

DIRECTORS' REPORT

TO THE MEMBERS,

The Board of Directors of your Company take pleasure in presenting the 26th (Twenty-Sixth) Board's report on business and operations of the Company together with the Audited Financial Statements and the Auditor's Report thereon for the financial year ended March 31, 2020.

(i) FINANCIAL REVIEW: -

The Company's financial performance, for the financial year ended March 31, 2020 is summarized as below:

(RS IN CRORES)

PARTICULARS	2019-2020	2018-2019
Revenue from operations	200.36	202.01
Other Income	0.87	1.64
TOTAL REVENUE	201.23	203.65
Expenditure including financial cost and depreciation	181.93	180.97
PROFIT/(LOSS) BEFORE EXCEPTIONAL ITEMS	19.30	22.68
Exceptional Items	—	—
PROFIT/(LOSS) BEFORE TAX	19.30	22.68
TAX:		
Current Tax	4.25	6.30
Deferred Tax charge/(credit)	0.51	0.75
MAT Credit entitlement	—	—
PROFIT/(LOSS) AFTER TAX	14.54	15.63

(ii) REVIEW OF OPERATION: -

During the year under review, company's revenue from operations on a Standalone basis was Rs 200.36 Crs and has earned a profit of Rs 14.54 Crs.

(iii) SHARE CAPITAL: -

The warrant holders of the Company have on 27th September, 2019 exercised their option of conversion of 18,00,000 warrants (9,00,000 before Sub- Division) to 18,00,000 Equity Shares of face value of Rs 5/- each at a price of Rs 95/- per Equity Share (Rs 90/- being the premium). Accordingly, the Board of Directors at their meeting held on 27th September, 2019 have allotted 18,00,000 (9,00,000 before Sub- Division) Equity shares of Rs.5/- each at a price of RS.95/- per share.

The Authorized Share Capital of your Company as on 31st March, 2020 stood at Rs 23 Crs divided into 4,60,00,000 Equity Shares of Rs 5/- each. The Issued and the Subscribed Share capital of the Company as on 31st March, 2020 stood at 21.06 Crs divided into 4,21,39,306 Equity Shares of Rs 5/- each.

(iv) LISTING OF SHARES: -

Your Company's shares are listed on BSE Ltd effective September 2015. The annual listing fees for the financial year 2020-21 to BSE has been paid.

(v) DIVIDEND: -

The Board of Directors are pleased to recommend a final dividend of Rs 0.05/- per Equity Share of Rs 5/- each for the current financial year 2019-20. The Dividend pay-out is subject to approval of shareholders at the ensuing Annual General Meeting. The company proposes not to carry any amount to reserves for the financial year 2019-20.

**(vi) DEPOSITS:-**

Your Company has not, during the year under review, accepted any deposit within the meaning of Section 73 of the Companies Act, 2013.

(vii) MANAGEMENT DISCUSSION AND ANALYSIS REPORT:-

Management Discussion and Analysis Report for the year under review, giving detailed analysis of Company's operations as stipulated under Regulation 34 of SEBI (LODR) Regulations, is presented in a separate section forming part of the Annual Report.

(viii) CORPORATE GOVERNANCE:-

Your Company always places a major thrust on managing its affairs with diligence, transparency, responsibility and accountability thereby upholding the important dictum that an Organization's corporate governance philosophy is directly linked to high performance. The Company understands and respects its fiduciary role and responsibility towards its stakeholders and society at large and strives to serve their interests, resulting in creation of value for all its stakeholders.

In terms of Regulation 34 of SEBI (LODR) Regulations, a separate section on Corporate Governance with a detailed report on Corporate Governance (Annexure V) and a certificate from Mr Aditya kelker (Annexure IV), the Secretarial Auditor of the Company, certifying compliance of conditions of Corporate Governance, forms part of this Annual Report. The Report on Corporate Governance also contains certain disclosures as required under the Companies Act, 2013.

(ix) SECRETARIAL STANDARDS:-

The Company complies with the applicable Secretarial Standards issued by the institute of the Company Secretaries of India.

(x) GOING CONCERN STATUS:-

There were no significant or material orders passed by the regulators or courts or tribunals' impacting the Company's going concern status and/or its future operations.

(xi) EVALUATION OF BOARD PERFORMANCE:-

In terms of requirements of the Companies Act, 2013 read with the Rules issued thereunder and SEBI (Listing Obligations and Disclosure Requirements) 2015, the Board carried out the annual performance evaluation of the Board of Directors as a whole, Committees of the Board and individual Directors.

The parameters for performance evaluation of the Board include composition of the Board, process of appointment to the Board of Directors, common understanding of the roles and responsibilities of the Board members, timelines for circulating board papers, content and the quality of information provided to the Board, attention to the Company's long-term strategic issues, evaluating strategic risks, overseeing and guiding acquisitions etc.

Some of the performance indicators for the Committees include understanding the terms of reference, effectiveness of discussions at the Committee meetings, information provided to the Committee to discharge its duties and performance of the Committee vis-à-vis its responsibilities.

Performance of individual Directors was evaluated based on parameters such as attendance at the meeting(s), contribution to Board deliberations, engagement with colleagues on the Board, ability to guide the Company in key matters, knowledge and understanding of relevant areas and responsibility towards stakeholders. All the Directors were subject to self-evaluation and peer evaluation.

The performance of the Independent Directors was evaluated taking into account the above factors as well as independent decision-making and non-conflict of interest. Further, the evaluation process was based on the affirmation received from the Independent Directors that they met the independence criteria as required under the Companies Act, 2013 and Listing Regulations, 2015.

Subsequent to the evaluation done in the financial year 2019-20, some action areas have been identified for the Board to engage itself with. These include review of your Company's goals, strategy, capability gaps, competitive landscape,

technological developments, SWOT analysis, etc. and also a thorough review of key issues facing the Company. All these will be suitably dealt with by the Board. Details of the evaluation mechanism are provided in the Corporate Governance Report.

(xii) BOARD MEETINGS:-

During the year under review, 7 (Seven) meetings of the Board of Directors were held on 15th May, 2019; 08th July, 2019; 13th August, 2019; 28th August, 2019; 27th September, 2019; 14th November, 2019 and 11th February, 2020.

In addition to this, a meeting of Independent Directors was convened and held during the year. The details of the meetings of the Board including that of its Committees and Independent Directors' meeting are given in the Report on Corporate Governance section (Annexure V) forming part of this Annual Report.

(xiii) COMPOSITION OF AUDIT COMMITTEE:-

The Board has constituted the Audit Committee which comprises Mr Jaymin Piyush Modi as the Chairman; Mr Rajesh Ladhada and Mr Tarak Bipinchandra Gor as the Members. The Board of Directors has accepted all the recommendations given by Audit Committee during the year under review. Further details on the Audit Committee and other Committees of the Board are given in the Corporate Governance Report (Annexure V), which forms a part of this Report.

(xiv) DIRECTORS AND KEY MANAGERIAL PERSONNEL:-

The appointment and remuneration of Directors is governed by the Policy devised by the Nomination and Remuneration Committee of your Company. The detailed Nomination and Remuneration Policy is contained in the Corporate Governance Section of the Annual Report and the same is also available on the Company's website www.gecpl.com.

Presently Company comprises of 8 (eight) members on Board. Mr Manish Patel as the Managing Director, Mr Tarak Gor as CFO & Whole-Time Director, Mr Jayesh Rawal as Executive Director, Ms Trupti Patel as Non-Executive Director, Mr Rajesh Ladhada, Ms Sheetal Nagda, Mr Jaymin Modi & Mr Anurag Pathak as the Independent Directors and Ms Ami Shah as the Company Secretary of the Company.

The Directors are reputed professionals with diverse functional expertise, industry experience, educational qualifications, and gender mix relevant to fulfilling the Company's objectives and strategic goals.

Changes in composition of Directors and Key Managerial Personnel

The Board of the Directors of the Company have in their Board meeting held on 11th February, 2020 re-appointed Mr Tarak Gor, subject to approval of shareholders at the ensuing Annual General Meeting, as the Whole-Time Director and CFO for a further tenure of 3 (three) years commencing on and from 11th February, 2020 till 10th February, 2023.

The Board of the Directors of the Company have in their Board meeting held on 31 August, 2020 re-appointed Mr Jayesh Rawal, subject to approval of shareholders at the ensuing Annual General Meeting, as the Executive Director for a further tenure of 3 (three) years commencing on and from 31 August, 2020 till 30 August, 2023.

There were no other changes in composition of the Board of Directors and Key Managerial Personnel.

Directors liable to retire by rotation

In accordance with the provisions of Section 152 of the Companies Act, 2013 and the Articles of Association of the Company, Mr. Tarak Gor, the Whole-Time Director, is liable to retire by rotation at the ensuing Annual General Meeting and being eligible has tendered his willingness to be re-appointed. The Board recommends his re-appointment for the consideration of the Members of the Company at the ensuing Annual General Meeting. Brief profile of the retiring Director has been given in Annexure A forming the part of Notice of the Annual General Meeting.

Declaration by Independent Directors

The Company has received necessary declarations from all the Independent Directors confirming that they meet the criteria of independence as prescribed under the Companies Act 2013 and SEBI (LODR) Regulations 2015.

Familiarization Programme for the Independent Directors

Your Company has in place a structured induction and familiarization programme for its Directors. Upon appointment,



Directors receive a Letter of Appointment setting out in detail, the terms of appointment, duties, responsibilities, obligations, Code of Conduct for Prevention of Insider Trading and Code of Conduct applicable to Directors and Senior Management Personnel. They are also updated on all business-related issues and new initiatives. Regular presentations and updates on relevant statutory changes encompassing important laws are made and circulated to the Directors.

(xv) DIRECTORS' RESPONSIBILITY STATEMENT: -

Pursuant to provisions of Section 134(3) (c) and Section 134(5) of the Act, your Directors state that:

1. in the preparation of the annual accounts for the financial year ended March 31, 2020, the applicable accounting standards read with requirements set out under Schedule III to the Act, have been followed and there are no material departures from the same;
2. the Directors have selected such accounting policies and applied them consistently and made judgements and estimates that are reasonable and prudent so as to give a 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 under review;
3. 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;
4. the Directors have prepared the annual accounts for the financial year ended 31st March, 2020 on a 'going concern' basis;
5. the Directors have laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and are operating effectively; and
6. the Directors have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems are adequate and operating effectively.

(xvi) RELATED PARTY TRANSACTIONS: -

In line with the requirements of the Act and Listing Regulations, your Company has formulated a policy on related party transactions which is also available on Company's website at <http://www.gecpl.com/>. This policy deals with the review and approval of related party transactions. The Board of Directors of the Company has approved the criteria for giving the omnibus approval by the Audit Committee within the overall framework of the policy on related party transactions.

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 the 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. Information on transactions with related parties pursuant to Section 134(3)(h) of the Act read with rule 8(2) of the Companies (Accounts) Rules, 2014 are given as **Annexure II** in Form AOC-2 and the same forms part of this report. None of the transactions with any related parties were in conflict with the Company's interest.

(xvii) SUBSIDIARIES AND JOINT VENTURES

Provisions of Section 129 (3) of the Companies Act, 2013 is not applicable as the Company has no Subsidiaries. However, the Company has a holding Company viz D Ravilal Resource Management Pvt. Ltd. (Formerly known Generic Engineering and Construction Private Limited) having a stake of 49.80 % as on 31st March, 2020.

(xviii) AUDITOR AND AUDITORS' REPORT: -

STATUTORY AUDITORS

The members of the Company at 23rd Annual General Meeting held on 29th September, 2017 has approved the appointment of M/s SDA & Associates, Chartered Accountants, having FRN.: 120759W as the Statutory Auditors of the Company for a term of five years. M/s SDA & Associates, Chartered Accountants, having FRN.: 120759W has tender

their resignation as the Statutory Auditors of the Company, expressing their inability due to constraint of manpower for the Audit due to COVID 19 Pandemic, resulting in a casual vacancy in the office of the Auditors of the Company w.e.f. September 08, 2020 as per section 139(8) of the Companies, Act, 2013.

In accordance with aforesaid provisions of the Act, the casual vacancy caused by the resignation of the Statutory Auditors Consultancy is filled by the Board on October 20, 2020 by appointment of new statutory Auditors.

Accordingly, based on the recommendation of the Audit Committee and confirmation received from M/s Bilimoria Mehta & Co., Chartered Accountants (FRN 101490W) the Board of Directors recommends the appointment M/s Bilimoria Mehta & Co., Chartered Accountants (FRN 101490W) as the Statutory Auditors of the Company:

- a) To fill the casual vacancy caused by the resignation of M/s SDA & Associates, Chartered Accountants, having FRN.: 120759W and to hold the office of the Statutory Auditors upto the conclusion of this Annual General Meeting, and
- b) for a period of 5 (five) years, from the conclusion of 26th Annual General Meeting till the conclusion of 31st Annual General Meeting of the Company.

STATUTORY AUDITORS REPORT:

The Auditors' Report to the members on the Accounts of the Company for the financial year ended March 31, 2020 does not contain any qualification.

INTERNAL AUDITORS

Pursuant to the provisions of Section 138 of the Companies Act, 2013 and rules made thereunder, the Board has appointed M/s JDNG & Associates (Firm Registration No. 104315W) as Internal Auditors.

INTERNAL FINANCIAL CONTROLS

Your Company has in place adequate internal financial controls commensurate with the size, scale and complexity of its operations. During the year, such controls were tested, and no reportable material weakness in the design or operation was observed.

The Company has appointed an external professional firm as Internal Auditor. The Internal Audit of the Company is regularly carried out to review the internal control systems and processes. The internal audit reports along with implementation and recommendations contained therein are periodically reviewed by the Audit Committee of the Board.

SECRETARIAL AUDITOR AND AUDIT REPORT

Your Company has pursuant to Section 204 of the Companies Act, 2013, appointed Mr Aditya Kelkar, Practicing Company Secretary as Secretarial Auditor to conduct the Secretarial Audit of the Company, for the financial year ended March 31, 2020. The Report of the Secretarial Auditor is annexed as **Annexure IV** to this Report. The Secretarial Audit Report does not contain any qualification, reservation or adverse remark.

COST AUDIT

In terms of provisions of Section 148 of the Act read with the Companies (Cost Records and Audit) Rules, 2014, as amended from time to time, the Board of Directors, based on the recommendation of the Audit Committee, has appointed M/s Ashish Deshmukh and Associates (Cost Accountant), as the Cost Auditor of the Company for conducting the Cost Audit for the financial year 2019-20. The Cost Auditor will submit his report for the FY 19-20 on or before the due date. As per the provisions of section 148 of the Act read with the Companies (Audit and Auditors) Rules 2014, the remuneration to be payable to the Cost Auditor is required to be ratified by the members hence the Board recommends the ratification of remuneration payable to M/s Ashish Deshmukh and Associates for the FY 20-21.

(xix) CORPORATE SOCIAL RESPONSIBILITY

In accordance with the provisions of Section 135 of the Act read with Companies (Corporate Social Responsibility Policy) Rules, 2014, the Board of Directors of the Company has constituted Corporate Social Responsibility (CSR)



Committee. The current composition of the Committee is:

Sr No	Name	Designation	Position in Committee
1.	Tarak Bipinchandra Gor	Executive Director	Chairman
2.	Jayesh Sheshmal Rawal	Executive Director	Member
3.	Rajesh Khatavji Ladhad	Non-Executive-Independent Director	Member

During the year under review the Company has not spent any amount as CSR expenditure FY2019-20.

Further in FY 20-21, due to massive outbreak of COVID-19 Pandemic throughout the world the Government of India had imposed a complete lockdown throughout the Country in the month of March, 2020. Later the MCA vide circular 10/2020 dated 23rd March, 2020 has clarified that spending CSR funds for COVID-19 related activities shall qualify as CSR Expenditure.

Due to increasing threats of COVID-19 Pandemic, the Company has identified COVID-19 related activities as the key area for spending the CSR expenditure for the FY 2019-20.

Annual Report on CSR activities is annexed as **Annexure VII**.

(xx) ESTABLISHMENT OF VIGIL MECHANISM / WHISTLE BLOWER POLICY

The Company has established a vigil mechanism and formulated the Whistle Blower Policy (WB) to deal with instances of fraud and mismanagement, if any. The details of the WB Policy are explained in the Corporate Governance Report and also posted on the website of the Company which can be accessed at www.gecpl.com.

(xxi) EXTRACT OF ANNUAL RETURN

Pursuant to Section 92(3) of the Act, and Rule 12(1) of the Companies Management and Administration) Rules, 2014, an extract of the Annual Return in Form MGT 9 is annexed herewith as **Annexure I**.

(xxii) PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS

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

(xxiii) PARTICULARS OF CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO

Your Company is not engaged in manufacturing activity, the prescribed information regarding compliance of rules relating to conversation of Energy and technology absorption pursuant to Section 134 (3) (m) of the Companies Act, 2013 read with rule 8(3) of the Companies (Accounts) Rule, 2014 is not provided.

Further, during the year under review, there were following foreign exchange transactions:

- 1) Earnings: - NIL
- 2) Outgoing: - NIL

(xxiv) PARTICULARS OF EMPLOYEES AND RELATED DISCLOSURES

The statement of disclosure of remuneration under section 197(12) of the Act read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 are provided as Annexure III to this Report.

Having regard to the provisions of the first proviso to Section 136 (1) of the Act and as advised, the Annual Report is being sent to the members excluding the aforesaid annexure. The said information is available for inspection at the registered office of the Company during working hours and any member interested in obtaining such information may write to the Company Secretary or Registrar and Transfer Agent and the same will be furnished on request.

(xxv) DISCLOSURE REGARDING PREVENTION OF SEXUAL HARASSMENT

Your Company is committed to maintaining a productive environment for all its employees at various levels in the organization, free of sexual harassment and discrimination on the basis of gender. Your Company has adopted a policy on Prevention of Sexual Harassment in line with the requirements of the Sexual Harassment of Women at Workplace (Prevention, Prohibition & Redressal) Act, 2013 and rules framed thereunder. The Company has also set up "Prevention of Sexual Harassment Committee" (the Committee) to redress the Complaints received regarding sexual harassment which has formalized a free and fair enquiry process with clear timeline. During the year under review, there was no complaint registered about Sexual harassment.

(xxvi) DISCLOSURE UNDER SECTION 67 (3) (C) OF THE COMPANIES ACT, 2013

No disclosure is required under section 67 (3) (c) of the Companies Act, 2013 read with Rule 16(4) of Companies (Share Capital and Debentures) Rules, 2014, in respect of voting rights not exercised directly by the employees of the Company as the provisions of the said section are not applicable.

(xxvii) MATERIAL CHANGES AND COMMITMENTS

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

(xxviii) REVISION IN CREDIT RATINGS

The Credit Rating of the Company as assigned by CARE Ratings Limited (CARE) is CARE BBB; Stable (Triple B; Outlook: Stable).

(xxix) RISK MANAGEMENT

Risk Management framework enables identification and evaluation of business risks and opportunities, seeks to create transparency, minimize adverse impact on business objectives and enhance the Company's competitive advantage. The Company has adopted a Risk Management Policy pursuant to Section 134 of Companies Act, 2013. The Company has robust risk management framework to safeguard to Organization from various risk through adequate and timely actions. The elements of risk as identified for the Company are set out in Management Discussion and Analysis Report forming the part of this Annual Report.

(xxx) ACKNOWLEDGEMENT

Your Directors would like to express their appreciation for the assistance and co-operation received from the financial institutions, banks, Government authorities, customers, vendors and members during the year under review. Your Directors take on record their deep sense of appreciation to the contributions made by the employees through their hard work, dedication, competence, support and co-operation towards the progress of your Company.

**For and on behalf of the Board of Directors
For Generic Engineering Construction and Projects Limited**

**Place:- Mumbai
Date:- November 10, 2020**

**Jayesh Rawal
Director
DIN: 00464313**

**Tarak Gor
Whole-time Director
DIN: 01550237**