

**DIRECTOR'S REPORT AND MANAGEMENT DISCUSSION AND ANALYSIS**

To,  
The Shareholders,  
Waaree Technologies Limited  
Mumbai

Your Directors are pleased to present the 07<sup>th</sup> Annual Report on the business and operations of the Company and the accounts for the Financial Year ended March 31, 2020.

**1. FINANCIAL SUMMARY OR HIGHLIGHTS / PERFORMANCE OF THE COMPANY:**

The Board's Report shall be prepared based on the standalone financial statements of the Company.

Particulars	Year Ended on March, 2020	Year Ended on March, 2019
	Amt. in Rs.	Amt. in Rs.
<b>Total Income</b>	(6,620,355)	16,087,928
Less: Expenditure	(5,242,656)	17,075,356
<b>Profit/(Loss) before Tax</b>	(1,377,700)	(987,428)
Less: Tax Expense	5,905	192,341
<b>Profit/(Loss) after Tax</b>	(1,371,795)	(7,95,087)

**2. BRIEF DESCRIPTION OF THE COMPANY'S OPERATIONS DURING THE YEAR / STATE OF COMPANY'S AFFAIR**

During the financial year ended on March 31, 2020, the Company earned revenue of Rs. 10.01 lacs from other operation and there was a return of goods during the year, hence there is negative revenue from operation.

**3. NATURE OF BUSINESS**

During the financial year, the Company has not generated any revenue from the operation. The Company is exploring the business opportunities in the areas of solar energy, as approved by the members at the Extra-ordinary General Meeting held on November 27, 2019.

**4. DIVIDEND**

In view of the losses incurred during the financial year ended on March 31, 2020, there was no dividend recommended for the period.

**5. SHARE CAPITAL**

The Paid up equity share capital as at March 31, 2020 is Rs. 26,320,000 (Rupees Two crore sixty three lac twenty thousand only). There was no change in share capital of the company during the year.

**6. RESERVES**

No amount has been transferred to Reserves account during the financial year.

**7. CORPORATE GOVERNANCE**

With reference to the captioned subject and regulation 15(2) (b) of the said regulations the compliance with the corporate governance provisions as specified in regulations 17, 18, 19, 20, 21, 22, 23, 24, 25, 26, 27 and clauses (b) to (i) of sub-regulation 46 and para C, D and E of the Schedule V shall not apply to those listed entity which has the specified securities on the SME Exchange.

Further, Company is listed on the SME Platform of BSE Limited having net worth of Rs. 3.79 crore only. Hence Compliance with above mentioned provisions relating to Corporate Governance are not applicable and the Company is not required to file report on Corporate Governance Report on quarterly basis with the Stock Exchange.

**8. ANNUAL RETURN**

In pursuance to the provisions of section 92(3) of the Companies Act, 2013, Annual Return for the financial year ended on March 31, 2020 is available at <http://hktrade.in/pdf/Annual%20Return%202020.pdf> on the website of the Company i.e. [www.hktrade.in](http://www.hktrade.in).

**9. SUBSIDIARY, ASSOCIATE AND JOINT VENTURE COMPANIES**

As on March 31, 2020, the Company has no subsidiary or Associate Company or Joint Venture Company.

**10. CONSOLIDATED FINANCIAL STATEMENT**

The Company is not required to consolidate its financial statements in terms of provisions of Companies Act, 2013 and rules there-under.

**11. PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS BY COMPANY**

Details of Loans, Guarantees and Investments covered under the provisions of Section 186 of the Companies Act, 2013 are given in the notes to financial statements for the financial year ended on March 2019.

**12. BOARD EVALUATION, INDUCTION AND TRAINING OF BOARD MEMBERS**

Pursuant to the provisions of the Companies Act, 2013 and under obligations of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Board carries out the annual performance evaluation of its own performance, of the Directors individually as well as the evaluation of working of its various Committees. A structured questionnaire is prepared after taking into consideration the inputs received from Directors, covering various aspects of the Board's functioning such as adequacy of the composition of the Board and its Committees, board culture, execution and performance of specific duties, obligations and governance.

The performance evaluation of the Independent Directors was completed. The performance evaluation of the Chairman and the Non-Independent Directors was carried out by the Independent Directors. The Board of Directors expressed their satisfaction with the evaluation process.

**13. DIRECTORS AND KEY MANAGERIAL PERSONNEL**

- (a) In terms of the provision of section 152 of the Companies Act, 2013 and of Articles of Association of the Company, Mr. Rushab P. Doshi Director of the Company retires at the ensuing Annual General Meeting and being eligible, seeks re-appointment.
- (b) During the Financial year 2019-20, Mr. Hiren Desai has tendered resignation from the Board with effect from April 11, 2019. .
- (c) Mr. Jayesh D Shah has been appointed as Independent Director of the Company with effect from June 18, 2020, subject to the approval of the members and being eligible for appointment at the ensuing Annual General Meeting..
- (d) All Independent Directors have furnished to the Company a declaration under Section 149 (7) of the Companies Act, 2013 stating that they meet criteria of Independence as provided under section 149(6) of the Companies Act, 2013 and SEBI Listing Regulations.

**14. BOARD OF DIRECTORS AND COMMITTEES THEREOF****(a) Composition of the Board of Directors**

The Board of the Company is composed of individuals from diverse fields. The Board of the Company is composed of Executive, Non-Executive and Independent Directors.

As on March 31, 2020, the strength of the Board of Directors of the Company was at Four Directors comprising of Two Executive and Two Non-Executive Independent Directors. The details of the Board of Directors as on March 31, 2020 are given below:

Name of the Director	Designation	Date of Joining	No. of Directorships / Committee Memberships/ Chairmanships			
			Public Limited Companies (including this)	Private Limited and Section 8 Companies	Committee Memberships (including this)	Committee Chairman Ships (including this)
Mr Rajender Mohan Malla	Non-Executive Independent Director	20/03/19	11	3	04	Nil
Mr. Kirit Chimanlal Doshi	Chairman & Managing Director	24/10/18	1	8	01	Nil
Mrs Ruchi Sethi	Non-Executive Independent Director	20/03/19	1	Nil	Nil	03
Mr. Rushabh Pankaj Doshi	Executive Director	27/11/18	1	1	02	Nil

The composition of the Board also complies with the provisions of the Companies Act, 2013 and Regulation 17 (1) of SEBI (LODR) Regulations, 2015.

All the Independent Directors had furnished to the Company a declaration under section 149 (7) of the Companies Act, 2013 stating that they meet the criteria of independence as provided under section 149(6) of the Companies Act, 2013 and SEBI Listing Regulations.

**(b) Board Meetings**

The Board/Committee meetings are pre-scheduled and proper notices of Board and Committee meetings is circulated to the Directors well in advance to enable them to plan their schedules and to ensure their meaningful participation in the meetings.

During the financial year, the Board of Directors of the Company met 5 (five) times. The gap between two Board meetings was in compliance with the provisions of the Act and the SEBI (LODR) Regulations, 2015. Details of Directors as on March 31, 2020 and their attendance at the Board meetings and Annual General Meeting ("AGM") during the financial year ended March 31, 2020 are given below:

Date of Meeting	Name of the Director			
	Mr. Rajender Mohan Malla	Mr. Kirit Chimanlal Doshi	Mrs. Ruchi Sethi	Mr. Rushabh P. Doshi
April 26, 2019	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
May 14, 2019	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
July 30, 2019	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
November 12, 2019	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
January 07, 2020	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
AGM – September 10, 2019	N.A	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
EGM – February 06, 2020	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

**(c) Audit Committee**

The Audit Committee in terms of the provisions of section 177 of the Companies Act, 2013 comprising of Mrs. Ruchi Sethi , Mr. Rajender Mohan Malla and Mr. Rushabh Pankaj Doshi. Mrs. Ruchi Sethi, Independent Director, is the Chairman of the Audit Committee.

During the financial year ended on March 31, 2020, 4 (four) meeting of the Audit Committee were held on May 14, 2019, July 30, 2019, November 12, 2019 and January 07, 2020 which were attended by all the members of the Committee.

**(d) Nomination and Remuneration Committee**

The Nomination and Remuneration Committee in terms of the provisions of section 178 of the Companies Act, 2013 comprising of Mrs. Ruchi Sethi and Mr. Rajender Mohan Malla. Mrs. Ruchi Sethi, Independent Director, is the Chairman of the Nomination and Remuneration Committee.

During the financial year ended on March 31, 2020, (3) Three meetings of the Nomination and Remuneration Committee were held on April 26, 2019, May 14, 2019 and January 07, 2020 which were attended by all the members of the Committee

**(e) Stakeholders Relationship Committee**

The Stakeholders Relationship Committee in terms of the provisions of section 178 of the Companies Act, 2013 comprising of Mr. Kirit Chimanlal Doshi , Mr. Rushabh Pankaj Doshi and Mrs. Ruchi Sethi. Mrs. Ruchi Sethi, Independent Director, is the Chairman of the Stakeholders Relationship Committee.

During the financial year ended on March 31, 2020, 4 (Four) meeting of the Stakeholders Relationship Committee were held on May 14, 2019, July 30, 2019, November 12, 2019 and January 07, 2020 which were attended by all the members of the Committee.

**15. DIRECTOR'S RESPONSIBILITY STATEMENT**

Pursuant to the provisions of Sec. 134 (5) of the Companies Act, 2013, the Directors confirm that.

- i. in preparation of the annual accounts for the year ended March 31, 2020 the applicable accounting standards have been followed along with proper explanation relating to material departures.
- ii. appropriate accounting policies have been selected and applied and such judgment and estimates have been made that are reasonable and prudent so as to give true and fair view of the state of affairs of the company as at March 31, 2020 and of the profit of the company for the year ended that date.
- iii. proper and sufficient care has been taken 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.
- iv. the annual accounts have been prepared on a "going concern "basis.
- v. proper internal financial controls are laid down and are adequate and operating effectively.
- vi. proper systems to ensure compliance with the provisions of all applicable laws have been devised and such systems are adequate and operating effectively.

**16. PARTICULARS OF CONTRACTS OR ARRANGEMENT WITH RELATED PARTIES**

During the financial year, the Company has not entered into any transaction with related parties, as specified under section 188 of the Companies Act, 2013 and Regulation 23 of the SEBI (Listing Obligations and Disclosure Requirements), Regulations, 2015.

**17. SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS OR COURTS**

There are no significant and material orders passed by the Regulators/Courts that would impact the going concern status of the Company and its future operations.

**18. INTERNAL FINANCIAL CONTROL AND THEIR ADEQUACY**

Your Company has policies, procedures and effective internal controls for ensuring orderly and efficient conduct of the business, safeguard of its assets, prevention and detection of fraud and errors, accuracy and completeness of the accounting record, timely preparation of financial statements and proper disclosure. During the year, such controls were tested and no reportable material weakness in the design or operation was observed.

The internal and operational audit is conducted on regular basis. The main thrust of internal audit is to test and review controls, appraisal of risks and business processes, besides benchmarking controls with best practices in the industry.

**19. RISK MANAGEMENT**

During the financial year under review, the Company has identified and evaluates elements of business risk. Consequently a Business Risk Management framework is in place. The risk management framework defines the risk management approach of the Company and includes periodic review of such risks and also documentation, mitigating controls and reporting mechanism of such risks. The framework has different risk models which help in identifying risks trend, exposure and potential impact analysis at a Company level as also separately for business.

**20. CORPORATE SOCIAL RESPONSIBILITY (CSR)**

Provision of Schedule VII of the Companies Act, 2013 read with Companies Corporate Social Responsibility Policy) Rules, 2014 are not applicable to the Company during the financial year under review.

**21. ENVIRONMENT AND SAFETY**

Your Company is committed to ensure sound Safety, Health and Environmental (SHE) performance related to its activities, products and services. Your Company is taking continuous steps to develop Safer Process Technologies and Unit Operations for increased safety and reduction of human error element. Enhanced level of training on Process and Behavior based safety, adoption of safe and environmental friendly production process. Management System is done on a continuous basis.

The Company is committed to continuously take further steps to provide a safe and healthy environment.

**22. POLICIES:**

The details of the policies approved and adopted by the Board of Directors of the Company and required to be part of the Directors Report are as under;

**(a) Vigil Mechanism/Whistle Blower Policy**

The Company has a whistle blower policy to report genuine concerns or grievances. The Whistle Blower policy has been posted on the website of the Company. ([www.hktrade.in](http://www.hktrade.in))

**(b) Remuneration and Nomination Policy**

The Board of Directors has framed a policy which lays down a framework in relation to remuneration of Directors, Key Managerial Personnel and Senior Management of the Company. This policy also lays down criteria for selection and appointment of Board Members. The remuneration and nomination policy has been posted on the website of the Company ([www.hktrade.in](http://www.hktrade.in))

**(c) Related Party Transactions and Policy**

The Company has developed a related party transactions framework through standard operating procedures for the purpose of identification and monitoring of transactions with the related parties.

The policy on related party transactions as approved by the Board of Directors has been uploaded on the website of the Company i.e. ([www.hktrade.in](http://www.hktrade.in)). None of the Directors has any pecuniary relationship or transactions vis-a-vis the Company.

**(d) Policy on material subsidiary**

The details of the policy have been disclosed on Company's website at ([www.hktrade.in](http://www.hktrade.in))

**(e) Familiarization programme for Directors**

The details of the familiarization programme have been disclosed on Company's website at ([www.hktrade.in](http://www.hktrade.in))

**(f) Code of Conduct**

In Compliance with Regulation 26(3) of the SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015 and the Companies Act, 2013, the Company has laid down the Code of Conduct for all Board members and senior management of the Company, which is available on the Company's Website at ([www.hktrade.in](http://www.hktrade.in)).

All the Board members and senior management of the Company have affirmed compliance with their Code of Conduct for the financial year ended March 31, 2020.

The Managing Director has also confirmed and certified the same. The certification is annexed and forming the part of this report.

**(g) Prevention of Sexual Harassment Policy**

The Company has in place a Prevention of Sexual Harassment policy in line with the requirements of the Sexual Harassment of Women at the Workplace (Prevention, Prohibition and Redressal) Act, 2013. An Internal Complaints Committee has been set up to redress complaints received regarding sexual harassment.

All employees (permanent, contractual, temporary, trainees) are covered under this policy. During the year 2019-2020, no complaints were received by the Company related to Sexual Harassment

**(h) Risk Management Policy:**

Your Company has a Risk Management Policy adopted by the Board. Periodical in-house risk audits were conducted to detect and mitigate the risks in a timely and effective manner. Management Discussion and Analysis Report contain more details on the risk

