



## DIRECTORS' REPORT

To,  
The Members,

Pursuant to order dated 26-02-2019 of the Hon'ble National Company Law Tribunal - Ahmedabad Bench at Ahmedabad ("NCLT Order"), Corporate Insolvency Resolution Process ("CIR Process") has been initiated for the Company in accordance with the provisions of the Insolvency and Bankruptcy Code, 2016, ("Code") and related rules and regulations issued there under with effect from 26-02-2019 (Corporate Insolvency Resolution Process Commencement Date). Shri Mr. Pinakin Shah was appointed as Interim Resolution Professional (IRP). The members of the CoC have in their first meeting appointed Mr. Ramchandra Dallaram Choudhary by replacing the IRP. The Hon'ble NCLT has appointed Mr. Ramchandra Dallaram Choudhary as Resolution Professional vide order dated 13-06-2019 which was confirmed by the Board on 26-07-2019.

The powers of Board of Directors of the Company stand suspended effective from the CIR Process commencement date and such powers along with the management of affairs of the Company are vested with the Resolution professional ("RP"). In view hereof, Annual General Meeting is being called and convened by the Order of RP.

### 1. FINANCIAL HIGHLIGHTS

Particulars	2018-2019 (Rs)	2017-2018 (Rs)
Income for the year was	1,454,757,795	5,14,37,16,250
<b>Profit before Financial Charges, Depreciation and Taxation</b>	<b>(52,65,17,458)</b>	<b>3,90,14,107</b>
<b>Out of which Provisions have been made for :-</b>		
Financial Charges	33,930,906	3,55,97,086
Depreciation	-	32,86,070
Provision for Taxation:		
i. Current Income Tax	-	40,000
ii. Deferred Tax	-	(95,494)
<b>Profit after Income Tax (Rs)</b>	<b>(560,448,364)</b>	<b>1,86,445</b>

### 2. OPERATION & REVIEW

To receive, consider and adopt the audited Balance Sheet as at 31st March, 2019 and Statement of Profit & Loss together with Notes forming part thereto ("Financial Statement") for the year ended on 31st March, 2019 and Report of the Board of Directors and Auditors thereon. Total Revenue from operation of the company is Rs. 1,484,912,047/- And the net loss after tax is Rs. 560,448,364 for the Financial year 2018-19.

### 3. DIVIDEND

In view of ongoing CIR Process, vide order dated 26.02.2019 of Hon'ble NCLT, Ahmedabad Bench, the matter was not considered.



#### **4. SHARE CAPITAL**

The issued Equity Share capital as on 31st March, 2019 is Rs. 108,746,360. During the year under review, the Company has not issued shares with differential voting rights nor granted stock options nor sweat equity. Paid up Equity capital of the company as on 31<sup>st</sup> March, 2019 stands at Rs. 108,746,360.

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

Since there was no unpaid/unclaimed dividend, the provisions of Section 125 of the Companies Act, 2013 do not apply.

#### **6. TRANSFER TO RESERVES**

During the year under review, the Company has not transferred any amount to General Reserves account.

#### **7. CHANGE IN THE NATURE OF THE BUSINESS**

During the year, there is no change in the nature of the business of the Company.

#### **8. LISTING ON STOCK EXCHANGES**

Your Company's shares are listed on BSE Limited.

#### **9. DIRECTORS AND KEY MANAGERIAL PERSONNEL**

##### **a) Retirement by Rotation**

In accordance with the provisions of the Companies Act, 2013 Mrs. Olga Menezes Vincentpaul (Din: 02030682), who retires by rotation in terms of Section 152(6) of the Companies Act, 2013 and being eligible offers herself for reappointment. Appropriate resolutions for the reappointment are being placed for your approval at the ensuing AGM.

#### **10. NUMBER OF BOARD MEETINGS**

Four meetings of the Board were held during the year under review. The details of which are given in the Corporate Governance Report.

#### **11. BOARD EVALUATION**

Pursuant to the provisions of the Companies Act, 2013 and SEBI (LODR) Regulation, 2015, the Board has carried out an annual performance evaluation of its own performance, the directors individually as well as the evaluation of the working of its Various Committees.

#### **12. DIRECTORS' RESPONSIBILITY STATEMENT**

Pursuant to the requirement under Section 134(5) of the Companies Act, 2013, with respect to Directors' Responsibility Statement, it is hereby confirmed that:

- a) In the preparation of the annual accounts, the applicable accounting standards have been followed along with explanation relating to material departures;
- b) 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/loss of the company for that period;

- c) 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;
- d) The directors have prepared the annual accounts on a going concern basis; and
- e) The directors have laid down internal financial controls to be followed by the company and that such internal financial controls are adequate and were operating effectively.
- f) The directors have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

### **13. CORPORATE GOVERNANCE:**

As per Regulation 15(2) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 the provisions of corporate governance are not applicable to the company as company has not attained the prescribed limit as mentioned hereunder:

The Corporate Governance norms shall not be mandatory for companies having paid up capital not exceeding Rs. 10 Crores and net worth not exceeding Rs. 25 Crores as on the last day of the previous financial year.

### **14. MANAGEMENT DISCUSSION AND ANALYSIS REPORT:**

As required by SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 with the Stock Exchange, the Management Discussion and Analysis report form part of the Annual Report and is annexed herewith as Annexure B.

### **15. ADEQUACY OF INTERNAL FINANCIAL CONTROLS**

The Company has in place adequate internal financial Controls with reference to Financial Statements. The Board has inter alia reviewed the adequacy and effectiveness of the Company's internal financial controls relating to its financial statements. During the year, such Controls were tested and no reportable material weakness was observed.

### **16. DEPOSITS**

Your Company has neither invited nor accepted any fixed deposit from the public during the year.

### **17. RELATED PARTY TRANSACTIONS**

No related party transactions had taken place during the year under review.

### **18. PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS MADE UNDER SECTION 186 OF THE COMPANIES ACT, 2013**



During the year, the Company has not given any loan, guarantee or provided security in connection with the loan to any other body corporate or person or made any investments hence no particulars of the loans, guarantees or investments falling under the provisions of Section 186 of the Companies Act, 2013 are provided by the Board.

**19. EXTRACT OF ANNUAL RETURN**

The extract of Annual Return as per section 92 of the Companies Act, 2013 read with Rule 12 of the Companies (Management and administration) Rules, 2014 in Form MGT-9 is annexed herewith to this report as "Annexure – A"

**20. DETAILS OF POLICY DEVELOPED AND IMPLEMENTED BY THE COMPANY ON ITS CORPORATE SOCIAL RESPONSIBILITY INITIATIVES**

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

**21. SIGNIFICANT AND MATERIAL ORDER PASSED BY REGULATORS OR COURTS OR TRIBUNALS IMPACTING THE GOING CONCERN STATUS AND COMPANY'S OPERATIONS IN FUTURE**

Except as disclosed in this report, no orders have been passed by the Regulators or Courts or Tribunals impacting the going concern status and the Company's operation.

**22. MATERIAL CHANGES AND COMMITMENTS AFFECTING THE FINANCIAL POSITION OF THE COMPANY WHICH HAVE OCCURRED BETWEEN THE END OF THE FINANCIAL YEAR OF THE COMPANY TO WHICH FINANCIAL STATEMENTS RELATE AND THE DATE OF THE REPORT**

Except as disclosed in this report, there were no material changes and commitments affecting the financial position of the Company which have occurred between the end of the financial year and the date of this report.

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

The particulars as required under the provisions of Section 134(m) of the Companies Act, 2013 in respect of conservation of energy and technology absorption have not been furnished considering the nature of activities undertaken by the company during the year under review. Further during the year under review, the Company has neither earned nor used any foreign exchange.

**24. AUDITORS:**

- **STATUTORY AUDITORS**

At the 22<sup>nd</sup> AGM held on 29-09-2018 **M/S. PARTH SHAH AND ASSOCIATES** Chartered Accountant, Ahmedabad (FRN: 144251W) has been appointed as a Statutory Auditor of the company in place of erstwhile Auditor M/s Dhaval Padiya & Co. having FRN: 140653W to hold the Office up to the Conclusion of 27<sup>th</sup> Annual General Meeting. The Company has received a confirmation from the said Auditors that they are not disqualified to act as the Auditors and are eligible to hold the office as Auditors of the Company.



- **COST AUDITORS**

The Company has not appointed the Cost Auditor as pursuant to Section 148 of the Companies Act, 2013 read with the Companies (Cost Records and Audit) Amendment Rules, 2014, the cost audit is not applicable to the Company.

- **SECRETARIAL AUDITORS & SECRETARIAL COMPLIANCE REPORT**

Pursuant to the provisions of Section 204 of the Act and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Board of Directors had appointed Mrs Anisha Jhunjunwala Company Secretaries in Practice to undertake the Secretarial Audit of the Company. There is no qualification, reservation or adverse remark made in their Secretarial Audit Report submitted to the Company. The Secretarial Audit Report is attached herewith as Annexure D.

Pursuant to circular No CIR/ CFD/ CMD1/ 27/ 2019 dated February 08, 2019, issued by the Securities and Exchange Board of India (SEBI) the Company has obtained Annual Secretarial Compliance Report, from a Practicing Company Secretary (PCS) on compliance of all applicable SEBI Regulations and circulars/ guidelines issued there under and the copy of the same shall be submitted with the Stock Exchanges within the prescribed due date.

**25. AUDIT COMMITTEE/ NOMINATION AND REMUNERATION COMMITTEE/ STAKEHOLDERS' RELATIONSHIP COMMITTEE**

The details of various committees and their functions are part of Corporate Governance Report and it enclosed herewith to this report as Annexure - C.

**26. ACKNOWLEDGEMENTS**

Suspended Board of Directors place on record their gratitude for the continuing support of Shareholders, bankers and Business associates at all levels.

**By the Order of the Resolution Professional**

Date: 31/10/2019

Place: Ahmedabad

Snehal Patel  
(Suspended Board of Directors)  
DIN: 01655758