

## DIRECTORS' REPORT

Your Directors have the pleasure in presenting their Thirty Sixth Annual Report on the business and operations of your Company together with the audited financial statements of the Company for the year ended 31st March, 2018.

(Amount in Rs.)

<b>FINANCIAL RESULTS :</b>	<b>31.03.2018</b>	31.03.2017
Profit for the year ended	<b>12251245</b>	11642170
<b>Less:</b> Provision for Taxation		
Current Tax	<b>2412500</b>	2130700
Deferred Tax (Assets)	<b>(1769)</b>	165631
Tax in respect of earlier year	—	385033
<b>Profit for the year after tax</b>	<b>9840514</b>	8960806
Add/(Less): Transfer from/to Statutory Reserve	—	—
	<b>9840514</b>	8960806
Add: Surplus as per last year	<b>68380448</b>	59419642
<b>Surplus Carried to Balance Sheet</b>	<b>78220962</b>	68380448

**DIVIDEND:**

Your Directors regret for not recommending Dividend on Equity Shares for the financial year 2017-18.

**DEPOSITS:**

During the year under review, the Company has not accepted deposits from the public falling within the ambit of Section 73 of the Companies Act, 2013 and the Rules framed thereunder.

**EXTRACT OF ANNUAL RETURN:**

The details forming part of the extract of the Annual Return in Form MGT-9 as required under Section 92 of the Companies Act, 2013 and Rule 12 (1) of the Companies (Management and Administration) Rules, 2014, is marked as "Annexure - A " which is annexed hereto and forms part of the Directors' Report.

**SHARE CAPITAL:**

The paid up Equity Share Capital as at 31st March, 2018 stood at Rs. 2.94 crores. During the year under review, the Company has not issued shares with differential voting rights nor has granted any stock options or sweat equity. As on 31st March, 2018, none of the Directors of the Company hold instruments convertible into equity shares of the Company.

**FINANCIAL STATEMENTS:**

The Company has prepared its financial statements as per IND AS requirement for the financial year 2017-18. The estimates and judgements relating to the Financial Statements are made on a prudent basis, so as to reflect in a true and fair manner, the form and substance of transactions and reasonably present the Company's state of affairs, profits and cash flows for the year ended 31st March, 2018.

**MATERIAL CHANGES AND COMMITMENTS:**

There are no material changes and commitments affecting the financial position of the Company which have occurred between the end of the financial year 2017-18 and the date of this Report.

**CHANGE IN NATURE OF BUSINESS:**

There has been no change in the nature of business of the Company during the financial year 2017-18.

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**PARTICULARS IN RESPECT OF CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNING AND OUTGO**

The particulars in respect of conservation of energy and technology absorption are not applicable during the year under review. There is no earning and outgo in Foreign Exchange.

**RESEARCH & DEVELOPMENT:**

The Company has not incurred any sum in respect of Research & Development for any of its activity.

**CORPORATE GOVERNANCE:**

As the paid up capital of the Company is less than Rupees Ten crores and its Reserves are less than Rupees Twenty five crores, hence provisions relating to Corporate Governance are not applicable to the Company.

**CORPORATE SOCIAL RESPONSIBILITY:**

The Company is not required to adapt Corporate Social Responsibility Policy and to incur expenditure on it.

**GOODS AND SERVICES TAX:**

Goods and Services Tax (GST) was introduced in the country w.e.f. 1st July, 2017. Barring few hiccups in the initial part, the Company successfully transitioned to the GST regime at all its business locations spread across the country. Frequent changes in the new tax system and huge compliance burden, however poses a big challenge for the industry to cope with.

**DIRECTOR AND KEY MANAGERIAL PERSONNEL:****Appointment**

Ms. Apeksha Agiwal (ACS No. 41564) was appointed Company Secretary cum Compliance Officer of the Company w.e.f. 14-08-2018.

**Retirement by Rotation**

Sri Ramawtar Kabra, (DIN No. 00341280) Director retires by rotation at the ensuing Annual General Meeting and being eligible ,offers himself for re-appointment.

**Re-appointment**

Sri Vijay Kumar Parwal (DIN No. 00339266) and Sri Jagdish Prasad Kabra (DIN No. 00482014) has been re-appointed as the Independent Directors of the Company for a second term of 5 (five) consecutive years w.e.f . 1st April, 2019 subject to the approval of the shareholders at the ensuing Annual General Meeting of the Company by passing Ordinary Resolution as per Section 149(10) read with Schedule IV of the Companies Act, 2013.

**Key Managerial Personnel (KMP)**

The following are the Key Managerial Personnel of the Company:

1. Sri Rajesh Kumar Kabra—Managing Director
2. Sri Om Prakash Agarwal—Chief Financial Officer

**DECLARATION BY INDEPENDENT DIRECTORS:**

Mr. Vijay Kumar Parwal and Mr. Jagdish Prasad Kabra are Independent Directors on the Board of the Company. The Independent Directors hold office for a fixed term of five years and are not liable to retire by rotation.

The Company has received declarations from all the Independent Directors of the Company confirming that they meet the criteria of Independence as prescribed both under the Companies Act, 2013 and SEBI ( Listing Obligations and Disclosure Requirements) Regulations, 2015.

**BOARD EVALUATION**

The Board has carried out an annual evaluation of its own performance, the Directors individually as well

as the evaluation of the functioning of various Committees. The Independent Directors also carried out the evaluation of the Chairman and the Non-Independent Directors.

**CRITERIA FOR EVALUATION OF DIRECTORS:**

For the purpose of proper evaluation, the Directors of the Company have been divided into 3 (three) categories i.e. Independent , Non-Independent & Non-Executive and Executive.

The criteria for evaluation includes factors such as engagement ,strategic planning and vision, team spirit and consensus building, effective leadership, domain knowledge, management qualities, team work abilities, result / achievements, understanding and awareness, motivation / commitment / diligence, integrity / ethics / values and openness / receptivity.

**NOMINATION AND REMUNERATION POLICY:**

<b>Name of the Committee Members</b>	<b>Nature of Directorship</b>	<b>Membership</b>
Mr. Jagadish Prasad Kabra	Non-Executive Independent Director	Chairman
Mr. Vijay Kumar Parwal	Non-Executive Independent Director	Member
Mr. Chandra Prakash Kabra	Non Executive Director	Member

During the year no Nomination and Remuneration Committee meetings were held..

**AUDIT COMMITTEE:**

The composition of the Audit Committee is as follows:-

<b>Name of the Committee Members</b>	<b>Nature of Directorship</b>	<b>Membership</b>
Mr. Vijay Kumar Parwal	Non-Executive Independent Director	Chairman
Mr. Jagadish Prasad Kabra	Non-Executive Independent Director	Member
Mr. Rajesh Kumar Kabra	Executive Director	Member

During the year 4 (Four) Audit Committee meetings were held on 29-05-2017, 10-08-2017, 14-11-2017 and 14-02-2018.

**NUMBER OF BOARD MEETINGS:**

During the year, 4 (Four) Board Meetings were convened and held on 29-05-2017, 10-08-2017, 14-11-2017 and 14-02-2018. The intervening gap between the meetings was within the period prescribed under the Companies Act, 2013 ("Act").

**DIRECTORS RESPONSIBILITY STATEMENT:**

As required by Section 134(3)(c) of the Companies Act, 2013 your Directors state that :

- (a) in the preparation of the annual accounts for the year ended 31st March, 2018, the applicable accounting standards have been followed with proper explanation relating to material departures, if any;
- (b) the accounting policies adopted in the preparation of the annual accounts have been applied consistently except as otherwise stated in the Notes to Financial Statements and reasonable and prudent judgments and estimates have been made so as to give a true and fair view of the state of affairs of the Company at the end of the Financial Year 2017-18 and of the profit for the year ended 31st March, 2018;.
- (c) 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 frauds and other irregularities.

- (d) the annual accounts for the year ended 31st March, 2018, have been prepared on a going concern basis;
- (e) that proper internal financial controls were in place and that the financial controls were adequate and were operating effectively;
- (f) that system to ensure compliance with the provisions of all applicable laws were in place and were adequate and operating effectively.

**DETAILS PERTAINING TO REMUNERATION AS REQUIRED UNDER SECTION 197(12) OF THE COMPANIES ACT, 2013 READ WITH RULE 5(1) OF THE COMPANIES (APPOINTMENT AND REMUNERATION OF MANAGERIAL PERSONNEL) RULES, 2014.**

- (i) The percentage increase in remuneration of each Director and Chief Financial Officer during the financial year 2017-18, ratio of the remuneration of each Director to the median remuneration of the employees of the Company for the financial year 2017-18 and the comparison of remuneration of each Key Managerial Personnel (KMP) against the performance of the Company are as under:

Sl. No.	Name of Director/ KMP & Designation	Remuneration of Director/KMP for the Financial Year 2017-18	% increase in Remuneration in the Financial Year 2017-18	Ratio of remuneration of each Director/ to median remuneration of employees
1.	Rajesh Kumar Kabra Managing Director	NIL*	NIL	Not Applicable
2.	Ramawtar Kabra Executive Director	NIL*	NIL	Not Applicable
3.	Om Prakash Agarwal Chief Financial Officer	823880	N.A	Not Applicable

- Mr. Rajesh Kumar Kabra, Managing Director and Mr. Ramawtar Kabra, Directors had decided to waive their remuneration from 01st December, 2015 till the remaining tenure of their appointment.

- (ii) The median remuneration of employees of the Company during the financial year was Rs. 161,200.00
- (iii) There were 3 permanent employees on the rolls of Company as on March 31, 2018;
- (iv) It is hereby affirmed that the remuneration paid is as per the Remuneration Policy for Directors, Key Managerial Personnel and other Employees.

**DISCLOSURE UNDER RULE 5(2) AND 5(3) OF THE COMPANIES (APPOINTMENT AND REMUNERATION OF MANAGERIAL PERSONNEL) RULES, 2014**

The required details are provided as below:

**INFORMATION AS PER SECTION 197(12) OF THE COMPANIES ACT, 2013 READ WITH RULE 5(2) & 5(3) OF THE COMPANIES ( APPOINTMENT AND REMUNERATION OF MANAGERIAL PERSONNEL ) RULES, 2014 AND FORMING PART OF THE DIRECTORS' REPORT FOR THE YEAR ENDED 31ST MARCH, 2018**

**A. List of top 10 Employees:**

Name of the Employee	Designation	Remuneration Received*	Nature of Employment, whether contractual or otherwise	Qualifications and Experience	Date of commencement of employment	Age (years)	Last employment held before joining the Company	Name of the Director of the Company who is relative
Mr. Om Prakash Agarwal	Chief Financial Officer	823880	Contractual	B.Com 32 yrs	15.11.2014	56	Coalsale Company Limited & Rajesh Manish Associates Pvt. Ltd.	NONE
Mr. Kaustav Kumar Niyogi	Back Office Executive	118019	Contractual	B. Com 15 mths.	01.01.2017	31	NIL	NONE
Mr. Samiran Ghosh	Manager Computer	161200	Contractual	B.Com 5 yrs	01.04.2013	34	NIL	NONE

\*Remuneration includes salary, allowances, bonus and value of certain perquisites evaluated on the basis of Income Tax Act and Rules.

- B. There is no employee employed throughout the financial year who was in receipt of remuneration in excess of one crore and two lacs rupees per annum.
- C. There is no employee employed for a part of the financial year who was in receipt of remuneration in excess of eight lacs and fifty thousand rupees per annum.

**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 the notes to the Financial Statements.

**RELATED PARTY TRANSACTION:**

All Related Party Transactions that were entered into during the financial year were on arm's length basis and were in the ordinary course of business. There are no materially significant related party transactions made by the Company with Promoters, Key Managerial Personnel or other designated persons which may have potential conflict with interest of the Company at large. Your Directors draw attention of the members to Notes to the financial statement which sets out related party disclosures.

**SUBSIDIARY / ASSOCIATE / JOINT VENTURE COMPANY**

The Company does not has any subsidiary/associates / joint venture company during the year ended 31st March, 2018.

**LISTING AGREEMENT**

The Company has paid Listing fees for the financial year 2018-19 to both the Calcutta Stock Exchange Limited and Bombay Stock Exchange Limited.

Bombay Stock Exchange Limited - Scrip Code 539393

Calcutta Sock Exchange Limited - Scrip Code 21038

**CODE OF CONDUCT:**

The Company has a Code of Conduct which is applicable to directors and management personnel of the Company. The Company believes in conducting business in accordance with the highest standards of business ethics and complying with applicable laws, rules and regulations.

The Code lays down the standard procedure of business conduct which is expected to be followed by the directors and management personnel in their business dealings and in particular on matters relating integrity in the work place, in business practices and complying with applicable laws etc.

All the directors and management personnel have submitted declaration confirming compliance with the code.

**ISSUE OF SHARES:**

During the Financial year ended 31st March, 2018:

- i) The Company has not granted any Employees Stock Option.
- ii) The Company has not issued any Sweat Equity Shares.
- iii) The Company has not issued any equity shares with differential rights.
- iv) The Company has not allotted any bonus shares during the year.

**PUBLIC ISSUE:**

During the year under review your Company has not issued any securities to the public.

**RISK MANAGEMENT COMMITTEE AND RISK MANAGEMENT:**

The Board of Directors, during the year, constituted 'Risk Management Committee' for laying down risk assessment at minimization procedures. A Risk Management Plan has been devised which is monitored and reviewed by this Committee. The Risk Management Committee comprises of Sri Rajesh Kumar Kabra, Chairman, Sri Jagadish Prasad Kabra and Sri Chandra Prakassh Kabra

**VIGIL MECHANISM/WHISTLE BLOWER POLICY:**

The Company has framed a Vigil Mechanism / Whistle Blower Policy to deal with unethical behavior, actual or suspected fraud or violation of the company's code of conduct or ethics policy, if any. The Vigil Mechanism / Whistle Blower Policy has also been uploaded on the website of the Company.

**SECRETARIAL STANDARDS:**

The applicable Secretarial Standards i.e. SS-1 and SS-2, relating to "Meetings of the Board of Directors" and General Meetings', respectively, have been duly followed by the Company.

**PREVENTION OF INSIDER TRADING:**

The Company has adopted a Code of Conduct for Prevention of Insider Trading with a view to regulate trading in securities by the Directors and designated employees of the Company. The Code requires pre-clearance for dealing in the Company's shares and prohibits the purchase or sale of Company shares by the Directors and the designated employees while in possession of unpublished price sensitive information in relation to the Company and during the period when the Trading Window is closed.

All the Board of Directors and designated employees have confirmed compliance with the Code.

**INTERNAL FINANCIAL CONTROLS:**

The Company has in place adequate internal financial controls with reference to financial statements. During the year, such controls were tested and no reportable material weakness in the design or operation was observed.

During the year the company appointed Kshitiz & Co, Chartered Accountants, Kolkata as an Internal Auditor. The firm is authorized to by the Audit Committee to access the adequacy and compliance of internal control process, statutory requirements etc. The Audit Committee met regularly to review reports submitted by the Internal Auditor. The Audit Committee upon discussion with Internal Auditor set up applicable control measures for the Company.

**MATERIAL CHANGES**

There are no material changes and commitments affecting the financial position of the company have occurred between the date financial year of the Company and date of the report. There is no change in the nature of business of the Company.

**STATUTORY AUDITORS:**

At the 32nd Annual General Meeting held on 29-09-2014 the members had appointed M/S S.C.SONI & CO.,

Chartered Accountant having Firm Registration No. 326670E as Statutory Auditors of the Company for a period of 5 years. They have confirmed that they are not disqualified from continuing as Auditors of the Company.

**SECRETARIAL AUDITOR:**

Pursuant to provisions of section 204 of the Companies Act, 2013 and The Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 the Board has appointed Mrs. Dipika Jain, a Whole Time Company Secretary in Practice having Membership No. A50343, to undertake the Secretarial Audit of the Company. The Secretarial Audit Report for the financial year ended March 31, 2018 is annexed to this Report. The Secretarial Audit Report does not contain any qualification, reservation or adverse remark.

**DISCLOSURE AS PER THE SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION AND REDRESSAL) ACT, 2013**

Your Director further state that during the year under review, there were no cases filed pursuant to the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.

**MEETING, ATTENDANCE OF BOARD MEETING AND ANNUAL GENERAL MEETING**

During the year 4 meeting of the Board of Directors were held i.e. on 29th May, 2017, 10th August, 2017, 14th November, 2017 and 14th February, 2018. The intervening gap between the meetings was within the period prescribed under the Companies Act, 2013 ( "Act" ) Annual General Meeting was held on 20-09-2017.

Name of Director	DIN	Attendance Particulars		Directorships in other public limited companies				Committees in which Chairman/Member of other public limited companies	
		Board Meetings	AGM	Chairman		Director		Chairman	Member
				Listed	Unlisted	Listed	Unlisted		
<b>Promoter Non-Executive Directors</b>									
Mr. Rajesh Kr. Kabra	00331305	4	YES	—	—	2	1	—	2
Mr. Ramawtar Kabra	00341280	4	YES	2	1	—	—	—	2
<b>Promoter Non-Executive Directors</b>									
Mr. Chandra Prakash Kabra	00338838	4	YES	—	—	1	1	—	—
Mrs. Radhika Kabra	00335944	1	YES	—	—	—	1	—	—
<b>Independent Non-Executive Directors</b>									
Mr, Jagdish Prasad Kabra	00482014	1	YES	—	—	2	—	—	4
Mr. Vijay Kumar Parwal	00339266	4	YES	—	—	1	—	2	—

**APPRECIATION**

For and on behalf of the Board, the Directors wish to place on record their sincere appreciation for the positive co-operation received from Banks, SEBI, Shareholders, and all the staffs of the Company during the year.

For and on behalf of the Board  
**Chandra Prakash Kabra**  
 Director  
 DIN NO. 00338838

Place: Kolkata  
 Dated: 14th August, 2018