

## BOARD'S REPORT

To,  
The Members,  
Opal Luxury Time Products Limited,  
Pune

Your Directors have pleasure in presenting before you the Twelfth Annual Report of your Company ('the **Company**' or '**Opal**') together with the Audited Financial Statements for the Financial Year ("FY") ended 31<sup>st</sup> March, 2019.

The consolidated performance of the Company and its subsidiaries has been referred to wherever required.

### 1. CORPORATE OVERVIEW

The Company was incorporated in **Year 2007** and thereafter went for SME Listing in the **Year 2013**. **OPAL** is a disruptive lifestyle brand driven by the unstoppable force of changing the conventional trend. The vision for the brand is to challenge the traditional ways at seeing a product.

### 2. FINANCIAL RESULTS & HIGHLIGHTS

PARTICULARS	STANDALONE		CONSOLIDATED	
	Year ended 31.03.2019	Year ended 31.03.2018	Year ended 31.03.2019	Year ended 31.03.2018
Turnover / Income (Gross)	307.95	1259.41	307.95	1259.41
Other Income	2.03	6.05	2.03	6.05
Other Expenditures	1419.25	1329.7	1432.4	1271.81
Interest and Finance Cost	80.18	238.28	80.18	238.44
Depreciation	369.22	367.98	369.22	367.98
Profit Before Tax	(1558.66)	(670.50)	(1571.81)	(612.78)
<b>Tax Expenses</b>				
Current Tax	-	-	-	-

MAT Credit	-	-	-	-
Differed Tax Liability	-	-	-	-
Tax for earlier year	-	0.61	-	0.61
MAT Credit for earlier year	-	-	-	-
Profit After Tax	(1558.66)	(671.11)	(1571.81)	(613.38)
Balance Brought forward from last year	190.73	861.84	195.71	809.99
Profit Available for Appropriation	(1558.66)	190.73	(1571.81)	196.61
Dividend	-	-	-	-
Balance Carried over to Balance sheet	1367.94	190.73	(1376.10)	196.61
Earnings Per Share (Basic & Diluted)	(46.41)	(19.98)	(46.80)	(18.26)
Number of Shares*	3358818	3358818	3358818	3358818

- \*denote number of shares, shown in actual numbers;
- Figures of previous year have been regrouped wherever necessary;
- Equity shares are at par value of Rs. 10/- per share;
- Figures in bracket indicate loss.

### 3. STANDALONE FINANCIALS

The Standalone Revenue from operations for FY 2018-2019 was **Rs. 309.98 Lacs** (Previous Year: Rs. **1265.46 Lacs**). Our Losses for the FY 2018-2019 on Standalone basis stood at **Rs. 1558.66 Lacs** against **Rs. 671.11 Lacs** reported in the Previous Year;

### 4. CONSOLIDATED FINANCIALS

The Consolidated Revenue from operations for FY 2018-2019 was **Rs. 309.98 Lacs** (Previous Year: Rs. **1265.46 Lacs**). Our Losses for the FY 2018-2019 on consolidated basis stood at **Rs. 1571.81 Lacs** against **Rs. 613.38 Lacs** reported in the Previous Year.

## 5. SHARE CAPITAL

The paid up Equity Share Capital as at March 31, 2019 stood at Rs. 335,88,180/- comprising of 33,58,818 Equity Shares of Rs. 10/- each.

During the year under review, the Company has not issued shares or convertible securities or shares with differential voting rights nor has granted any stock options or sweat equity or warrants.

## 6. DIVIDEND AND RESERVES

Considering requirements of the funds into the business operations of the Company, your Directors do not recommend any dividend for the year under the review.

During the year under review your Company transferred entire loss amount into the General Reserves.

## 7. BOARD OF DIRECTORS

The Board of the Company comprises of following Directors during FY 2018-2019:-

SR.NO.	Name of Director	Director Identification Number	Designation
1.	Mr. Sameer Gujar	02291364	Managing Director
2.	Mr. Pradeep Tupe	02968390	Independent Director
3.	Ms. Pratibha Gujar	02405428	Director
4.	Mr. Ramachandran Nair <sup>2</sup>	06445871	Independent Director

The Board has an optimum combination of Executive and Non- Executive Directors and none of the Directors were disqualified from being appointed as Director of the Company.

### Director retire by Rotation

Ms. Pratibha Gujar, Director retire by rotation in terms of provisions of the Act and Articles of Association at the ensuing Annual General Meeting of the Company and offers herself for re-appointment. The Board recommends her re-appointment.

Brief profile of Ms. Pratibha Gujar is given in the notes to the Notice of the ensuing AGM.

## 5. BOARD MEETINGS

During the year under review, the Board of Directors met 5(five) times. Detailed information in respect of the Board Meetings held will be covered in e-form MGT-7 which will be filed with the Registrar of Companies, Pune as per Section 92 of the Companies Act, 2013.

Members who want to access this information shall contact at the registered office of the Company.

The Meetings were held on following dates:-

---

<sup>2</sup> Mr. Ramachandran Nair has resigned from the Board vide his resignation letter dated 05<sup>th</sup> July, 2019

SR.NO.	Date of Board Meeting
1.	29 <sup>th</sup> May, 2018
2.	18 <sup>th</sup> August, 2018
3.	14 <sup>th</sup> November, 2018
4.	20 <sup>th</sup> November, 2018
5.	07 <sup>th</sup> March, 2019

## 6. COMMITTEES OF THE BOARD

The composition, terms of reference and other details of all Board level committees have been elaborated in the report.

Committees set by the Board are:-

1. Audit Committee
2. Stakeholders Relationship Committee
3. Nomination and Remuneration Committee
4. Working Group Committee

### a) **Audit Committee**

The Audit Committee has been constituted by the Board in compliance with Section 177 of the Companies Act, 2013. The terms of reference of Audit Committee include review of financial reporting systems, ensuring compliance with statutory and regulatory provisions, discussions on financial results, etc.

The Committee met three times during the year.

The Audit Committee comprises of: -

- Mr. Ramachandran Nair – Chairman;
- Mr. Pradeep Tupe – Member;
- Mr. Sameer Gujar - Member

### b) **Stakeholders Relationship Committee**

The Stakeholders Relationship Committee has been constituted by the Board pursuant to the Section 178(5) of the Companies Act, 2013. The Committee has been formed broadly for looking into the Redressal of shareholders' and investors' complaints like transfer of shares, non-receipt of balance sheet, issue of duplicate / split / consolidated share certificates, etc.

One Stakeholders Relationship Committee meetings was held during the year under review.

The Stakeholders Relationship Committee comprises of: -

- Mr. Ramachandran Nair – Chairman;
- Mr. Pradeep Tupe – Member;
- Mr. Sameer Gujar – Member

During financial year 2018-19 there were no complaint(s) received from the Shareholders.

#### **c) Nomination and Remuneration Committee**

Nomination and Remuneration Committee is constituted by the Board to determine the remuneration package of the executive directors of the Company, appointment of directors to the board, etc. as per the provisions of Section 178 of the Companies Act, 2013.

Three meetings of the Committee were held during the year under review.

The Nomination and Remuneration Committee comprises of: -

- Mr. Pradeep Tupe – Chairman;
- Ms. Pratibha Gujar - Member;
- Mr. Sameer Gujar – Member

#### **d) Working Group Committee**

The Working Group Committee is constituted by the Board to review day-to-day operations of the Company, suggest improvements in the working & overall business operations.

The Working Group Committee comprises of:-

- Ms. Pratibha Gujar - Chairperson;
- Mr. Pradeep Tupe – Member;
- Mr. Sameer Gujar – Member

### **7. DEPOSITS COVERED UNDER CHAPTER V OF THE COMPANIES ACT, 2013**

<b>S. No.</b>	<b>Particulars</b>	<b>Amount (In Rs.)</b>
1.	Accepted during the year	NIL
2.	Remained unpaid or unclaimed as at the end of the year	NIL
3.	Whether there has been any default in repayment of deposits or payment of interest thereon during the year and if so, number of such cases and the total amount involved	NIL
	(i) At the beginning of the year	NIL
	(ii) Maximum during the year	NIL
	(iii) At the end of the year	NIL

### **8. DEPOSITS NOT IN COMPLIANCE WITH CHAPTER V OF THE COMPANIES ACT, 2013**

Your Company has not accepted any deposits which are not in compliance with Chapter V of the Companies Act, 2013.

### **9. DECLARATION OF INDEPENDENCE**

The Company has received necessary declaration for FY 2018-19 from each independent director under section 149(7) of the Companies Act, 2013, that they meet the criteria of independence as laid down in section 149(6) of the Companies Act, 2013 except Mr. Ramachandran Nair.

## **10. PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS**

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

## **11. SECRETARIAL AUDITOR & REPORT**

The Board appointed Mr. Mahesh G. Bagla, Practicing Company Secretary & Insolvency Professional, Pune (M. No. 21041) as the Secretarial Auditor of the Company for FY 2018-19 pursuant to the Provisions of Section 204(1) of the Companies Act 2013 read with Rule 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 and other applicable provisions, if any, of the Companies Act, 2013.

The Secretarial Audit Report for the financial year ended 31<sup>st</sup> March, 2019 is annexed to this Report as **Annexure E**.

**The Secretarial Audit Report contains qualified opinion in it.**

Managements View:-

The Secretarial Auditor in his Secretarial Audit Report has made certain observation(s)/qualification(s). The Board has noted the same and it will ensure that such irregularities do not occur in the future. However, the Company has appointed Mr. Pravin Salunkhe as CFO of the Company with effect from 24<sup>th</sup> April, 2019. Further, at present the Company is facing working capital crunch as its bank account with Central Bank of India became NPA last year. Efforts are being made to resolve the NPA amicably.

## **12. STATUTORY AUDITOR**

Pursuant to provisions of the Companies Act, 2013, read with the Companies (Audit and Auditors) Rules, 2014, M/s. Bharat J Rughani & Co., Chartered Accountants, Mumbai (Firm Registration No **101220W**) were appointed as the Statutory Auditors of the Company from the conclusion of Tenth (10<sup>th</sup>) Annual General Meeting (“AGM”) till conclusion of fifteenth (15<sup>th</sup>) AGM subject to ratification of their appointment at every AGM by the members.

However the members may note that pursuant to The Companies (Amendment) Act, 2017 the requirement of seeking ratification of the appointment of the Statutory Auditors in every Annual General Meeting has been omitted, and therefore the Company is not seeking ratification.

**The Statutory Audit Report contains certain remark(s)/disclaimer(s)/qualifications.**

Managements View:-

The Board has noted the same and it will ensure that such irregularities do not occur in the future. Currently, the Company is facing working capital crunch as its bank account with Central Bank of India became NPA last year. Efforts are being made to resolve the NPA amicably.

### **13. INTERNAL AUDITOR**

Pursuant to provisions of Section 138 of the Companies Act, 2013 and rules made thereunder, M/s JNP & Associates, Cost & Management Accountants, Pune (Firm Registration No **000572**) were appointed as the Internal Auditors of the Company for FY 2018-2019.

### **14. MATERIAL CHANGES AND COMMITMENTS**

The Company's account held with Central Bank of India became Non-performing Asset (NPA) with effect from 17<sup>th</sup> October, 2018. Further, the Bank issued SARFAESI notice, taken symbolic possession of the flat owned by Promoters and mortgaged with the Bank at the time of availing credit facilities. Your Company had filed a case in DRT against the Bank. We have submitted a Restructuring Proposal to the Bank in May 2019, asking for 2 years moratorium period including interest and repayment in next 96 months. Negotiations are on, bank is asking to reduce the moratorium period, bring in some upfront cash.

### **15. DIRECTORS' RESPONSIBILITY STATEMENT**

Pursuant to Section 134(5) of the Act, the Board of Directors, to the best of their knowledge and ability, confirms that:-

- i. In the preparation of the annual accounts for the financial year ended on 31<sup>st</sup> March, 2019, the applicable accounting standards have been followed along with proper explanation relating to material departures;
- ii. The Directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit and 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 the Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- iv. The Directors have prepared the accounts for the financial year ended 31<sup>st</sup> March, 2019 on a Going Concern basis';
- v. The systems to ensure compliance with the provisions of all applicable laws were in place and were adequate and operating effectively;
- vi. The internal financial controls were in place and that they were adequate and were operating effectively.

### **16. SECRETARIAL STANDARDS**

Your Company has complied with the provisions of the all applicable Secretarial Standards issued by the Institute of Company Secretaries of India.

### **17. EXTRACT OF ANNUAL RETURN**

As required pursuant to Section 92(3) of the Companies Act, 2013 and Rule 12(1) of the Companies (Management and Administration) Rules, 2014, an extract of Annual Return in form MGT 9 is annexed to this Report as Annexure **B**.

## **18. DETAILS OF ADEQUACY OF INTERNAL FINANCIALS CONTROLS**

The Company has in place internal controls commensurate with the size of the Company and the same were operating effectively. The internal control systems operate through policies and process guidelines. These policies, processes and the systems are periodically reviewed and improved upon to meet the changing business environment.

## **19. STATE OF THE COMPANY'S AFFAIRS**

Measures taken / undergoing:

- Reduced staff by 50%.
- Closing down Roorkee operations, closing Pune office and combining both, in an Industrial shed in Pune, hence saving Rs. 3.00 Lacs per month.
- Sold off all non-moving stocks, hence no old or dead material in stock.
- Followed up with debtors and recovered substantial amounts from debtors, hence current debtors are within the credit limit.
- Reduced Organized Retailers stores to only profitable stores. Closed down all non-performing stores.
- Increased the profitability by removing the distributor layer, and dealing directly with around 200 dealers across the country.
- Developed vendors in India, hence reliance on imports reduced.

## **20. CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE OUTGO**

The particulars as required under the provisions of Section 134(3)(m) of the Companies Act, 2013 read with Rule 8 of the Companies (Accounts) Rules, 2014 in respect of conservation of energy, technology absorption, foreign exchange earnings and outgo are as under:

### **Conservation of Energy**

Though your Company does not have energy intensive operations, the Company has always been on the lookout for energy efficient measures for operation, and value conservation of energy through utilization of newer technologies & innovation for improving productivity and quality of products and services.

Every endeavour has been made to ensure the optimal usage of energy, avoid wastage and conserve energy. As an on-going process the Company continued to undertake the following energy conservation measures to minimize the usage of energy:

- Turning off air conditioners during non-peak hours and on weekends;
- Installing LED lights which reduces electricity consumption
- Continuous monitoring of floor areas after normal working hours and switching off lights



The Company has taken many steps to increase energy efficiency. For fulfillment of this purpose they have professional management allowing centralized control and coordination of energy conservation efforts.

### **Technology Absorption**

During the Financial Year under review, your Company focused its efforts and built competencies in areas of new technologies. The Company continues to adopt and use latest technologies to improve the quality of its services and productivity.

### **Foreign exchange earnings and Outgo**

Foreign exchange earnings (FOB Value of exports) & Foreign exchange outgo is as per Financial Statements.

## **21. DETAILS OF DIRECTORS OR KEY MANAGERIAL PERSONNEL APPOINTED OR RESIGNED DURING THE YEAR**

Your Company has not appointed any new Directors nor have any of the existing Directors resigned from the Company during FY 2018-19.

During the period under review, the Board of Directors of your Company has appointed Ms. Nimisha Purohit (M. No A56242) as Company Secretary and Compliance officer of the Company to the Board. Further, Mr. Ramachandran Nair has tendered his resignation from the post of Director. Moreover, Ms. Nimisha Purohit tendered her resignation w.e.f. 03.08.2019 and Mr. Pravin Salunkhe was appointed as CFO of the Company w.e.f. 24.04.2019.

## **22. SIGNIFICANT & MATERIAL ORDERS PASSED BY THE REGULATORS OR COURTS OR TRIBUNAL**

During the year under review, there were no significant and material orders passed by the Regulators or Courts or Tribunals impacting the going concern status of your Company and its future operations.

However, Registrar of Companies (“ROC”) issued an Order under Section 206(1) of the Companies Act, 2013 (“Act”) in the name of Company vide letter dated 13<sup>th</sup> November, 2018. The Company filed its response and necessary submissions / representations were done in this regard. Post filing, your Company did not hear any further requirements from the ROC, Pune.

## **23. PAYMENT OF PENALTIES**

National Stock Exchange vide its letter (NSE/LIST-SOP/REG-29/NOV-2018/FINES/68751) dated 10<sup>th</sup> December, 2018 levied a penalty of Rs. 10,000/- on the Company for Non- Compliance of Listing Regulation 29(2)/(3).

## **24. CORPORATE SOCIAL RESPONSIBILITY (CSR)**

The Company has not developed and implemented any Corporate Social Responsibility initiatives as the said provisions are not applicable.

## **25. VIGIL MECHANISM**

In conformity with the provisions of the Companies Act, 2013 policy has been laid down to provide a mechanism for any concerned person of the Company to approach Chairman of the Audit Committee for the purpose of dealing with instance of fraud and mismanagement, if any and also ensure that whistle blowers are protected from retribution, whether within or outside the organization

## **26. RELATED PARTY TRANSACTIONS**

Particulars of Contracts or Arrangements with Related parties referred to in Section 188(1) – details provided in format AOC-2 as Annexure A.

All transactions entered into with related parties as defined under the Companies Act, 2013 during the financial year were in the ordinary course of business and on an arm's length pricing basis and do not attract the provisions of Section 188 of the Companies Act, 2013 ("Act").

There were no materially significant transactions with the related parties during the financial year which were in conflicts with the interest of the Company. Suitable disclosure as required by the Accounting Standard (AS 18) has been made in the notes to the Financial Statements.

## **27. REPORTING OF FRAUDS BY AUDITOR**

During the year under review, the Statutory Auditors of the Company has not reported any instance of the fraud committed against the Company by its employees/officers, the details of which need to be mentioned in the Board's Report.

## **28. SHARES AND SECURITIES**

### **a. BUY BACK OF SECURITIES**

The Company has not bought back any of its securities during the year under review.

### **b. SWEAT EQUITY**

The Company has not issued any Sweat Equity Shares during the year under review.

### **c. BONUS SHARES**

No Bonus Shares were issued during the year under review.

### **d. EMPLOYEES STOCK OPTION PLAN**

The Company has not provided any Stock Option Scheme to the employees

## **29. LISTING OF SHARES**

The Shares of your Company are listed on the Emerge Platform of National Stock Exchange of India.

## **30. TRANSFER OF UNCLAIMED DIVIDEND TO INVESTOR EDUCATION AND PROTECTION FUND**

The provisions of Section 125(2) of the Companies Act, 2013 do not apply as there was no dividend declared and paid last year.

### **31. CAUTIONARY STATEMENT**

Your Company has taken due caution while preparing this Board's Report. The Report may contain futuristic or forward looking statements, which the management believes them to be true to the best of their knowledge and belief. However, actual results may differ from those mentioned in the Report.

### **32. ACKNOWLEDGEMENTS**

Your Directors would like to place on record their gratitude for all the guidance and co-operation received from all its clients, vendors, bankers, financial institutions, business associates, advisors, regulatory and government authorities. Your Directors also take this opportunity to thank all its Shareholders and Stakeholders for their continued support and all the employees of the Opal for their valuable contribution and dedicated service.

### **FOR AND ON BEHALF OF THE BOARD OF DIRECTORS**

**SAMEER GUJAR**  
**CHAIRMAN**

**Place:** Pune

**Date:** 05th September, 2019

