

Board's Report

Dear Members,

The Board of Directors are pleased to present the **08th Annual Report** of the Company for the Financial Year ended March 31, 2019.

1. FINANCIAL RESULTS

The Company's financial performance for the year ended on March 31, 2019 is as below: (Rs in Lakhs.)

Particulars	Standalone		Consolidated	
	31.03.2019	31.03.2018	31.03.2019	31.03.2018
Total Income from Operations (incl. other income)	17022.98	9181.68	21337.68	9343.14
Less: Operating and Admin. Expenses	(14358.67)	(7571.05)	(18049.81)	(7724.25)
Profit before depreciation and Taxes	2664.31	1610.63	3287.87	1618.89
Less: Depreciation	(159.22)	(187.58)	(171.33)	(187.75)
Add: Extraordinary/Exceptional Items	-	-	-	-
Profit before interest and tax(PBIT)	2505.09	1423.05	3116.54	1431.14
Less: Interest	(405.58)	(268.55)	(413.99)	(268.83)
Profit before Tax (PBT)	2099.51	1154.50	2702.55	1162.31
Less: Taxes (including deferred tax and fringe benefit tax)	729.95	310.27	876.01	308.25
Profit after Tax (PAT)	1369.56	844.23	1826.54	854.07
Balance brought forward from previous period	-	-	-	-
Other Comprehensive Income for the period	(0.96)	12.24	(0.96)	12.23
Total Comprehensive Income	1368.59	856.47	1825.57	866.3

2. COMPANY'S PERFORMANCE REVIEW

During the financial year 2018-19, revenue from operations on standalone basis increased to Rs. 17022.99 lakhs as against Rs. 9096.58 lakhs in the previous year - a growth of 87.13%. The profit after tax for the financial year 2018-19 is Rs. 1369.56 lakhs against Rs 844.23 lakhs in the previous year – a growth of 62.22%.

On consolidated basis, the group achieved revenue from operations in the financial year 2018-19 is Rs. 21326.16 lakhs against Rs. 9257.98 lakhs in the previous year - a growth of 130.35%. The profit after tax for the financial year 2018-19 is Rs. 1826.53 lakhs against Rs 854.07 lakhs in the previous year – a growth of 113.86%.

3. CAPITAL STRUCTURE

The Authorised Share Capital of the Company as on March 31, 2019 was Rs 32,00,00,000 (Rupees thirty two crore) divided into 3,20,00,000 (Three crore twenty lakhs) equity shares of Rs 10 each.

The paid up share capital of the Company as on March 31, 2019, was Rs 30,07,32,620 (Rupees thirty crores seven lakhs thirty two thousand six hundred and twenty only) divided into 30073262 (Three crore seventy three thousand two hundred and sixty two) equity shares of Rs 10 each.

4. CONVERSION OF PREFERENTIAL WARRANTS INTO EQUITY SHARES

Company had issued total 49,74,585 preferential warrants convertible into equity shares on February 08, 2018. During the year 2018-19, total 43,20,254 warrants were converted into equity shares. As on March 31, 2019, 654,331 warrants were pending for conversion and had been forfeited on August 09, 2019.

5. ISSUE OF BONUS SHARES

The Company had allotted 15036631 equity shares as fully paid up bonus shares in the ratio of 1:1 (one equity share for every one existing equity share held as on the record date) to its shareholders on November 23, 2019, pursuant to a resolution passed by the shareholders on November 03, 2018.

6. DIVIDEND

Based on Company's performance, the Director's have recommended a final dividend of Rs. 0.20 per equity share for FY 2019. The final dividend on equity shares, if approved by the members, would involve a cash outflow of Rs. 60.15 lakhs, excluding dividend distribution tax.

7. DEPOSIT

During the year under review your company has not accepted any deposits pursuant to the provisions of Section 73 to 76 of the Companies Act, 2013.

8. CHANGES IN NATURE OF BUSINESS

There is no significant change made in the nature of business of the company during the financial year.

9. SUBSIDIARY COMPANIES

The Company has 2 wholly owned subsidiaries as on March 31, 2019, namely Jiya Eco India Limited (CIN: U40106GJ2016PLC093343) and Jiya Eco (Gandhidham) Private Limited (CIN: U01100GJ2018PTC100918), both the Companies incorporated under the Companies Act, 2013.

There are no associates or joint venture companies within the meaning of Section 2(6) of the Companies Act, 2013 ("Act").

Pursuant to the provisions of Section 129(3) of the Act, a statement containing salient features of financial statement of the subsidiary Companies in Form AOC-1 is attached to the financial statement of the Company.

Further, pursuant to provisions of Section 136 of the Act, the financial statement of the Company, consolidated financial statement along with relevant documents and separate audited financial statements in respect of subsidiaries, are available on the website of the Company www.jiyaeco.com.

10. CONSOLIDATED FINANCIAL STATEMENT

As per Regulation 33 of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (hereinafter referred to as ("Listing Regulations) and applicable provisions of the Companies Act, 2013 read with Rules issued thereunder, the Consolidated Financial Statements of the Company for the financial year 2018-19 have been prepared in compliance with applicable Indian Accounting Standards and on the basis of audited financial statements of the Company, its subsidiary Companies, as approved by the respective Board of Directors.

The Consolidated Financial Statements together with the Auditor's Report forms part of this Annual Report.

11. TRANSFER TO RESERVE

Total Comprehensive Income for the year of Rs. 13.68 crore was added to the retained earnings and the balance as at March 31, 2019 stood at Rs. 33.96 crore. Your Company has not transferred any amount to the General Reserve for the financial year ended March 31, 2019.

12. HUMAN RESOURCES

The total employee strength during the year of the Company as of March 31, 2019 was 100-110, including daily wagers. Given the nature of the operations, a significant portion of the said employee strength comprises of drivers, cleaners and other unskilled employees. Your management feels proud to state that there were no instances of strikes, lockouts or any

other action on part of the employees that affected the functioning of the Company. It is noteworthy that there is no Employee Union within the organization.

13. DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to Section 134(5) of the Companies Act, 2013 the Board of Directors, to its best of its knowledge and ability confirm that:

- (a) in the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures;
- (b) the directors had 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 that period;
- (c) the directors had 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 had prepared the annual accounts on a going concern basis; and
- (e) the directors, had laid down internal financial controls to be followed by the company and that such internal financial controls are adequate and were operating effectively
- (f) the directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

14. DIRECTORS AND KEY MANAGERIAL PERSONNEL

Retirement by rotation and subsequent re-appointment

Mr. Yogesh C. Patel, Managing Director (DIN: 05147701) retires by rotation and being eligible, offers himself for re-appointment. A resolution seeking shareholders' approval for his re-appointment forms part of the Notice.

Re-appointment of Bhavesh J. Kakadiya as Managing Director

Mr. Bhavesh J. Kakadiya was appointed as Managing Director on December 19, 2014 for five years till December 18, 2019. Based on the recommendation by the Nomination and Remuneration Committee and Board in its meeting held on August 26, 2019, his re-appointment of the second term of five years is proposed at the ensuing AGM for the approval of the Members by way of Special Resolution. A resolution seeking shareholders' approval for his re-appointment forms part of the Notice.

Re-appointment of Independent Directors

Mr. Nimish Jani was appointed as an Additional Independent Director by the board of Directors on January 20, 2015 for five years till January 19, 2020. His appointment was approved by the shareholders of the Company in the Annual General Meeting held on September 30, 2015. Based on the recommendation by the Nomination and Remuneration Committee and Board in its meeting held on August 26, 2019, for his re-appointment of the second term of five years is proposed at the ensuing AGM for the approval of the Members by way of Special Resolution. A resolution seeking shareholders' approval for his re-appointment forms part of the Notice.

Mr. Tushar Patel was appointed as an Additional Independent Director by the board of Directors on May 20, 2015 for five years till May 19, 2020. His appointment was approved by the shareholders of the Company in the Annual General Meeting held on September 30, 2015. Based on the recommendation by the Nomination and Remuneration Committee

and Board in its meeting held on August 26, 2019, his re-appointment of the second term of five years is proposed at the ensuing AGM for the approval of the Members by way of Special Resolution. A resolution seeking shareholders' approval for his re-appointment forms part of the Notice.

Declaration of Independence from Independent Directors

Pursuant to the provisions of Section 149 of the Companies Act, 2013, Independent Directors have submitted declarations that each of them meet the criteria of independence as provided in Section 149(6) of the Act, along with Rules framed thereunder and Regulation 16 (1)(b) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

During the year under review the non-executive directors of the Company had no pecuniary relationship or transactions with the Company, other than sitting fees, commission and reimbursement of expenses incurred by them for the purpose of attending meetings of the Board/Committee of the Company.

Key Managerial Personnel

Pursuant to the provisions of Section 203 of the Companies Act, the Key Managerial Personnel of the Company as on March 31, 2019 are: Mr. Bhavesh J. Kakadiya (DIN: 05147695) Managing Director, Mr. Yogesh C. Patel Managing Director, (DIN: 05147701), Mr. Vipul S. Vora- Chief Financial Officer and Mr. Harshil Shah- Company Secretary.

15. NUMBER OF MEETINGS OF THE BOARD

Twelve meetings of the Board of Directors were held during the year under review. For more details of meetings of board of Directors, please refer to the Corporate Governance Report, which forms part of this Annual report.

16. BOARD EVALUATION

The Board of Directors has carried out an annual evaluation of its own performance, board committees, and individual directors pursuant to the provisions of the Act and SEBI Listing Regulations.

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 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 above criteria are based on the Guidance Note on Board Evaluation issued by the Securities and Exchange Board of India on January 5, 2017.

In a separate meeting of independent directors, performance of non-independent directors, the board as a whole and the Chairman of the Company was evaluated, taking into account the views of executive directors and nonexecutive directors.

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 the board meeting that followed the meeting of the independent directors and meeting of Nomination and Remuneration Committee, the performance of the board, its committees, and individual directors was also discussed. Performance evaluation of independent directors was done by the entire board, excluding the independent director being evaluated.

17. POLICY ON DIRECTOR'S APPOINTMENT AND REMUNERATION AND OTHER DETAILS

The Company's policy on director's appointment and remuneration and other matters provided in Section 178 (3) of the Act has been disclosed in the Corporate Governance Report, which is a part of this report and is also available on www.jiyaeco.com.

18. INTERNAL FINANCIAL CONTROL SYSTEM AND THEIR ADEQUACY

The details in respect of internal financial control and their adequacy are included in the Management Discussion and Analysis is covered under “Annexure A” which is a part of this report.

19. AUDIT COMMITTEE

The details pertaining to the composition of the audit committee are included in the Corporate Governance Report, which is a part of this report.

20. AUDITORS

At the seventh AGM held on September 18, 2018 the Members approved appointment of M/s Philip Fernandes & Co, Chartered Accountants (FRN:128122W) as Statutory Auditors of the Company to hold office for a period of five years from the conclusion of that AGM till the conclusion of the twelfth AGM, subject to ratification of their appointment by Members at every AGM, if so required under the Act. The requirement to place the matter relating to appointment of auditors for ratification by Members at every AGM has been done away by the Companies (Amendment) Act, 2017 with effect from May 7, 2018. Accordingly, no resolution is being proposed for ratification of appointment of statutory auditors at the ensuing AGM and a note in respect of same has been included in the Notice for this AGM.

21. AUDITOR’S REPORT AND SECRETARIAL AUDIT REPORT

The Auditor’s Report for the financial year ended March 31, 2019 does not contain any qualification, reservation or adverse remark.

Secretarial Audit Report which is annexed to this report as “Annexure B”, which contains qualifications and Management has taken the note of the same and will comply with the provisions in due course.

22. DISCLOSURE OF ACCOUNTING TREATMENT

These Financial statements of the Company are prepared in accordance with India Accounting Standards (“Ind AS”), notified under section 133 of Companies Act, 2013 read along with Companies (Indian Accounting Standards) Rules, 2015 as amended and other relevant provisions of the Act.

23. RISK MANAGEMENT

The Company has established a well-defined process of risk management, wherein the identification, analysis and assessment of the various risks, measuring of the probable impact of such risks, formulation of risk mitigation strategy and implementation of the same takes place in a structured manner. Though the various risks associated with the business cannot be eliminated completely, all efforts are made to minimize the impact of such risks on the operations of the Company. Necessary internal control systems are also put in place by the Company on various activities across the board to ensure that business operations are directed towards attaining the stated organizational objectives with optimum utilization of the resources.

The Company, through its risk management process, aims to contains the risks within its appetite. There are no risks which in the opinion of the Board threaten the existence of the Company.

24. PARTICULARS OF LOANS, GUARANTEES AND INVESTMENTS

The particulars of loans, guarantees and investments have been disclosed in the Note 08 of the Standalone financial statements.

25. TRANSACTIONS WITH RELATED PARTIES

All contracts/ arrangements/ transactions entered by the Company with Related Parties were in ordinary course of business and at arm's length basis.

All transactions with related parties were reviewed and approved by the Audit committee and are in accordance with the policy on related Party Transactions formulated by the Company.

The details of the related party transactions as per Indian Accounting Standards (IND AS) – 24 are set out in the notes of the Financial Statements of the Company.

Form AOC-2 pursuant to Section 134 (3) (h) of the Companies Act, 2013 read with Rule 8(2) of the Companies (Accounts) Rules, 2014 is set out in the “Annexure C” which is a part of this report.

26. CORPORATE SOCIAL RESPONSIBILITY

The brief outline of the Corporate Social Responsibility (CSR) policy of the Company and other details are set out in “Annexure D” which is a part of this report in the prescribed format of the Companies (Corporate Social Responsibility Policy) Rules, 2014. The CSR policy is available on www.jiyaeco.com.

27. EXTRACT OF ANNUAL RETURN

As per the requirements of Section 92(3) of the Act and Rules framed thereunder, the extract of the annual return for FY 2019 is given in “Annexure E” which is a part of this report in the prescribed Form No. MGT-9, which is a part of this report. The same is available on <https://www.jiyaeco.com/uploads/258344.pdf>.

28. PARTICULARS OF EMPLOYEES

The details of particulars of employees is stated in “Annexure F” which is a part of this report.

29. SEXUAL HARASSMENT

The Company has complied with the provisions relating to the Constitution of Internal Complaints Committee under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013. There was no case filled or registered with the Committee during the year, under the Sexual Harassment of Women at Workplace (Prevention, Prohibition & Redressal) Act, 2013. Further Company ensures that there is a healthy and safe environment for every women employee at the workplace and made the necessary policies for safe and secure environment for women employee.

30. COST RECORDS

The Company is not required to maintain cost records as specified by the Central Government under sub-section (1) of Section 148 of the Companies Act, 2013.

31. DISCLOSURES REQUIREMENTS

As per SEBI Listing Regulations, the Corporate Governance Report with the Auditors' Certificate thereon, and the Management Discussion and Analysis are attached, which forms part of this report.

The Company has devised proper systems to ensure compliance with the provisions of all applicable Secretarial Standards issued by the Institute of Company Secretaries of India and that such systems are adequate and operating effectively.

32. CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNING AND OUTGO

The information relating to conservation of energy, technology absorption and foreign exchange earnings & outgo as required under Section 134 of the Companies Act, 2013 read with the Companies (Accounts) Rules, 2014 is Annexed herewith as “**Annexure - G**” which is a part of this report.

33. HONOURED LISTING ON NSE PLATFORM

First half of 2019-20 has been considered as a year of success and achievements. In one of a circular issued by National Stock Exchange Limited, dated, August 16, 2019, Saturday, have honoured and permitted Jiya Eco-Products Limited and securities of other 13 Companies to trade and admitted to deal on the exchange. Such circular was effective from Monday, August 19, 2019.

Various Points would have been considered by the National Stock Exchange Limited before honouring 14 such Companies including Jiya Eco-Products Limited. Our Company has always complied with all the Compliances that were applicable and had always complied with all the Corporate Governance requirements.

Jiya Eco-Products Limited is thankful to the National Stock Exchange Limited for such honoured Listing.

NSE Symbol: JIYAECO

ISIN: INE023S01016

(Download ref. No.: NSE/CML/41893 and circular ref. no.: 0693/2019)

<https://www.nseindia.com/content/circulars/CML41893.pdf>

34. ACKNOWLEDGEMENT

The Board Members thank the Company’s employees, customers, vendors, investors and academic partners for their continuous support.

The Directors also thank the Government of India, Governments of various states in India, Governments of various countries and concerned Government departments and agencies for their co-operation.

The Directors appreciate and value the contribution made by every member of the Jiya Eco family.

On behalf of Board of Directors

Bhavesh J. Kakadiya

Managing Director (DIN: 05147695)

Ahmedabad, August 26, 2019