

DIRECTORS' REPORT

To
The Members,
Shaival Reality Limited

The Board of Directors of your Company is presenting Twenty Third (23rd) Annual Report of your Company together with the Audited Financial Statements (Standalone and Consolidated) for the period ended 31st March, 2019.

FINANCIAL RESULTS:

Particulars		Standalone (in Rs.)		Consolidated (in Rs.)	
		Figures for the year ended 31/03/2019	Figures for the year ended 31/03/2018	Figures for the period ended 31/03/2019	Figures for the period ended 31/03/2018
I.	Revenue From Operations	14,72,22,263	29,01,51,670	31,62,60,026	41,45,52,798
II.	Other Income	1,02,01,678	3,05,00,139	1,04,01,849	3,07,67,501
	Profit from Joint Venture	-	46,09,779	-	-
III.	Total Revenue (I + II)	15,74,23,941	32,52,61,587	32,66,61,875	44,53,20,299
IV.	Expenses:				
	Depreciation and Amortization Expense	3,95,23,883	5,96,06,180	3,95,80,359	5,96,75,224
	Expenses other than Depreciation	15,70,71,715	29,34,09,414	34,25,29,361	41,29,49,082
	Preliminary Exp. Written off	--	-	-	-
	Loss from Joint Ventures	1,62,76,187	-	-	-
	Total Expenses	21,28,71,786	35,30,15,594	38,21,09,720	47,26,24,306
V.	Profit Before Exceptional and Extraordinary Items and Tax (III-IV)	(5,54,47,845)	(2,77,54,007)	(5,54,47,845)	(2,73,04,007)
VI.	Exceptional Items	-	-	-	-
VII	Profit Before Extraordinary Items and Tax (V - VI)	(5,54,47,845)	(2,77,54,007)	(5,54,47,845)	(2,73,04,007)
VIII	Extraordinary Items	-	-	-	-
	Depreciation on account of change in method	-	-	-	-
IX.	Profit Before Tax (VII- VIII)	(5,54,47,845)	(2,77,54,007)	(5,54,47,845)	(2,73,04,007)
X	Tax Expense:				
	(1) Current Tax	-	33,00,000	-	37,50,000
	(2) Deferred Tax	(55,58,677)	(1,18,56,013)	(55,58,677)	(1,18,56,013)
XI	Profit (Loss) for the Period From Continuing Operations (VII-VIII)	(4,98,89,168)	(1,91,97,994)	(4,98,89,168)	(1,91,97,994)

XII	Profit (Loss) for the period (XI + XIV)	(4,98,89,168)	(1,91,97,994)	(4,98,89,168)	(1,91,97,994)
XIII	Earnings Per Equity Share:				
	(1) Basic	(4.31)	(3.26)	(4.31)	(3.26)
	(2) Diluted	(4.31)	(3.26)	(4.31)	(3.26)

DIVIDEND:

The Board of Directors has not recommended dividend due to loss incurred by the Company during financial year 2018-19.

RESERVE & SURPLUS:

The Reserves and Surplus according to standalone audit report is Rs. (10,221,865) as against Rs. 40,054,184 during the previous year, whereas according to consolidated audit report it is Rs. (10,221,866) as against Rs. 40,054,183 during the previous year.

PRESENT OPERATIONS AND FUTURE PROSPECTS:

The total revenue of the Company as per standalone basis is Rs. 15,74,23,941 as against Rs. 32,52,61,587 during the previous financial year whereas, as per consolidated basis total revenue generated is of Rs. 32,66,61,875 as against Rs. 44,53,20,299. The net loss after tax according to standalone and consolidated basis stands to Rs. (4,98,89,168) as against the net loss of Rs. (1,91,97,994) during the previous financial year. Your Directors are continuously looking for the new avenues for future growth of the Company and expect more growth in future period.

BUSINESS OVERVIEW AND STATE OF COMPANY'S AFFAIRS:

The detailed information on the operations of the Company and details on the state of affairs of the Company are covered in the Management Discussion and Analysis Report.

CHANGE IN THE NATURE OF BUSINESS:

There is no Change in the nature of the business of the Company done during the year under review.

BOARD OF DIRECTORS AND KEY MANAGERIAL PERSONNEL:**I. APPOINTMENT & RESIGNATION OF DIRECTORS:**

During the Year under review, there is no change in the board of directors of the company. However, Mr. Himanshu Ajaybhai Shah has resigned from the post of Independent Director of the Company w.e.f. 5th November, 2018.

The existing and present structure of Board of Directors is as follows:

SR. NO.	CATEGORY	NAME OF DIRECTORS
<u>PROMOTER AND EXECUTIVE DIRECTOR</u>		
1.	Chairman and Managing Director	Mayur Mukundbhai Desai
2.	Director	Sonal Mayur Desai
3.	Director	Shaival Mayurbhai Desai
<u>NON EXECUTIVE DIRECTOR</u>		
5.	Independent Non Executive Director	Ashish Navnitlal Shah
6.	Independent Non Executive Director	Ashish Desai

II. RE-APPOINTMENT OF DIRECTOR:

In accordance with the provisions of section 152 of the Companies Act, 2013, Mrs. Sonal Mayur Desai (DIN: 00125704), will retire by rotation at ensuing Annual General Meeting and being eligible, offers herself for reappointment and brief profile of her is given in this report as notes to the notice.

III. DECLARATION BY INDEPENDENT DIRECTORS:

The following directors are independent directors of the company in terms of Section 149(6) of the Act and Regulation 16(1)(b) of SEBI (Listing Obligations and Disclosure requirements) Regulations 2015;

1. MR. ASHISH NAVNITLAL SHAH
2. MR. ASHISH DESAI

The Company has received requisite declarations/ confirmations from all the above Directors confirming their independence.

IV. COMPLIANCE OFFICER:

Mrs. Sonali Panchal, Company Secretary holding requisite Qualification from the Institute of Company Secretaries of India, having Membership No. A23824 has been working as Company Secretary (KMP) & Compliance Officer of the Company w.e.f. 1st March, 2019 in place of Mrs. Priyanka Choubey, Company Secretary through Board meeting held on 27th February, 2019.

V. CHIEF FINANCIAL OFFICER:

Mr. Jagdish Nagindas Limbachiya holds designation of Chief Financial Officer of the Company.

CORPORATE GOVERNANCE:

Since the Company is listed on SME Emerge Platform of NSE, by virtue of Regulation 15 of SEBI (Listing Obligation And Disclosure Requirements) Regulation, 2015 the compliance with the corporate governance provisions as specified in regulations 17 to 27 and clauses (b) to (i) of sub regulation (2) of Regulation 46 and Para C, D and E of Schedule V are not applicable to the Company. Hence, Corporate Governance Report does not form part of this Annual Report.

SUBSIDIARY, ASSOCIATES & JOINT VENTURE:

The Company has no Subsidiary which exists or has ceased during the period under review. However, the Company has invested in Joint Ventures namely KCL- SRPL, KCL-SRPL (JV Kalol Project) & MCC- SRPL the details of which can be followed in the notes to the financial statements The details are annexed herewith as per "Annexure -A" in FORM AOC-1.

PUBLIC DEPOSIT:

During the year under review your Company has neither accepted the deposit from public nor renewed the same and has neither defaulted in the repayment of deposits or payment of interest during the financial year as envisaged by Chapter V of the Companies Act, 2013.

CORPORATE SOCIAL RESPONSIBILITY:

As per the provisions of Section 135, Corporate Social Responsibility activity (CSR Activity) is not applicable to the company.

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNINGS/ OUTGO:

The Information pertaining to Conservation of Energy, Technology Absorption, Foreign Exchange Earnings and Outgo as requires under section 134(3) of the Companies Act, 2013 read with the Rule 8(3) of the Companies (Account) Rules, 2014 are not applicable, hence not mentioned. Moreover, during the year, the Company has no Foreign Exchange earnings and no foreign exchange outgo during the year.

DISCLOSURES:**I. PARTICULARS OF CONTRACTS AND ARRANGEMENTS WITH RELATED PARTIES:**

During the year under review, contracts or arrangements entered into with the related party, as defined under section 2(76) of the Companies Act, 2013 were in the ordinary course of business and on arm's length basis. Details of transactions pursuant to compliance of section 134(3)(h) of the Companies Act, 2013 and Rule 8(2) of the Companies (Accounts) Rules, 2014 are annexed herewith as per "Annexure-B" in **FORM AOC-2**.

During the year the company has not entered into any materially significant related party transactions which may have potential conflict with the interest of the Company and stakeholders at large. Suitable disclosures as required are provided in AS-18 which is forming part of the notes to the financial statement.

II. NOMINATION AND REMUNERATION POLICY:

The Board has on the recommendation of the Nomination and Remuneration Committee, framed a policy for selection and appointment of Directors, senior management personnel and their remuneration. Remuneration Policy of the Company acts as a guideline for determining, inter alia, qualification, positive attributes and independence of a Director, matters relating to the remuneration, appointment, removal and evaluation of the performance of the Director, Key Managerial Personnel and senior managerial personnel. Nomination and Remuneration Policy is annexed as "Annexure C" to this report and also placed on the Company's website: www.shaivalgroup.ooo.

PARTICULARS OF EMPLOYEES:

The Company has no employee, who is in receipt of remuneration of Rs. 8,50,000 per month/- or Rs. 1,02,00,000 per annum and hence, the company is not required to give information under Sub Rule 2 and 3 of Rule 5 of Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.

Further the following details form part of Annexure C to the Board's Report: -

- i) Disclosure under Rule 5 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014- "Annexure D"

MATERIAL CHANGES AND COMMITMENTS, IF ANY, AFFECTING THE FINANCIAL POSITION OF THE COMPANY WHICH HAS OCCURRED BETWEEN THE END OF THE FINANCIAL YEAR OF THE COMPANY TO WHICH THE FINANCIAL STATEMENTS RELATE AND THE DATE OF THE REPORT:

No such material changes and commitments, affecting the financial position of the company have occurred between the end of financial year to which this Financial Statement relates and up to the date of Annual Report and hence no comments required.

SIGNIFICANT & MATERIAL ORDERS PASSED BY THE REGULATORS:

During the year no significant and material orders passed by the regulators or courts or tribunals impacting the going concern status and company's operations in future.

CHANGES IN SHARES CAPITAL:

There is no change in the authorised and paid up share capital of the company during the year under review.

TRANSFER OF UNCLAIMED DIVIDEND TO THE INVESTORS EDUCATION & PROTECTION FUND:

During the F.Y. 2017-18, the Company has not declared any dividend. Therefore, no fund has been transferred to Investor Education and Protection Fund during the year.

INSURANCE:

All the assets of the company are adequately insured and the Company has developed proper system for taking insurance on all its insurable assets in order to mitigate the risk.

EXTRACT OF ANNUAL RETURN:

Pursuant to Section 134(3) (a) of the Companies Act, 2013 read with rules 12(1) of the Companies (Management and Administration) Rules, 2014, the extract of annual return is annexed herewith as “Annexure E” in MGT-9 and forming part of the report.

The Company is having website i.e. www.shaivalgroup.ooo and Annual Return of Company has been published on such website.

AUDITORS:**I. STATUTORY AUDITORS & AUDITORS' REPORT:**

In accordance with 139 of the Companies Act, 2013, M/s. Rajpara Associates, Chartered Accountants, (FRN: 113428W) whose appointment was ratified by the shareholders of the company at the Annual General Meeting held on 28th September, 2017 as Statutory Auditors to hold office until the conclusion of the 25th Annual General Meeting of the Company.

The Ministry of Corporate Affairs vide its Notification dated May 7, 2018, has dispensed with the requirement of ratification of Auditor's appointment by the shareholders, every year. Hence, approval of the Members for the ratification of Auditor's appointment is not being sought at the ensuing Annual General Meeting.

AUDITORS' REPORT:

The Auditors' Report does not contain any qualification, reservation or adverse remark(s) on the financial statements for the year ended March 31, 2019. The notes of accounts referred to in the auditors' report are self explanatory and therefore do not require any further comments.

II. SECRETARIAL AUDITOR AND SECRETARIAL AUDIT REPORT:

Pursuant to the provisions of section 204 of the Act and The Companies [Appointment and Remuneration of Managerial Personnel] Rules, 2014, the Company has appointed M/s. Ronak Doshi & Associates, Practicing Company Secretary in place of retiring Secretarial Auditor, M/s. Dhawal Chavda & Associates, Practicing Company Secretary to undertake Secretarial Audit for the financial year ended on **31st March, 2019**. Secretarial Audit Report is annexed as “Annexure F” as Form **MR-3**. The Board has duly reviewed the Secretarial Auditor's Report and the observations and comments, appearing in the report are self-explanatory and do not call for any further explanation / clarification by the Board of Directors as provided under section 134 of the Act.

III. INTERNAL CONTROL AUDITOR AND SYSTEM:

Pursuant to the provisions of section 138 of the Companies Act and rules made there under, the company has its proper system of Internal Control and it regularly monitor the safeguarding of its assets, prevention and detection of frauds and errors and accuracy and completeness of accounting records including timely preparation of financial information.

Mrs. Vikeeta Kaswala, Internal Auditor of the company, together with Statutory Auditor of the Company

M/s. Rajpara Associates consults and reviews the effectiveness and efficiency of these systems and procedures to ensure that all the assets are protected against loss and that the financial and operational information is accurate and complete in all respects.

ENVIRONMENT, HEALTH AND SAFETY:

The Company accords the highest priority to Environment, Health and Safety. The management is constantly reviewing the safety standards of the employees and the management believes in the concept of sustainable development.

MANAGING THE RISKS OF FRAUD, CORRUPTION AND UNETHICAL BUSINESS PRACTICES:

i. Vigil Mechanism / Whistle Blower Policy:

The Company has established vigil mechanism and framed whistle blower policy for Directors and employees to report concerns about unethical behavior, actual or suspected fraud or violation of Company's Code of Conduct or Ethics Policy.

During the year, none of the matter having any unethical practices or behavior was reported to the Company.

The Vigil Mechanism/Whistle Blower Policy can be accessed at the Company's Website: www.shaivalgroup.ooo.

ii. Business Conduct Policy:

The Company has framed "Business Conduct Policy". Every employee is required to review and sign the policy at the time of joining and an undertaking shall be given for adherence to the Policy. The objective of the Policy is to conduct the business in an honest, transparent and in an ethical manner. The policy provides for anti-bribery and avoidance of other corruption practices by the employees of the Company.

MEETINGS OF THE COMPANY:

I. BOARD MEETINGS:

The Board of Directors duly met at regular intervals during the mentioned financial year as per the Act with the gap between two board meetings not exceeding 120 days and in respect of those meetings proper notices were given and the proceedings were properly recorded and signed in the Minutes Book maintained for the purpose. The Company has conducted four (4) Board meetings dated 28/05/2018, 14/08/2018, 12/11/2018, and 27/02/2019.

Attendance of Board Meeting:

SR. NO.	NAME OF DIRECTORS	NO. OF BOARD MEETING	
		HELD	ATTENDED
1.	SONAL MAYUR DESAI	4	4
2.	MAYUR MUKUNDBHAI DESAI	4	4
3.	SHAIVAL MAYURBHAI DESAI	4	4
4.	ASHISH NAVNITLAL SHAH	4	4
5.	ASHISH DESAI	4	4
6.	HIMANSHU AJAYBHAI SHAH	2	2

However, Mr. Himanshu Ajaybhai Shah has resigned from the post of Directorship w.e.f. 5th November, 2018.

II. COMMITTEES AND THEIR MEETINGS:**A. AUDIT COMMITTEE:**

The constitution of Audit Committee includes Mr. Ashish Navnitlal Shah, Chairman and Mr. Ashish Desai and Mr. Himanshu Ajaybhai Shah as members of the Audit Committee. However, Mr. Himanshu Ajaybhai Shah has resigned from the post of Independent Director w.e.f 5th November, 2018 and Mr. Mayur M Desai, Managing Director of the Company has been appointed as member of the Audit Committee w.e.f. 5th January, 2019. Therefore, the Committee was reconstituted and following are the chairman and members of the Committee:

1. Mr. Ashish Navnitlal Shah - Chairman
2. Mr. Ashish Desai - Member
3. Mr. Mayur M Desai - Member

The Company Secretary act as Secretary to the Meeting. The constitution of Audit Committee meets with the requirements under Section 177 of the Companies Act, 2013 and any other regulatory provisions.

The Committee periodically discussed the Financial Reporting process, reviewed the Financial Statements, and discussed the quality of the applied accounting principles and significant judgment that affected the Company's Financial Statements. The audit Committee reviewed with adequacy of internal control systems with the management, statutory and internal auditors.

Terms of Reference:

The terms of reference of the Audit Committee include approving and implementing the audit procedures, reviewing financial reporting systems, internal control systems and control procedures and ensuring compliance with the regulatory guidelines under Section 177 of the Companies Act, 2013 and any other regulatory provisions.

Powers of the Audit Committee:

The Audit Committee has powers that include the following:

- a) To investigate any activity of the Company within its terms of reference
- b) To seek information from any employee
- c) To obtain outside legal and other professional advice
- d) To secure attendance of outsiders with relevant expertise, if it considers necessary.

Audit committee meeting:

The Audit Committee duly met at regular intervals during the mentioned financial year and in respect of which meetings proper notices were given and the proceedings were properly recorded and signed in the Minutes Book maintained for the purpose. The Company has conducted 4 meetings during the year dated 28/05/2018, 14/08/2018, 12/11/2018 and 27/02/2019.

Attendance of Audit Committee Meeting:

Sr. No.	Name of Directors	No. of Board Meeting	
		Held	Attended
1.	ASHISH NAVNITLAL SHAH	4	4
2.	ASHISH DESAI	4	4
3.	HIMANSHU AJAYBHAI SHAH	2	2
4.	MAYUR MUKUNDBHAI DESAI	1	1

B. NOMINATION AND REMUNERATION COMMITTEE:

The Nomination and Remuneration Committee is entrusted with the responsibility of finalizing the remuneration of Executive / Whole Time Directors as well as CFO and CS.

Presently, Mr. Ashish Desai, Non Executive Independent Director is Chairman of Nomination and Remuneration Committee and Mr. Ashish Navnitlal Shah and Mr. Himanshu Shah were members of the Committee. However, Mr. Himanshu Ajaybhai Shah has resigned from the post of Independent Director w.e.f. 5th November, 2018 and Mr. Shaival M Desai has been appointed as member of the committee in his place. Therefore, the Committee was reconstituted and following are the chairman and members of the Committee:

1. Mr. Ashish Navnitlal Shah - Member
2. Mr. Ashish Desai - Chairman
3. Mr. Shaival Desai - Member

The Company Secretary of the Company acts as the Secretary to the Nomination and Remuneration Committee.

The Committee met 2 (Two) times during the year 2018-2019 on 14/08/2018 and 27/02/2019. It has complied with the provisions of Section 178 of the Companies Act, 2013.

Attendance of Nomination and Remuneration Committee Meeting:

Sr. No.	Name of Directors	No. of Board Meeting	
		Held	Attended
1.	ASHISH NAVNITLAL SHAH	2	2
2.	ASHISH DESAI	2	2
3.	HIMANSHU AJAYBHAI SHAH	1	1
4.	MR. SHAIVAL DESAI	1	1

C. STAKEHOLDERS RELATIONSHIP COMMITTEE:

The Board of Directors of the Company has constituted a Stakeholders Relationship Committee as per Companies Act, 2013.

Presently, the Stakeholders Relationship Committee comprising of Mr. Ashish Desai, Chairman of the Committee, Mr. Ashish Navnitlal Shah and Mr. Himanshu Shah were members of the Committee. However, Mr. Himanshu Ajaybhai Shah has resigned from the post of Independent Director of the Company w.e.f 5th November, 2018 and Mrs. Sonal M Desai has been appointed as member of the committee in his place. Therefore, the Committee was reconstituted and following are the chairman and members of the Committee:

1. Mr. Ashish Navnitlal Shah - Member
2. Mr. Ashish Desai - Chairman
3. Mrs. Sonal M Desai - Member

They inter alia, approve issue of duplicate certificates and oversee and reviews all matters connected with the securities transfers. The Committee also looks into redressal of shareholders' complaints like transfer of shares, non-receipts of balance sheet, non-receipt of declared dividends etc. The Committee oversees the performance of the Registrar and Transfer Agents and recommends measures for overall improvement in the quality of investor services.

The Company has designated the below cited e-mail ID of the Grievance Redressal Division / Compliance Officer Ms. Sonali Panchal exclusively for the purpose of registering complaints by investors.

E-mail ID – shaivalgroup@gmail.com

None of the request for transfers, dematerialization and re-materialization was pending for approval as on 31st March, 2019. The Committee met 3 (Three) times during the year on 28/05/2018, 14/08/2018, and 12/11/2018.

Attendance of Stakeholder relationship Committee Meeting:

Sr. No.	Name of Directors	No. of Board Meeting	
		Held	Attended
1.	ASHISH NAVNITLAL SHAH	3	3
2.	ASHISH DESAI	3	3
3.	HIMANSHU AJAYBHAI SHAH	2	2

III. INDEPENDENT DIRECTORS' MEETING:

During the year under review, a separate meeting of Independent Directors was held on 26th May, 2018 inter alia, to discuss:

1. Evaluation of performance of Non-Independent Directors and the Board of Directors as a whole,
2. Evaluation of performance of the Chairman of the Company, taking into account the views other Executive and Non-Executive Directors and
3. Evaluation of the quality, content and timelines of flow of information between the Management and the Board and that is necessary to effectively and reasonably perform its duties.

All the Independent Directors were present at the meeting.

INDUSTRIAL RELATIONS:

The relations with the labourers were cordially in nature.

ACCOUNTING STANDARDS AND FINANCIAL REPORTING:

The Company incorporates the accounting standards as and when issued by the Institute of Chartered Accountants of India. The Company Complied with the Stock Exchange and legal requirement concerning the Financial Statements at the time of preparing them for the Annual Report.

MANAGEMENT'S DISCUSSION AND ANALYSIS REPORT:

In terms of Regulation 34(3) and 53(f) of the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 the Corporate Governance Report, the Management Discussion & Analysis Statement, and the Auditors' Certificate regarding Compliance of Conditions of Corporate Governance are part of this Annual Report

DEMATERIALISATION OF EQUITY SHARES:

As per direction of the SEBI and National Stock Exchange Limited, the shares of the Public Company must be under compulsory Demat form. The Company has established connectivity with both the Depositories i.e. National Securities Depository Limited and Central Depository Services (India) limited and the Demat activation number allotted to the Company is ISIN: INE262S01010. Presently all the shares of the company i.e. 100% shares are held in electronic mode.

DISCLOSURE UNDER THE SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (Prevention, Prohibition and Redressal Act, 2013):

The Company has in place an Anti Sexual Harassment Policy in line with the requirements of The Sexual Harassment of Women at the Workplace (Prevention, Prohibition & Redressal) Act, 2013. Internal Complaints Committee (ICC) has been set up to redress complaints received regarding sexual harassment. All employees (permanent, contractual, temporary, trainees) are covered under this policy. Your Directors further state that no complaints regarding the sexual harassment were raised during the year.

DIRECTORS RESPONSIBILITY STATEMENT:

In accordance with the provision of section 134(5) the Board confirms and submits the Director's Responsibility Statement:-

- a) in 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 or loss of the company for that period;
- c) the Directors had taken proper and sufficient care for the maintenance of adequate accounting records 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, in the case of a listed company, 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 system to ensure compliance with the provision of all applicable laws and that such systems were adequate and operating effectively.

PARTICULARS OF LOANS, GUARANTEES AND INVESTMENTS UNDER SECTION 186 AS PER COMPANIES ACT,2013:

The Company has not provided directly or indirectly any loan to any other person or body corporate or has given any guarantees or provide security in connection with loan to any other body corporate or person and acquire by way of subscription, purchase or otherwise, the securities of any other body corporate, exceeding sixty percent of its paid up capital, free reserves and securities premium account or one hundred percent of its free reserves and securities premium account, whichever is more and hence it is within the purview of Section 186 of the Companies Act, 2013.

BOARD EVALUATION:

Pursuant to the provisions of the Companies Act, 2013 and as per Regulations under SEBI (LODR), 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 Audit, Nomination and Remuneration Committee. The performance of the Board was evaluated by the Board after seeking feedback from all the Directors on the basis of the parameters/criteria, such as, degree of fulfillment of key responsibility by the Board, Board Structures and Composition, establishment and delineation of responsibilities to the Committees, effectiveness of Board processes, information and functioning, Board culture and dynamics and, Quality of relationship between the Board and the Management. The performance of the committees' viz. Audit Committee and Nomination & Remuneration Committee was evaluated by the Board after seeking feedback from Committee members on the basis of parameters/criteria such as degree of fulfillment of key responsibilities, adequacy of committee composition, effectiveness of meetings, committee dynamics and, quality of relationship of the committee with the Board and the Management. The directors expressed their satisfaction

with the evaluation process and outcome.

The performance on Non- Independent Director, including Chairman was also evaluated by the Independent Directors at the separate meeting held of Independent Directors of the Company.

FRAUD:

No cases of fraud have been reported by the company during the period under review.

RISK MANAGEMENT SYSTEM:

The Company has developed and implemented a risk management system which identifies, assess, monitor and mitigate various risks on continuation basis, which may threaten the existence of the Company.

DISCLOSURE OF RELATIONSHIPS BETWEEN DIRECTORS INTER-SE:

Name of directors	Relationship with other director
Mr. Mayur Mukundbhai Desai	Managing Director and self
Mrs. Sonal Mayur Desai	Director and wife of Mr. Mayur M Desai
Mr. Shaival Mayurbhai Desai	Director and son of Mr. Mayur M Desai
Mr. Ashish Navnitlal Shah	None
Mr. Ashish Desai	None

ACKNOWLEDGMENT:

Your Directors wish to place on record their sincere appreciation to the financial institutions, Company's bankers and customers, vendors and investors for their continued support during the year.

Your Directors are also pleased to record their appreciation for the dedication and contribution made by employees at all levels who through their competence and hard work have enabled your Company achieve good performance year after year and look forward to their support in future as well.

Registered Office:

**A/1, Maharaja Palace,
Near Vijay Cross Road, Navrangpura,
Ahmedabad – 380009.**

**By Order of the Board
For, Shaival Reality Limited**

**Sd/-
MAYUR M. DESAI
MANAGING DIRECTOR
DIN: 00143018**

**Sd/-
SHAIVAL DESAI
DIRECTOR
DIN: 03553619**

Date: May 24, 2019

Place: Ahmedabad