



directors' report

Dear Shareholders,

Your Directors take pleasure in presenting the 28th Annual Report on the business and operations of the Company together with the audited financial statements for the Financial Year ended 31st March, 2020.

STATE OF COMPANY'S AFFAIRS:

FINANCIAL HIGHLIGHTS	Rs. in Lakhs	
	2019-20	2018-19
Particulars		
Revenue from operations	1,66,290.16	1,55,880.44
Other income	6,369.32	5,064.63
Total Revenue	1,72,659.48	1,60,945.07
Earnings Before Interest, Depreciation, Taxation & Amortisation (EBITDA)	32,388.92	23,759.83
Finance Costs	4,620.06	4,050.23
Depreciation	4,116.71	3,704.62
Profit/(Loss) Before Taxation	23,652.15	16,004.98
Less: Tax including Deferred Tax	4,884.53	4,251.25
Profit/(Loss) After Taxation	18,767.62	11,753.73

DIVIDEND:

Your directors recommend payment of dividend of Rs. 7/- (70%) per equity share of Rs.10/- each for the financial year ended 31st March, 2020 (previous year Rs.6.00 per share) amounting to Rs.3,268.89 lakhs. The dividend payout is subject to approval of members at the ensuing Annual General Meeting.

RESERVES :

During the year under review, the Company proposes to transfer Rs.5,000 lakhs to the General Reserve

SHARE CAPITAL

The paid up equity share capital of your Company as on 31 March 2020 was Rs.46.70 Crores. There was no fresh issue of capital during the year under review. The Company has neither issued shares with differential voting rights, sweat equity shares, nor has it granted any stock options.

REVIEW OF OPERATIONS:

During the FY 2019-20, your company has produced 2,93,491 MT of Ductile Iron Pipes, which is marginally lower by 5,023 MT compared to the FY 2018-19, which is attributable to loss of production for 9 days during March,

2020, due to temporary suspension of operations, owing to nationwide lockdown declared by the Government to prevent the spread of COVID-19.

Your Company continues to play a constructive role in the nation building movement by contributing to water supply and infrastructure development in the country, which are the thrust areas of the Government. During the FY 2019-20, your company's Ductile Iron Pipes of about **7,300 KM** have been used for transportation of potable water and sewerage under its brand name "**SRIPIPES**" for various prestigious water projects across the country, thus increasing its market share further.

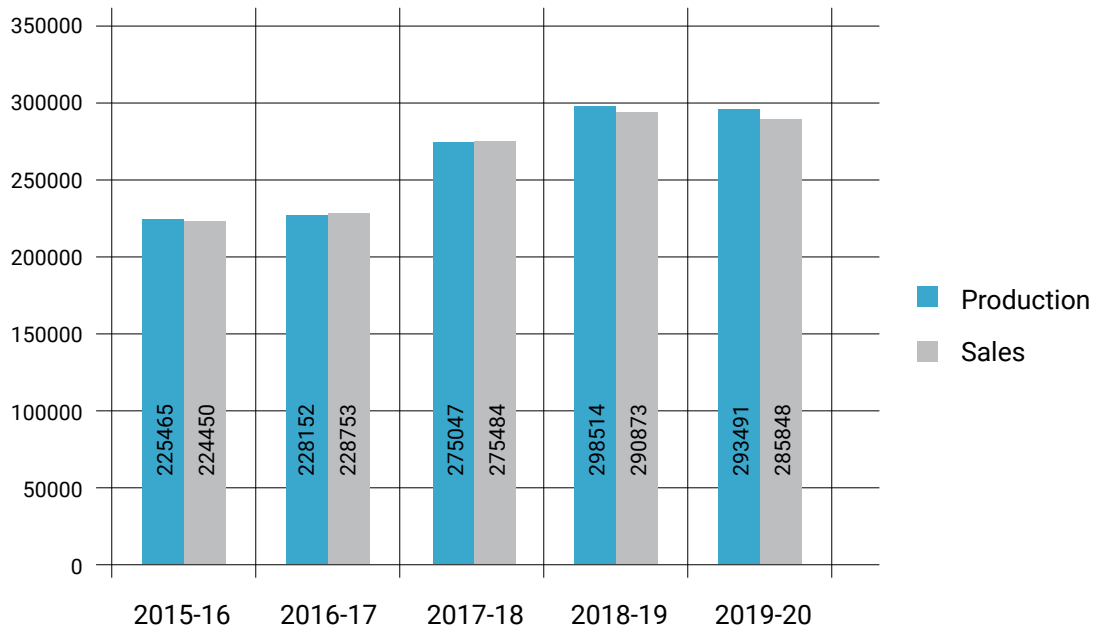
Production at a glance:

Product	2019-20		2018-19		% of Change	
	Prod.	Sales *	Prod.	Sales *	Prod.	Sales
Ductile Iron Pipes (MT)	2,93,491	2,85,848	2,98,514	2,90,873	-1.68	-1.73
Liquid metal from MBF (MT)	2,99,477	2,98,326	2,88,215	2,87,915	3.91	3.62
LAM Coke (MT) \$	1,67,240	1,75,101	1,70,607	1,59,700	-1.97	9.64
Cement (MT)	60,654	60,719	77,394	76,496	-21.63	-20.62

*Sales include captive consumption also.

\$ Company has changed weightment pattern from wet to dry basis. Accordingly, previous year's figures also changed in line with dry weightment pattern.

Production/Sales of Ductile Iron Pipes (2016 - 2020):

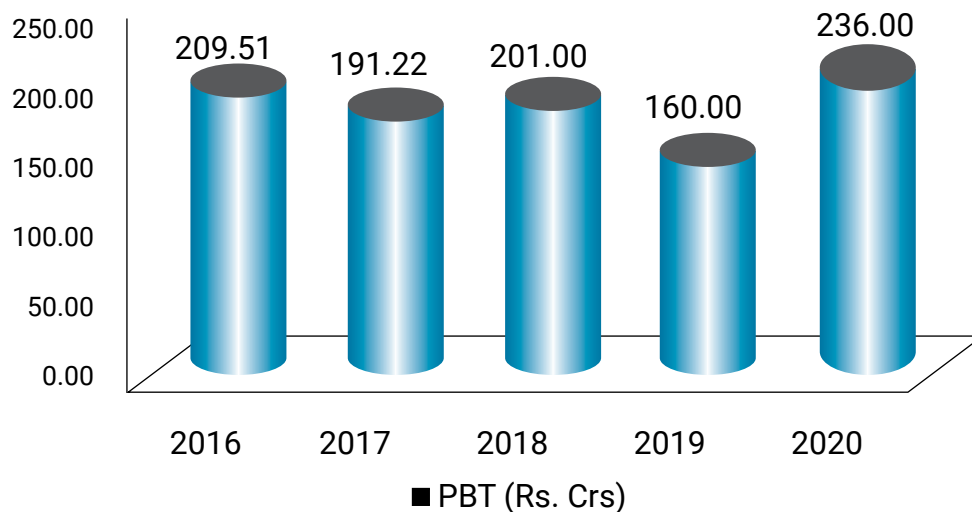


Due to pandemic COVID 19, the entire operations of your company as per the Government's directive were suspended w.e.f. 23rd March, 2020. The production of Ductile Iron Pipes for the year ended 31st March, 2020 would have crossed 3,00,000 MT, had the plant run for the entire month of March 2020 and would have achieved more than 100% of the capacity.

Your Company has successfully commenced commercial operations of Ferro Alloys Plant in the fourth quarter of the financial year, which marks completion of both the phases of Ferro Alloys project. With the commissioning of Ferro Alloys plant, the Company has become self-sufficient in meeting the captive requirement of Ferro Silicon and the surplus production is being sold in the domestic market.

During the year under review your Company has reported Profit Before Tax (PBT) of Rs. 236.52 Crores, which is higher by 47.79% compared to FY 2018-19. The improved performance of your Company is predominantly attributable to lower raw material cost, higher sales realization with an optimum product mix coupled with various cost reduction measures. Your Company has recorded a marginal growth of about 4% in revenue from Ductile Iron Pipes at Rs.1,396.22 Crores as compared to Rs.1,345.59 Crores achieved during the FY 2018-19. The EBITDA of the Company was also higher at Rs.323.89 Crores and the Profit After Tax (PAT) being Rs.187.67 Crores compared to Rs. 237.59 Crores and Rs.117.54 Crores achieved during the FY 2018-19 respectively.

Pre-tax Profit (2016 -2020):



FUTURE PROSPECTS:

The expansion plans as envisaged during the FY 2019-20 to install new MBF, additional Hot Blast Stoves, Raw material handling system, creating additional balancing facilities to increase production capacity of DI Pipes have been started by the Company.

Commissioning of Facilities like Cement Lining Machine VI, Sand Blasting System, Gasket Storage system and 15 MT Cranes in connection with projects relating to capacity addition of DI Pipes have been completed.

With respect to all other projects, your directors regret to state that most of the machinery and equipment in connection with new MBF and DI Pipes expansion projects are to be imported, owing to COVID-19 pandemic, already, there was a delay of about Six months in the execution of these projects. Further, due to increasing spread of COVID-19 across the globe as well as in India, it is

anticipated that the schedule of these projects may get affected, due to delay in receipt of machinery, erection & commissioning engineers visit due to VISA regulations/ protocols resulting in further delay in completion of these projects. The estimated completion schedule as on date is first quarter of 2021-22.

Your company has lost more than a month's production due to suspension of the operations following nationwide lockdown declared by the Government of India. Though, production has started from May, 2020, but due to absenteeism consequent to the nationwide lockdown, normal production is affected. Your company is hopeful that normal production will be established from the 2nd quarter of the current year.

The company is having comfortable order book for supply of Ductile Iron pipes. During this Covid-19 situation, safe and hygienic water supply is most important for the Government. Ductile Iron pipe is the safest and most

suitable pipe for transportation of water not only in urban cities but also in rural India. The company is hopeful that Central and State Government will continue to give priority and remain committed in respect of ongoing and future water supply, sewerage and irrigation projects in the country.

COVID 19 STEPS TAKEN BY THE COMPANY:

Your company stands by the society and community in times of despair. The entire employees of the company contributed their one-day salary towards Andhra Pradesh Chief Minister's COVID19 Relief Fund. Apart from the above, the company has distributed rice, wheat and other food items in eight villages nearby its plant. The company has also supplied face masks and sanitisers to these villages.

The company strictly follows all precautions and guidelines prescribed by the Government particularly towards adhering to safety measures in respect of its employees.

CREDIT RATING:

Considering the operational and financial performance of the Company, CARE Limited reaffirmed its rating for the Company's long term borrowing programmes with CARE AA- (Double A Minus) and CARE A1+ (A One Plus) for the short term bank facilities including Commercial Paper. While the rating CARE AA- indicates high degree of safety regarding timely servicing of financial obligations carrying very low credit risk, rating CARE A1+ indicates very strong degree of safety regarding timely payment of financial obligations carrying lowest credit risk.

Further, India Ratings & Research has assigned its rating for the Company's long term borrowing programmes and short term fund based working capital facilities with IND AA-/Stable and rating IND A1+ for the Company's non-fund based facilities and Commercial Paper. While rating AA- denotes high degree of safety regarding timely servicing of financial obligations carrying very low credit risk, rating A1+ denotes very strong degree of safety regarding timely payment of financial obligations carrying lowest credit risk.

CHANGES IN DIRECTORS/KEY MANAGERIAL PERSONNEL:

Appointment of Independent Director:

Upon the recommendation of Nomination and Remuneration Committee, the Board has approved the appointment of Mr X.J.J. Abraham as an additional independent director of the Company with effect from 6th

September, 2019 and he will hold office up to the conclusion of ensuing Annual General Meeting of the Company. Your Company has received a notice under Section 160 of the Companies Act, 2013 from a shareholder of the Company, signifying his intention to propose the name of Mr X.J.J. Abraham, for appointment as a Director of your Company in the Annual General Meeting. Brief profile of Mr. X.J.J. Abraham is given in the notice of the Annual General Meeting, for the perusal of the shareholders.

Vacation of office of Nominee Director:

Mr. Solomon Arokiaraj, IAS, Nominee Director of APIDC vacated his office as director pursuant to Section 167 (1) of the Companies Act, 2013 and consequently ceased to be a director of the Company with effect from 6th September, 2019.

Appointment of Nominee Director:

Andhra Pradesh Industrial Development Corporation (APIDC) has nominated Mr M. Satyanarayana as its Nominee Director on the Board of Directors of your Company with effect from 3rd February, 2020 in place of Mr. Solomon Arokiaraj, IAS.

Resignation of Whole-time Director:

During the year under review Mr V. Poyyamozhi, Whole-time Director has resigned from his directorship with effect from close of working hours of 3rd February, 2020 on personal grounds. Your Directors place on record their sincere appreciation for the active participation and valuable contributions rendered to the Company by Mr Poyyamozhi during his association with the Company.

Re-appointment of director:

Mrs. Priya Manjari Todi retires by rotation at the ensuing Annual General Meeting and being eligible, offers herself for re-appointment.

The Company has received declarations from the Independent Directors confirming that they meet with the criteria of independence as prescribed both under sub-section (6) of Section 149 of the Companies Act, 2013 and under SEBI's Listing Regulations, 2015 as amended from time to time.

The board of directors of your company confirms that plans are in place for orderly succession for appointment to the board of directors and senior Management and they are reviewed every year.

CORPORATE GOVERNANCE:

Your Company ensures to evolve and follow the corporate governance guidelines and best practices to enhance long term shareholder value. Your Company considers it an inherent responsibility to disclose timely and accurate information regarding its operations as well as governance of the Company. A separate section on Corporate Governance forms a part of the Directors' Report at Annexure I to this Report.

A separate section on Corporate Governance and the certificate from the Practicing Company Secretary confirming compliance of Corporate Governance norms as stipulated in Regulation 34 read along with Schedule V of the SEBI Listing Regulations, form part of this Report at Annexure I.

INTERNAL FINANCIAL CONTROLS & ADEQUACY:

The Company has an adequate system of internal controls in place. It has documented policies and procedures covering all financial and operating functions. These controls have been designed to provide a reasonable assurance with regard to maintaining of proper accounting controls for ensuring reliability of financial reporting, monitoring of operations, and protecting assets from unauthorized use or losses, compliances with regulations. The Company has continued its efforts to align all its processes and controls with global best practices.

The controls, based on the prevailing business conditions and processes have been tested during the year and no reportable material weakness in the design or effectiveness was observed. The framework on Internal Financial Controls over Financial Reporting has been reviewed by the internal and external auditors.

The Company's internal financial controls were operating effectively based on the internal control criteria established by the Company considering the essential components of internal control stated in the guidance note on audit of internal control over financial reporting issued by the Institute of Chartered Accountants of India.

The Audit committee of the Board of Directors actively reviews the adequacy and effectiveness of internal control systems and suggests improvements wherever needed to strengthen the same.

MANAGEMENT DISCUSSION AND ANALYSIS:

In terms of the provisions of Regulation 34 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (SEBI LODR), discussion on state of Company's affairs has been covered as part of the Management

Discussion and Analysis (MDA) in a separate section vide Annexure II to this Report.

RISK MANAGEMENT POLICY:

The Company has a robust risk management framework comprising risk governing structure and defined risk management processes. The Company's Risk Management framework protects and adds value to the organization and its stakeholders with the objective to establish a risk intelligence framework for managing objectively expected risk exposures so as to maintain financial stability of your Company. The major risks identified by the functions are systematically addressed through mitigating actions on a continuous basis. The risks are evaluated, quantified & prioritized and mitigation plans are reviewed & monitored at various stages. The major risks connected with the business, their likely bearing on the performance of the Company and their mitigation are covered under Risks and Concerns Section of the Management Discussion and Analysis.

NOMINATION & REMUNERATION POLICY:

The Board has adopted a Nomination and Remuneration Policy recommended by Nomination and Remuneration Committee in terms of the provisions of Section 178 of the Act. The Nomination and Remuneration Policy is available at the company's website www.srikalahasthipipes.com.

The Nomination and Remuneration Committee of the Company is in compliance with the provisions of Section 178 of the Companies Act, 2013 read along with the applicable rules thereto and Regulation 19 of SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015 and the terms of reference to the Committee include :-

- To guide the Board in relation to appointment, retention and removal of Directors, Key Managerial Personnel and Senior Management.
- To evaluate the performance of the members of the Board and provide necessary report to the Board for further evaluation of the Board.
- To recommend to the Board on remuneration payable to the Directors and Key Managerial Personnel.
- Recommend to the Board a policy, relating to the remuneration for the directors, key managerial personnel and other employees.
- Devise a policy on Board diversity.

Criteria for making payments to non-executive directors:

The aggregate remuneration/commission payable to all the Non-executive directors will be recommended by the

Nomination and Remuneration Committee (NRC) to the Board based on Company's performance, profits and any other significant qualitative parameters as may be decided by the Board.

The NRC will recommend to the Board, the quantum of remuneration/commission for each Director based upon individual contributions of directors and their active involvement and participation in strategic decision making. Based on the recommendation of the NRC, the Board will consider payment of remuneration/commission to each of the non-executive director every year, for its approval, which shall be within the overall limits prescribed under the Companies Act, 2013.

CORPORATE SOCIAL RESPONSIBILITY INITIATIVES:

Your Company understands its social responsibility and remain focussed to support those from the socially and economically backward groups and remain focussed to improve the quality of life of the various communities. In this process, your Company has identified several corporate social responsibility initiatives relating to Social Empowerment & Welfare, Village development, Health Care, Education and animal welfare during the year and initiated various activities in neighbouring villages around plant locations.

The Board has adopted a Corporate Social Responsibility Policy (CSR Policy), in accordance with Schedule VII of the Companies Act, 2013. The Annual Report on CSR activities as required under Rule 8 of the Companies (Corporate Social Responsibility Policy) Rules, 2014 read with section 134(3) and 135(2) of the Companies Act, 2013 is at Annexure III to this Report.

During the FY 2019-20, the Company has spent Rs.342.58 lakhs as against Rs.347.62 lakhs to have been spent, towards various CSR activities which are covered in detail in the Report on CSR, which forms part of this report, leaving a shortfall of Rs.5.04 lakhs. During the year under review, the Company's spend on CSR activities is slightly lower, as funds earmarked for certain projects, could not be spent completely towards the intended projects. Since the unspent amount of Rs.5.04 Lakhs is earmarked for the ongoing project of animal welfare and protection as well as towards expenditure related to combat COVID-19 pandemic, this amount is not required to be transferred to Prime Ministers National Relief Fund and instead will be carried forward to the next financial year for spending towards the intended ongoing projects of animal welfare & protection and also towards combating COVID-19 during the FY 2020-21.

Your Company continues to stay focussed on initiatives that would auger well for the overall development of the communities and make a difference in the quality of living of the underprivileged.

WHISTLE BLOWER MECHANISM (POLICY):

The Company has a vigil mechanism named Whistle Blower Policy / Vigil Mechanism wherein Employees/Directors/Stakeholders of the Company are free to report any unethical improper activity, actual or suspected fraud or violation of the Company's Code of Conduct. The Policy provides for adequate safeguard against victimization of employees who avail the mechanism and also provides direct access to the Chairman of the Audit Committee. During the year under review, the Company has not received any complaints under the said mechanism. The Whistle Blower Policy of the Company has been displayed on the Company's website at www.srikalahasthipipes.com

PREVENTION OF SEXUAL HARASSMENT OF WOMEN AT WORKPLACE POLICY:

As per the requirement of The Sexual Harassment of Women at Workplace (Prevention, Prohibition & Redressal) Act, 2013 ('Act') and Rules made there-under, your Company has constituted Internal Complaints Committee (ICC). While maintaining the highest governance norms, the Company has zero tolerance for sexual harassment at workplace. During the year 2019-20, the Company has not received any complaint of sexual harassment.

BOARD EVALUATION:

The Board of Directors carry out an annual evaluation of its performance, and the performance of its Committees as well as individual Directors. The performance of the board was evaluated by the board after seeking inputs from all the directors on the basis of criteria such as the board composition and structure, effectiveness of board processes, information and functioning etc.,

The criteria for the performance evaluation of the Board of Directors includes aspects such as its composition and structure, and the effectiveness of its processes, information flow and functioning. The criteria for the performance evaluation of individual Directors includes aspects, such as the Director's contribution to the Board of Directors and Committee meetings, including preparation on the issues to be discussed as well as meaningful and constructive contribution and inputs during meetings. In addition, the Chairperson is evaluated on the key aspects of his/her role.

The performance of the committees was evaluated by the board after seeking inputs from the committee members on the basis of criteria such as the composition of committees, effectiveness of committee meetings etc. The Board and the Nomination and Remuneration Committee reviewed the performance of individual directors on the basis of criteria such as the contribution of the individual director to the board and committee meetings like preparedness on the issues to be discussed, meaningful and constructive contribution and inputs in meetings etc.

In a separate meeting of independent directors, performance of non-independent directors, performance of the Board as a whole, performance of the Committee(s) of the Board and performance of the Chairman was evaluated, taking into account the views of other directors. Performance evaluation of independent directors was done by the entire Board, excluding the independent director being evaluated.

FAMILIARISATION PROGRAMME:

All the Board members of the Company are afforded every opportunity to familiarize themselves with the Company, its management, its operations and industry perspective on a regular basis. They are made to interact with senior management personnel and proactively provided with relevant news, views and updates on the Company and sector. All the information/documents sought by them is/are also shared with them for enabling a good understanding of the Company, its various operations and the industry.

The Company organised a Plant visit for independent directors along with Senior Management team in September, 2019 to apprise the directors on the detailed operational aspects. The Directors were apprised on key aspects of operations and market trend and the Company's performance and its future projects.

The details of programmes for familiarisation for Independent Directors are posted on the website of the Company at www.srikalahasthipipes.com.

NUMBER OF MEETINGS OF THE BOARD:

The details of the number of Meetings of the Board held during the Financial Year 2019-20 are given in the Corporate Governance Report which forms part of this report.

RELATED PARTY TRANSACTIONS:

All related party transactions (RPTs) entered into by the

Company with its related parties during the year under review were on arms' length basis and in the ordinary course of business and did not attract provisions of section 188 of the Companies Act, 2013 and were also not material transactions under regulation 23 of the SEBI Listing Regulations, 2015. During the year 2019-20, as required under section 177 of the Companies Act, 2013 and regulation 23 of the SEBI Listing Regulations, 2015, all RPTs were placed before Audit Committee for its approval.

A statement showing the disclosure of transactions with related parties as required by IndAs 24 is given separately in this Annual Report under notes to financial statements. There were no material transactions entered into with related parties, during the year under review, which may have had any potential conflict with the interests of the Company.

No Related Party Transactions (RPTs) were entered into by the Company during the financial year, which attracted the provisions of section 188 of the Companies Act, 2013. There being no 'material' related party transactions as defined under regulation 23 of SEBI Listing Regulations, 2015, there are no details to be disclosed in Form AOC-2 in that regard.

The Company has formulated a policy on "Related Party Transactions" and the process of dealing with such transactions, which are in line with the provisions of the Companies Act, 2013 and SEBI LODR. The same is available on the website of the Company www.srikalahasthipipes.com.

PARTICULARS OF EMPLOYEES AND RELATED DISCLOSURES:

The statement containing particulars of employees as required under Section 197 (12) of the Companies Act, 2013 read with Rule 5 (2) of Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 forms part of this report. However, in terms of Section 136 of the Companies Act, 2013, the Annual Report excluding the aforesaid information is being sent to all the members of the Company and others entitled thereto. Any member interested in obtaining such particulars may write to the Company Secretary at the Registered Office of the Company.

The ratio of the remuneration of each Director to the median employee's remuneration and other details in terms of sub-section 12 of Section 197 of the Companies Act, 2013 read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, is forming part of this report vide Annexure IV.

QUALIFIED INSTITUTIONS PLACEMENT:

Your Company has successfully raised Rs.250 crores through its Qualified Institutional Placement (QIP) in the month of December, 2017, in order to cater to the business purposes, including repayment of long term and short term debt, to fund the organic and inorganic growth of the Company, to meet working capital requirements of the Company and for general corporate purposes. Your Company has utilized entire proceeds raised through QIP for the intended purposes as envisaged in the offer document. Utilization of QIP proceeds during the FY 2019-20 in compliance of SEBI's LODR Regulations, 2015 is given below.

Utilization of QIP Proceeds

Rs. Lakhs

Particulars	As on Mar-19	During FY 2019-20	Total
Amount received from QIP Issue	-	-	25,000
Less:			
Payment of HDFC Term Loan & ICICI ECB	5,214	-	5,214
Capex	2,936	1,423	4,359
Exp of QIP	559	-	559
Working Capital Requirement	11,686	3,182	14,868
Fixed Deposits lying in Banks	4,605	-	-
Total	25,000	4,605	25,000

Energy conservation, technology absorption and foreign exchange earnings and outgo:

The information on conservation of energy, technology absorption and foreign exchange earnings and outgo stipulated under Section 134(3)(m) of the Companies Act, 2013 read with Rule 8 of the Companies (Accounts) Rules, 2014 is given in Annexure V and forms part of this report.

Extract of Annual Return:

As per the requirements of Section 92(3) of the Companies Act, 2013 and Rules framed thereunder, the extract of the annual return for FY 2019-20 is given in Annexure VII in the prescribed Form No. MGT-9, which is part of this report.

OTHER DISCLOSURES:

Particulars of information forming part of the Board's Report pursuant to Section 134 of the Companies Act, 2013 and relevant Rules thereof, not covered elsewhere in the report are given hereunder:

1. There are no qualifications, reservations or adverse remarks or disclaimer made by the Statutory Auditors in their report or by the practicing Company Secretary in the Secretarial Audit Report.
2. The Company, as per its policy, has granted loans to employees aggregating Rs.39.16 lakhs during the year ended 31st March, 2020.
3. Particulars of Loans or investments covered under Section 186 of the Companies Act, 2013 form part of the notes to the financial statement provided in this Annual Report. These loans are primarily granted for

effective utilization of surplus funds available with the Company.

4. There are no material changes or commitments occurring after 31st March, 2020, which may affect the financial position of the Company or may require disclosure.
5. During the year under review, there has been no change in the nature of business of the Company.
6. The Company did not have any subsidiaries, joint ventures and associate companies, which have ceased during the year.
7. The Company has not accepted deposits under Chapter V of the Companies Act, 2013.
8. The Company has not received any such orders from Regulators, Courts or Tribunals during the year, which may impact the going concern status or the Company's operations in future.
9. The Company is in compliance with the Secretarial Standards issued by the Institute of Company Secretaries of India on Meetings of the Board of Directors (SS - 1) and General Meetings (SS - 2).

STATUTORY AUDITORS:

M/s. Lodha & Co., Chartered Accountants (Firm Reg. No. 301051E), were appointed as Statutory Auditors of the Company for a term of five years (subject to ratification by shareholders at every AGM, if required, under the prevailing law at that time) to hold office from the conclusion of 25th Annual General Meeting held in 2017 till the conclusion of 30th Annual General Meeting of the Company to be held in 2022.

The requirement to place the matter relating to appointment of the Auditors for ratification by the members at every Annual General Meeting is done away with vide notification dated 7th May, 2018 issued by the Ministry of Corporate Affairs. Accordingly, no resolution is proposed for ratification of appointment of the Auditors, who were appointed in the Annual General Meeting held on 27th September, 2017. Further, the Notes on financial statements referred to in the Auditors' Report are self-explanatory and do not call for any further comments. The Auditors' Report does not contain any qualification, reservation or adverse remark.

COST AUDITORS:

In terms of the provisions of Section 148 of the Companies Act, 2013 read with the Companies (Cost Records and Audit) Amendment Rules, 2014, the Board of Directors of your Company have on the recommendation of the Audit Committee, appointed M/s. Narasimhamurthy & Co., Cost Accountants, Hyderabad as Cost Auditors, to conduct the cost audit of your Company for the financial year ending 31st March, 2021, at a remuneration as mentioned in the Notice convening the Annual General Meeting. 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 seeking Member's ratification for the remuneration payable to Cost Auditors forms part of the Notice of the ensuing Annual General Meeting. The Cost Audit Report of the Company for the Financial Year ended 31 March, 2019 was filed in XBRL mode with the Ministry of Corporate Affairs within the stipulated due date.

SECRETARIAL AUDITORS:

Pursuant to the provisions of Section 204 of the Companies Act, 2013 and rules thereunder, Mr. S. Chidambaram, Company Secretary in Practice was appointed to conduct the secretarial audit of the Company for the FY 2019-20. The secretarial audit report confirming compliance by Practising Company Secretary to the applicable provisions of the Companies Act, 2013, SEBI LODR Regulations, 2015 and other applicable laws is appended at Annexure VI to this report and it does not contain any qualification, reservation or adverse remark.

INTERNAL AUDITORS:

In line with the provisions of Section 138 of the Companies Act, 2013, M/s. Chaturvedi & Co, Chennai were appointed by the Board as Internal Auditors of the Company for the FY 2019-20. The Audit Committee defines the scope of internal audit from time to time and also reviews the observations of internal auditors and the action taken report submitted by the management on the observations

at its meeting held every quarter and also suggests the management the improvements required in the systems followed by the Company.

GREEN INITIATIVE:

In support of "Green Initiative" taken by the Ministry of Corporate Affairs ("MCA") in the Corporate Governance" by allowing service of documents by a Company to its Members through electronic mode, the Company will continue to send various communications and documents like notice calling general meetings, audited financial statements, directors' report, auditor's report etc., in electronic form, to the email address provided by the Members to the Depositories or to the Company.

Your Company impresses upon its shareholders to contribute to this green initiative in full measure by registering their e-mail addresses, in respect of electronic holdings with the Depository through their concerned Depository Participant. Members who hold shares in physical form are requested to take necessary steps for registering the same so that they can also become a part of the initiative and contribute to the Green Movement.

ANNEXURES TO THE BOARD'S REPORT:

1. Corporate Governance Report is enclosed vide Annexure – I.
2. Pursuant to Regulation 34 of Listing Regulations 2015, Management Discussion and Analysis Report is enclosed vide Annexure – II.
3. Pursuant to Section 135 (4) (a) of the Companies Act, 2013 read with Rule 8 (1) of the Companies (Corporate Social Responsibility Policy) Rules, 2014, the annual report on CSR activities in the prescribed format, forming part of the Director's Report is enclosed vide Annexure – III.
4. Disclosure under Section 197 (12) read with Rule 5(1) of the Companies (Appointment and remuneration of managerial personnel) Rules, 2014 is enclosed vide Annexure – IV.
5. Pursuant to Section 134 (3) (m) of the Companies Act, 2013, information relating to Conservation of Energy, Technology absorption and foreign exchange earnings and outgo is enclosed vide Annexure – V.
6. Pursuant to Section 204 (1) of the Companies Act, 2013 and Rule 9 of the Companies (Appointment and remuneration of managerial personnel) Rules, 2014, the Secretarial Audit Report is enclosed vide Annexure – VI.
7. As per the requirements of Section 92(3) of the Companies Act, 2013 and Rules framed thereunder, the extract of the annual return for the FY 2019-20 is enclosed vide Annexure VII.

8. Pursuant to Regulation 34 of Listing Regulations, 2015, Business Responsibility Report is enclosed vide Annexure VIII.

DIRECTORS RESPONSIBILITY STATEMENT:

The Board of Directors of the Company confirms that:

- i) In the preparation of annual accounts, the applicable accounting standards have been followed and there has been no material departure.
- ii) The selected accounting policies were applied consistently and the Directors 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 as at 31st March, 2020 and of the profit of the Company for the financial year ended 31st March, 2020.
- iii) 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.
- iv) The annual accounts have been prepared on a going concern basis.
- v) Sufficient internal financial controls have been laid down and such internal financial controls are adequate and were operating effectively, and
- vi) Proper systems to ensure compliance with the provisions of all applicable laws have been devised and such systems were adequate and operating effectively.

ACKNOWLEDGEMENTS:

Your Directors wish to convey their appreciation to all of the Company's employees for their contribution towards the Company's performance. Your Directors would also like to thank the shareholders, employee unions, customers, dealers, suppliers, bankers, Governments and all other business associates for their continuous support to the Company and their confidence in its management on behalf of the Board.

Your Directors also wish to place on record their appreciation for the valuable support received by your Company from Banks, Govt. Authorities, Customers, Auditors and other stakeholders. The Board thanks the employees at all levels for the dedication, commitment and hard work put in by them for Company's achievements. Your Directors are grateful to the Shareholders/ Stakeholders for their confidence and faith reposed in the management of the Company.

Your Directors also place on record their sincere appreciation for the valuable guidance received from Mr Mayank Kejriwal, Managing Director and for his constructive contribution in shaping the progressive growth of your Company.

For and on behalf of the Board of Directors

R.K. Khanna
Chairman

Dated: 1st June, 2020