **DIRECTORS AND KEY MANAGERIAL PERSONNEL**

#### **Appointment of Directors**

Mr. Ashwani Kumar (DIN: 02870681) was appointed as Additional Director (Independent) w.e.f. 13.2.2019 for a period of 5 years subject to his appointment as a director at the ensuing Annual General Meeting of the Company.

Mr. B. P. Deshmukh (DIN: 00002357) was re-appointed as Independent Directors for another term of 5 consecutive years from 1.4.2019 to 31.3.2024 at the Annual General Meeting held on 14th August, 2018. Mr. Deshmukh is attaining the age of 75 years on 15th July 2019 and the continuation of his office as Directors from 16th July 2019 will be subject to the Member's approval at the ensuing Annual General Meeting of the company by way of special resolutions.

Mr. Jayant N. Godbole (DIN: 00056830) was re-appointed as Independent Directors for another term of 5 Consecutive years from 1-4-2019 to 31-3-2024 at the Annual General Meeting held on 14th August, 2018. Mr. Godbole is attaining the age of 75 years on 17th February 2020 and the Continuation of his office as Director from 18th February 2020 will be subject to the member's approval at the ensuing Annual General Meeting of the Company by way of Special Resolution.

The Board recommends the appointment.

#### **Reappointment of Director**

In accordance with the provisions of Section 152 of the Companies Act, 2013, Mr. Hemnabh R. Khatau (DIN: 02390064), will retire by rotation at the ensuing Annual General Meeting and being eligible, offers himself for re-appointment. Brief resume of the Director seeking re-appointment along with other details as stipulated under Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, is annexed herewith as **Annexure E**.

The Board recommends the re-appointment.

#### **Cessation of Director**

- i) Mr. P. K. Behl (DIN: 00653859), Independent Director ceased to be the Director of the Company with effect from 8.3.2019 under Section 164(2) read along with Section 167 (1) of the Companies Act, 2013.
- ii) Mr. S. V. S. Raghavan (DIN: 00111019), Independent Director has resigned as Director of the Company with effect from 25.5.2019 (closure of business hours) due to age related health issues.

The Board places on record their valuable services rendered by them to the Company during their tenure as the Directors of the Company.

#### **Appointment / Change in Key Managerial Personnel:**

During the year under review, there is no appointment / change in Key Managerial personnel.





### ***Disclosure pertaining to disqualification of Directors:***

In accordance with the SEBI (LODR) (Amendment) Regulations, 2018; a certificate has been received from M/s Ragini Chokshi & Co. Practicing Company Secretaries, that none of the Directors on the Board of the Company has been disqualified to act as Director. The same is annexed herewith as **Annexure F**.

### **Annual Evaluation by the Board of its own performance, its Committees and Individual Directors**

In accordance with the provisions of the Companies Act, 2013 and SEBI (LODR) Regulations, 2015, the Board of Directors has put in place a mechanism for evaluation of its performance, Committee's and Individual Directors. The evaluation process considers attendance of Directors at the Board and Committee meetings, participation at the meetings, domain knowledge in the Board Meeting, awareness and observation of Governance etc. Accordingly, evaluation sheet gets circulated to each and every Board member and the Board carry out annual performance evaluation of the entire Board, Individual Directors including Chairman. The responses being received were evaluated by the Board.

### ***Declaration by Independent directors***

All the Independent Directors have furnished declarations stating that they meet the criteria of independence as laid down under Section 149 (6) of the Companies Act, 2013 read along with SEBI (LODR) Regulations, 2015.

## **AUDITORS**

### ***Statutory Auditors***

At the 60th Annual General Meeting held on 14th August, 2018, the shareholders had approved the appointment of M/s. Manubhai & Shah LLP, Chartered Accountants, (Firm Registration No. 106041W / W100136) as Statutory Auditors of the Company, to audit the accounts of the Company upto the Financial Year 2021-22, who shall hold office from the conclusion of the 60th Annual General Meeting till the conclusion of 64th Annual General Meeting at such remuneration as may be decided by the Board in consultation with the auditors from time to time. Pursuant to the recent amendment to Section 139 of the Companies Act, 2013 effective 7th May 2018, ratification by Shareholders every year for the appointment of the Statutory Auditors is no longer required and accordingly the Notice of ensuing Annual General Meeting does not include the proposal for seeking Shareholders approval for ratification of Statutory Auditors appointment.

M/s. Manubhai & Shah LLP, Chartered Accountants have furnished a certificate of their eligibility and consent under section 139 and 141 of the Companies Act, 2013 and the Companies (Audit and Auditors) Rules, 2014 for their continuance as the Auditors of the Company for the Financial Year 2019-20.

### ***Secretarial Auditors***

M/s Ragini Chokshi & Co, Practicing Company Secretaries were appointed by the Board of Directors as the Secretarial Auditor of the Company to carry out Secretarial Audit under the provisions of Section 204 of the Companies Act, 2013 for the Financial Year 2018-19. The report of the Secretarial Auditor is annexed as **Annexure G** to this report. The report does not contain any qualification, reservation nor adverse remarks.

The Board of Directors of the Company on the recommendation of the Audit Committee appointed M/s Ragini Chokshi & Co., Practicing Company Secretaries as Secretarial Auditor of the Company for the Financial Year 2019-20.

### ***Tax Auditors***

The Board of Directors on the recommendation of the Audit Committee appointed M/s Manubhai & Shah LLP, Chartered Accountants to carry out the Tax Audit for the Assessment Year 2019-20.

### ***Internal Auditors***

The Board of Directors on the recommendation of the Audit Committee appointed M/s Haribhakti & Co., LLP, Chartered Accountants, to carry out the Internal Audit of the Company for the Financial Year 2019-20.

### ***Cost Auditors***

In accordance with the provisions of Section 148 of the Companies Act 2013, on the recommendation of Audit Committee, M/s. V. J. Talati & Co, Cost Accountants, have been appointed by the Board as Cost Auditors of the Company for the Financial Year 2019-20 and a certificate of eligibility under Section 148 of the Companies Act, 2013 has been received.

As required under the Act, the remuneration payable to the Cost Auditor is required to be placed before the Members in a General Meeting for their ratification. Accordingly, a Resolution for seeking Members ratification for the remuneration payable to M/s. V. J. Talati & Co., Cost Auditor, is included at item no. 3 of the Notice convening the Annual General Meeting.

### ***Cost Records***

The Cost accounts and records as required to be maintained under Section 148(1) of Act are duly made and maintained by the Company.



## **OTHER DISCLOSURES UNDER COMPANIES ACT, 2013 AND SEBI (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS 2015**

### **Audit Committee**

The Company has an Audit Committee and details of its constitution, terms of reference are set out in the Corporate Governance Report.

### **Nomination & Remuneration Committee and Policy**

The Company has a Nomination & Remuneration Committee and has also adopted Nomination & Remuneration Charter and Remuneration/ Compensation Policy. The constitution of the Committee along with the terms of reference to the Committee is set out in the Corporate Governance Report. The Nomination and Remuneration Charter and Compensation Policy is available at the following links: <http://scl.mehtagroup.com/policy/nomination-and-remuneration-charter> and <http://scl.mehtagroup.com/policy/compensation-policy>

### **Vigil Mechanism**

The Company has established a Vigil Mechanism / Whistle Blower Policy and the Directors and employees of the Company can approach the Audit Committee when they suspect or observe unethical practices, malpractices, non-compliances of company policies, etc. The Whistle Blower Policy has been posted on the website Company at the following link: <http://scl.mehtagroup.com/policy/whistle-blower-policy>

### **Number of Board Meetings**

During the financial year under review, four Board Meetings were held. The meetings 24th day of May 2018, 14th day of August 2018, 1st day of November 2018 and 13th day of February 2019.

### **Energy Conservation, Technology Absorption & Foreign Exchange Earnings and Outgo**

The particulars relating to conservation of energy, technology absorption, foreign exchange earnings and outgo, as required to be disclosed under section 134 (3) (m) of the Companies Act, 2013 are provided in **Annexure H** forming part of this Report.

### **Significant / Material orders based by the regulators**

There are no significant / material orders based by the regulators, any court or tribunal impacting going concern status of the company and its operations in future.

### **Annual Return**

Pursuant to Section 92(3) and Section 134(3) of the Companies Act, 2013 read with Rule 12(1) of the Companies (Management and Administration) Rules, 2014, as amended, the Annual Return in Form MGT-7 is available on the website of the Company at the following link: <http://scl.mehtagroup.com/investors/annualreturn>.

### **Particulars of Employees**

There were 417 permanent employees of the company as on 31st March 2019. The disclosure pertaining to remuneration and other details as required under Section 197(12) of the Companies Act, 2013 read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 are annexed to this report at **Annexure I**.

Further, a statement showing the names and other particulars of employees drawing remuneration in excess of the limits as set out in the Rule 5(2) and other details as required under Rule 5(3) of the aforesaid Rules forms part of this report. However, in terms of first proviso to Section 136(1) of the Act, the Annual Report and Accounts are being sent to the members and others entitled thereto, excluding the aforesaid information. The said information is available for inspection by the Members at the Registered Office of the Company during business hours on working days upto the date of the ensuing Annual General Meeting. If any Member is interested in obtaining a copy thereof, such Member may write to the Company Secretary, whereupon a copy would be sent. Further, the details are also available on the Company's website: <http://scl.mehtagroup.com/investors>.

### **Employee Stock Option Scheme (ESOP)**

The ESOP Scheme has been implemented as per the SBEB (Share Based Employee Benefits) Regulations 2014 [SBEB Regulations]. The certificate of the auditors regarding the implementation of the scheme being in accordance with SBEB Regulations would be placed at the Annual General Meeting for the inspection of the members.

Applicable disclosure as stipulated under SBEB regulation as on 31st March 2019 with regard to employees stock option scheme is provided at **Annexure J** to this report.

### **Sexual Harassment of Women at Work Place (Prevention, Prohibition & Redressal) Act, 2013**

The Company has in place, a formal policy on Prohibition, Prevention and Redressal of Sexual Harassment of Women at Workplace. Detailed note is set out in the Corporate Governance report.

During the year under review, the Company has not received any complaints of sexual harassment from any of the women at work place of the Company.



**Other Disclosures:**

**1. Secretarial Compliance Report**

The Secretarial Compliance Report provided for the year ended 31st March 2019 from M/s. Ragini Chokshi & Co., Practicing Company Secretaries, pursuant to Regulation 24A of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations 2015 is annexed hereto as **Annexure K**.

**2. No disclosure or reporting is made in respect of the following items as required under the Companies Act, 2013 and Securities & Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations 2015, as there were no transactions during the year under review:**

- ✓ Details relating to deposits covered under Chapter V of the Companies Act, 2013.
- ✓ Issue of equity shares with differential rights as to dividend, voting or otherwise.
- ✓ The company does not have any scheme or provision of money for the purchase of its own shares by employees or by trustees for the benefit of employees.
- ✓ The Managing Directors of the company do not receive any remuneration or commission from any of its subsidiaries.
- ✓ No material fraud has been reported by the Auditors to the Audit Committee or the Board.
- ✓ There was no revision in the financial statements.
- ✓ There was no change in the nature of business.

**GENERAL**

**Transfer of Shares**

As notified under Regulation 40(1) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, except in case of transmission or transposition of securities, requests for effecting transfer of securities shall not be processed unless the securities are held in the dematerialized form with a depository.

**Listing of Equity Shares**

The Company's equity shares are listed on the Bombay Stock Exchange Ltd (BSE). Listing fees have been paid up to 31st March 2020.

**Staff Relations**

Industrial relations at our Factory and Offices have remained cordial.

**Secretarial Standards**

In accordance with SS-1, the company has complied with all applicable secretarial standards.

**Acknowledgement**

The Board of Directors wish to place on record their appreciation of the contribution made by the employees at all levels to the continued growth and prosperity of your company.

The Board of Directors also wish to place on record their appreciation to the shareholders, dealers, distributors, consumers, banks and other financial institutions for their continued support.

**On behalf of the Board of Directors**

**M.S.Gilotra**  
Managing Director  
(DIN: 00152190)

**Jay Mehta**  
Executive Vice Chairman  
(DIN: 00152072)

Place: Mumbai

Dated: 25th May, 2019