



DIRECTORS' REPORT

Dear Members,
Grandeur Products Limited

The Directors have pleasure to presenting Directors' Report along with the audited financial statements for financial year ended 31st March, 2019.

1. FINANCIAL RESULTS

Your Company's Standalone and Consolidated performance during the Financial Year 2018-19 as compared with that of the previous Financial Year 2017-18 is summarized below: -

(₹ in Lakhs)

Particulars	Standalone		Consolidated	
	2018-19	2017-18	2018-19	2017-18
Revenue from operations	380.20	9.08	10,629.23	1,090.94
Other income	15.01	62.80	31.09	89.38
Profit/ (Loss) before Finance cost, Depreciation and Tax	395.21	71.89	10,660	1,180.32
Finance costs	126.87	46.79	356.79	131.05
Depreciation and amortization expense	1.67	2.70	34.28	13.73
Profit before exceptional and extraordinary items and tax	48.55	(43.23)	486.77	(349.39)
Exceptional items	-	-	27.45	-
Extraordinary items	-	-	-	-
Profit before tax	48.55	(43.23)	459.32	(349.39)
Tax expense:				
(1) Current tax	8.82	-	102.53	4.30
(2) Prior Year Income Tax expenditure	0.60	-	0.60	-
(3) Deferred tax	19.58	(11.12)	4.05	(23.48)
(4) MAT Credit Entitlement	(5.43)	-	-18.69	(4.30)
Profit (Loss) for the year	24.98	(32.10)	370.82	(325.90)
Other comprehensive income	(92.37)	134.07	(92.36)	134.07
Total comprehensive income for the period	(67.38)	101.97	278.46	(191.84)

2. PERFORMANCE REVIEW & COMPANY'S STATE OF AFFAIRS:

The Company's consolidated revenue from operations for Financial Year ('FY') 2018-19 was ₹ 10660.31 Lakhs compared to ₹ 1180.32 Lakhs in the previous year, an increase by 803.39 % over the previous year. The Company's profit before tax on a consolidated basis was ₹ 459.32 Lakhs during the year compared to loss of ₹ 349.39 Lakhs in the previous year. The Company earned a net profit of ₹ 370.82 Lakhs as against a net loss of ₹ 325.91 Lakhs in the previous year, on a consolidated basis.

The Company's standalone revenue from operations for FY 2018-19 was ₹ 395.21 Lakhs, an increase of 449.82 % over the previous year's revenue of ₹ 71.88 Lakhs. The Company's profit before tax on a standalone basis was ₹ 48.55 Lakhs during the year compared to loss of ₹ 43.23 Lakhs in the previous year. The Company earned a net profit of ₹ 24.98 Lakhs as against a net loss of ₹ 32.10 Lakhs in the previous year.



Your Company continues to focus on introducing more innovative products which will help in increasing penetration both in the strategic crops and in the new geographies. The company will grow its market share with newer products and technologies in cotton as well as in other crops like corn, rice, mustard, millets and vegetable crops. Now, Grandeur also has entered in to the seed business directly with its own brand "Grandeur- Seed of Life".

The agricultural sector is the backbone of the Indian economy. Agriculture in India will benefit from a higher scale of investments in agri-infrastructure, owing to the Government's focus on doubling farmers' income by 2022. As a result, the agricultural input space, including commercial seeds, will continue to expand at a robust pace in the years to come.

SUBSIDIARY COMPANIES AND CONSOLIDATED FINANCIAL STATEMENTS:

The Consolidated Financial Statements of the Company and its subsidiaries, prepared in accordance with Indian Accounting Standards notified under the Companies (Indian Accounting Standards) Rules, 2015 ('Ind AS'), form part of the Annual Report and are reflected in the Consolidated Financial Statements of the Company. In accordance with Section 136 of the Companies Act, 2013, the Audited Financial Statements, including the consolidated financial statements, audited accounts of all the Subsidiaries and other documents attached thereto are available on your Company's website <http://www.grandeurproducts.com>.

The Company has adopted a Policy for determining Material Subsidiaries in terms of Regulation 16(1)(c) of the Listing Regulations. The Policy, as approved by the Board, is uploaded on the Company's website <http://www.grandeurproducts.com>.

Pursuant to the provisions of Section 129(3) of the Companies Act, 2013 read with Rule 5 of the Companies (Accounts) Rules, 2014, a statement containing the salient features of the financial statements of our Subsidiaries, Associates and Joint Ventures in the Form AOC-1 is annexed and forms part of the Financial Statement. The statement provides the details of performance and financial position of each of the Subsidiaries, Associate and Joint Venture.

3. DIVIDEND:

Your Directors have not recommended any dividend for the financial year 2018-19.

4. RESERVES:

Your Directors do not propose to transfer any amount to any reserve during the Financial Year ended 31st March, 2019.

**5. SHARE CAPITAL:**

Your Company's Equity Share Capital position as at the beginning of the Financial Year 2018-19 (i.e., as on 1st April, 2018) and as at the end of the said Financial Year (i.e., as on 31st March, 2019) is as follows: -

Equity of Share Capital	Authorized Share Capital		
	No. of Shares	Face Value per share (in ₹)	Total Amount (in ₹)
As on April 1, 2018:	2,00,00,000	10	20,00,00,000
Changes during the year			
Increase in the Authorized share capital	50,00,000	10	5,00,00,000
As on 31st March, 2019	2,50,00,000		25,00,00,000

Equity of Share Capital	Issued, Subscribed & Paid-up Share Capital		
	No. of Shares	Face Value per share (in ₹)	Total Amount (in ₹)
As on April 1, 2018:	1,26,11,960	10	12,61,19,600
Allotments during the year			
On 10.04.2018 the company has allotted 7,50,000 equity shares of ₹10/- each to non-promoter group, pursuant to the conversion of 1,50,000 6% Compulsory Convertible Debentures (CCD's) of ₹ 100 each to non – promoter.	7,50,000	10	75,00,000
On 05.05.2018 the company has allotted 67,00,000 equity shares of ₹ 10/- each to non-promoter group on preferential basis	67,00,000	10	6,70,00,000
On 07.05.2018 the company has allotted 22,50,000 equity shares of ₹ 10/- each to non-promoter group, pursuant to the conversion of 4,50,000 6% Compulsory Convertible Debentures (CCD's) of ₹ 100 each to non-promoters.	22,50,000	10	2,25,00,000
As on 31st March, 2019	2,23,11,960		22,31,19,600

As on 31st March, 2019, the paid up Capital of the Company was ₹ 22,31,19,600 (Rupees Twenty-Two Crores Thirty-One Lakhs Nineteen Thousand and Six Hundred only) divided into 2,23,11,960 (Two Crores Twenty-Three Lakhs Eleven Thousand Nine Hundred and Sixty) Equity Shares of ₹ 10 (Rupees Ten only) each.

6. ISSUE OF DEBENTURES:

During the year Company issued and allotted 7,50,000 ,10% Secured Redeemable Unlisted Non-Convertible Debentures of ₹ 100 each aggregating ₹ 7,50,00,000 (Rupees Seven Crores and Fifty Lakhs only) to the Non-Promoter Group under private placement basis.

7. OPEN OFFER UNDER SEBI (SAST) REGULATIONS, 2011:

During the year Open Offer made by Mr. Suresh Atluri ("Acquirer 1"), Mr. Surinder Kumar Tikoo ("Acquirer 2"), Mr. Parthasarathi Bhattacharya ("Acquirer 3") and Mr. Satish Kumar Tondapu ("Acquirer 4"), Mrs. Sailaja Mannepalli ("PAC 1") and Mr. Srinivasa Rao Paturi ("PAC 2") (hereinafter collectively referred to



as ("Acquirers and PACs") to the Equity Shareholders of Grandeur Products Limited (hereinafter referred to as "GPL"/"Target Company") pursuant to and in compliance with regulation 3(1) and 4 of the SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 2011 to acquire upto 58,01,200 Equity Shares of ₹ 10.00 each representing 26% of the Equity Share Capital/Voting Capital of the Target Company ("Offer Size") at a price of ₹ 40 (Rupees Forty only) per Equity Share ("Offer Price"), payable in cash, subject to the terms and conditions set out in the PA, DPS, DLoF and LoF sent to the Public Shareholders of the Target Company.

8. ACQUISITION DURING THE YEAR:

Acquisition of Tierra Seed Science Private Limited

During the year, your company has acquired 47.53% of paid up capital of Tierra Seed Science Private Limited. Tierra Seed Science Private Limited is a Private Limited Company incorporated under the provisions of the Companies' Act 1956 headquartered at Hyderabad.

Tierra Seed Science has a well-established R&D center located at Hyderabad equipped with major facilities like molecular Biology Lab with major equipment's like PCR machines, gel electrophoresis unit, nano drop, gel documentation units, deep freezers, Millipore water filtration unit, centrifuges etc. The Doubled haploid and Tissue culture facility has all the required clean rooms, laminar flows, microscopes, autoclave and equipment's to conduct research in plants. A containment greenhouse and a cold room for germ plasm storage have also been constructed in the facility where most of its projects are carried out.

Apart from this research facility at Hyderabad, Tierra Seed Science has also established breeding research farms in Hyderabad and Pune. All the farms are well irrigated and with required facilities e.g. working germplasm bank, drip irrigation, breeder's work stations and appropriate poly and net houses, vacuum emasculator for doing required crosses etc.

9. CHANGE IN THE NATURE OF BUSINESS, IF ANY:

There has been no change in the nature of business of your Company during the Financial Year 2018-19.

10. DIRECTORS & KEY MANAGERIAL PERSONNEL:

10.1. Directors

The Board of Directors of your Company presently comprises of the following Directors:

Name of the Director	Designation
Vijay Kumar Deekonda	Chairman and Whole Time Director
Majeti Venkatesha Sridhar Kumar	Independent Director
Sridevi Dasari	Independent Director
Ramesh Babu Nemani	Independent Director

Resignation of Director:

Mr. Poppoppu Lenin Babu, tendered the resignation from the office of Independent Director of the Company with effect from 5th April 2018, due to his pre occupations, there is no other material reason, other than those provided by him. The Board members of the company profound Mr. Poppoppu Lenin Babu for valuable services and company is highly appreciable the services rendered by him.

Mr. Munnangi Jayaramaprasad tendered the resignation from the office of Non- Executive Director of the Company with effect from 23rd October 2018, due to his pre occupation.

Regularization of appointment of Mr. Ramesh Babu Nemani:

The appointment of Mr. Ramesh Babu Nemani has been regularized as a Director (Non-Executive, Independent Director) for a period of five consecutive years from 5th April, 2018 at the 35th Annual General Meeting of the Company.

**Re-appointment of Independent Director:**

On recommendation of the Nomination and Remuneration Committee, the Board of Directors have re-appointed Mr. Majeti Venkatesha Sridhar Kumar as an Independent director for a term of 5 consecutive years w.e.f 30th September, 2019.

Appropriate resolution for the re-appointment of Mr. Majeti Venkatesha Sridhar Kumar of the as an Independent Director of the Company is being placed for the approval of the members of the Company at the 36th Annual General Meeting for a period of 5 (five) years from the date of his appointment.

The details of Directors being recommended for re-appointment as required under the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Secretarial Standard 2 issued by Institute of Company Secretaries of India are contained in the accompanying Notice convening the ensuing 36th Annual General Meeting of the Company.

10.2. KEY MANAGERIAL PERSONNEL:

The following are the Key Managerial Personnel (KMP) of the Company pursuant to the provisions of Section 203 of the Companies Act, 2013, throughout the Financial Year 2018-19: -

1. Mr. Vijay Kumar Deekonda- Whole Time Director and Chief Financial Offer
2. Ms. Priyanka Kumari – Company Secretary and Compliance Officer

11. BOARD COMMITTEES:

The committees of the Board are Audit Committee, Nomination and Remuneration Committee and Stakeholders Relationship Committee. The Committees of the Board focus on certain specific areas and make informed decisions in line with the delegated authority. Details of composition, terms of reference, number and dates of meetings held for respective committees are given in the Report on Corporate Governance attached to this Report.

12. NOMINATION AND REMUNERATION POLICY:

In accordance with Section 178(3) of the Companies Act, 2013, Regulation 19(4) of SEBI (LODR) Regulations and on recommendations of the company's Nomination and Remuneration Committee, the Board adopted a remuneration policy for directors, KMP, senior management and other employees. The remuneration paid to Directors, Key Managerial Personnel and all other employees is in accordance with the Remuneration Policy of the Company. The Policy is placed on the Company's website: www.grandeurproducts.com and further details have been disclosed in the Corporate Governance Report, which forms part of this Report.

13. DECLARATION BY INDEPENDENT DIRECTORS:

The independent Directors have submitted the declaration of independence, as required pursuant to section 149 (7) of the Companies Act, 2013 stating that they meet the criteria of independence as provided in sub section (6) of Section 149.

14. MEETINGS OF THE BOARD OF DIRECTORS DURING THE FY 2018-19:

During the financial year 2018-19, the Board of Directors of the Company, met 13 (Thirteen) times on 5th April, 2018, 10th April, 2018, 11th April, 2018, 5th May, 2018, 7th May, 2018, 30th May, 2018, 24th July, 2018, 14th August, 2018, 5th September, 2018, 23rd October, 2018, 14th November, 2018, 26th November, 2018 and 12th February, 2019. The maximum gap between two Board Meetings did not exceed 120 (one hundred twenty) days.

15. EMPLOYEE STOCK OPTION PLAN/ SCHEME AND EMPLOYEE STOCK PURCHASE SCHEME:

The Company formulated two employee benefit plans, namely, Grandeur Employee Stock Option Scheme II, 2016 (GPLESOS II, 2016) and the Grandeur Employees Stock Purchase Scheme 2017" ("GPL-ESPS 2017") both are approved by the shareholders through Postal Ballot dated 8th November, 2016 and at Extra Ordinary General Meeting held on 25th March, 2017 respectively with an objective of enabling the company to retain talented human resources by offering them the opportunity to acquire a continuing equity interest in the Company, which will reflect their efforts in building the growth and the profitability of the Company. The ESOP Plan is in compliance with the SEBI (Share Based Employee Benefits) Regulations, 2014.



During the year under review, no changes were made in the above said schemes. Details regarding the above mentioned schemes along with their status are annexed as **"Annexure- A"** and forms part of this report.

Further certificate from Statutory Auditors, with respect to implementation of the above Employee's Stock Option Schemes in accordance with SEBI Guidelines and the resolution passed by the Members of the Company, would be placed before the Members at the ensuing AGM.

16. ANNUAL EVALUATION OF BOARD PERFORMANCE AND PERFORMANCE OF ITS COMMITTEES AND OF DIRECTORS:

Pursuant to the provisions of the Companies Act, 2013 read with the Rules issued thereunder, Regulation 17(10) of the Listing Regulations and the circular issued by SEBI dated 5th January, 2017 with respect to Guidance Note on Board Evaluation, the Board has carried out an annual evaluation of its own performance, performance of the Directors as well as the evaluation of the working of its Committees.

The NRC has defined the evaluation criteria, procedure and time schedule for the Performance Evaluation process for the Board, its Committees and Directors. In a separate meeting, the independent Directors evaluated the performance of Non-Independent Directors and performance of the Board as a whole. They also evaluated the performance of the Chairman taking into account the views of Executive Directors and Non-Executive Directors. The NRC reviewed the performance of the Board, its Committees and of the Directors.

17. STATUTORY AUDITORS:

M/s Ramasamy Koteswara Rao and Co LLP, Chartered Accountants (Firm Registration Number: 010396S/S200084) were appointed as the statutory auditors of the company at the 31st Annual General Meeting (AGM) held on 19th June 2014, to hold office as such till the conclusion of the ensuing 36th AGM. The term of the said Statutory Auditors shall expire at the ensuing 36th Annual General Meeting of the company.

Further, pursuant to Section 139 of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014 M/s Ramasamy Koteswara Rao and Co LLP, Chartered Accountants (Firm Registration Number: 010396S/S200084) being eligible, offer themselves for re-appointment for a term of 5 (five) years in accordance with the provisions of Sec. 139 of the Companies Act, 2013 and the rules made there under. The Company has also received written consent from the Auditors and a confirmation to the effect that their re-appointment, if made, would be within the limits prescribed under the Section 141 of the Companies Act, 2013 and the rules made there under.

Accordingly, the appointment of M/s Ramasamy Koteswara Rao and Co LLP, Chartered Accountants (Firm Registration Number:010396S/S200084), as the statutory auditors of the Company is hereby placed before the shareholders for their approval.

The Audit Report issued by the Statutory Auditors for the financial year ended 31st March, 2019 forms part of this Report. There are no qualifications, reservations or adverse remarks made by the Statutory Auditors which requires explanation or comments from the Board.

18. SECRETARIAL AUDITORS:

Pursuant to the provisions of Section 204 of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) rules, 2014, the Board of Directors have appointed Mr. MB Suneel, Company Secretary in Practice (C.P.No.14449) as Secretarial Auditors to conduct Secretarial Audit of the Company for the financial year ended 31st March 2019. The Secretarial Audit Report issued by Mr. MB Suneel, Company Secretary in Practice in Form MR-3 is annexed to this Board's Report as **"Annexure - B"**. The Secretarial Auditors Report does not contain any qualifications, reservation or adverse remarks.

Further, pursuant to provisions of Regulation 24A of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, ("Listing Regulations"), Tierra Agrotech Private Limited ("TAPL") is a Material subsidiary of your Company in terms of Regulation 16(1)(c) of the Listing Regulations. The Secretarial Audit Report submitted by the Secretarial Auditors of TAPL is also annexed herewith as **"Annexure- C"** to this Board's Report.

**19. MAINTENANCE OF COST RECORDS:**

The maintenance of Cost records as specified by the central government under sub-section (1) of section 148 of the Companies' act, 2013, is not applicable on our Company.

20. SUBSIDIARIES, ASSOCIATES AND JOINT VENTURES:**20.1. Subsidiary Companies:**

Your Company has the following subsidiaries [as defined under Section 2(87) of the Companies Act, 2013] during the Financial Year 2018-19: -

- a. Tierra Agrotech Private Limited: (A Wholly-Owned Subsidiary of your Company throughout the Financial Year 2018-19)
- b. Xylem Seeds Private Limited: (A Wholly-Owned Subsidiary of Tierra Agrotech Private Limited throughout the Financial Year 2018-19).

20.2. Associate Company:

During the year, Your Company has acquired 9,80,000 Equity shares of ₹ 10 each forming 47.53% of the Equity Stake in Tierra Seed Science Private Limited. Consequent to the acquisition, Tierra Seed Science Private Limited became Associate Company of your Company.

20.3. Joint Venture Company:

Tierra Agrotech Private Limited, Wholly Owned Subsidiary of the Company has entered in to a Joint Venture agreement in July, 2017 with IDEN Biotechnology S.L. a Spanish Limited Liability Company organized under the laws of Spain, with its head office located at Cordovilla (Navarra) Spain. Pursuant to the Joint Venture Agreement, a Joint venture company named TIDAS Agrotech Private Limited was incorporated under the laws of Companies Act, 2013 on 9th August, 2017 situated in Hyderabad.

21. AMALGAMATION OF TIERRA AGROTECH PRIVATE LIMITED AND XYLEM SEEDS PRIVATE LIMITED:

During the year, the Board of Directors of the Company have approved the Scheme of Amalgamation ('Scheme') for merger of Tierra Agrotech Private Limited which is wholly owned subsidiary of the company and Xylem Seeds Private Limited which is step down subsidiary of the company under Sections 230 to 232 of the Act and as per the terms and conditions mentioned in the Scheme, subject to receipt of all requisite statutory and regulatory approvals, including approval of the National Company Law Tribunal ('NCLT').

**22. DISCLOSURES AS PER THE COMPANIES (ACCOUNTS) RULES, 2014:**

S. No.	Particulars	Remarks
1.	Change in Nature of Business, if any	None
2.	Details of Directors / Key Managerial Personnel (KMP) who were appointed or have resigned during the Financial Year 2018-19	
	S. No. Name of Director	Date of Appointment / Resignation
	a) Mr. Poppuppu Lenin Babu	Resigned as an Independent Director of the Company with effect from 5th April, 2018.
	b) Mr. Ramesh Babu Nemani	Appointed as an Independent Director of the Company with effect from 5th April, 2018.
	c) Mr. Munnangi Jayaramaprasad	Resigned as Non- executive Director of the Company with effect from 23rd October, 2018.
3.	Names of Companies which have become or have ceased to be its Subsidiaries, Joint Ventures or Associate Companies during the Financial Year 2018-19	During the year under review, Tierra Seed Science Private Limited has become Associate of your Company with effect from 31st March, 2019.
4.	Details of Deposits covered under Chapter V of the Companies Act, 2013	(i) Accepted during the year: Nil (ii) Remained unpaid or unclaimed during the year: Nil (iii) Whether there has been any default in repayment of deposits or payment of interest thereon during the year and if so, number of such cases and total amount involved: a. At the beginning of the year: Nil b. Maximum during the year: Nil c. At the end of the year: Nil (iv) Details of Deposits which are not in compliance with the requirements of Chapter V of the Companies Act, 2013: None
5.	Details of Significant and Material Orders passed by the Regulators or Courts or Tribunals, impacting the going concern status and the Company's operations in future	No significant and material orders have been passed by the regulators or Courts or Tribunals which impact the going concern status and Company's operations in future.
6.	Details in respect of Adequacy of Internal Financial Controls with reference to the Financial Statement	Adequate internal control checks are available in the opinion of the Board of Directors.

23. INTERNAL FINANCIAL CONTROLS

Your Company is committed to constantly improve the effectiveness of internal financial controls and processes for efficient conduct of its business operations and timely preparation of reliable financial information. In the opinion of the Board, the internal financial control system of the Company commensurate with the size, scale and operations of the Company.



The Internal Controls over Financial Reporting are routinely tested and certified by Statutory as well as Internal Auditors. The Audit Committee reviews the adequacy and effectiveness of the Company's internal control environment and monitors the implementation of audit recommendations, including those relating to strengthening of the Company's risk management policies and systems.

Further, the internal financial controls with reference to the Financial Statements are adequate in the opinion of the Board of Directors and were operating effectively.

24. PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS:

As required to be reported pursuant to the provisions of Section 186 and 134(3)(g) of the Companies Act, 2013, and Schedule V of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 the particulars of loans, guarantees or investments by the Company under the aforesaid provisions during the Financial Year 2018-19 have been provided in the Notes to the Standalone Financial Statement.

25. RELATED PARTY TRANSACTIONS:

During the Financial Year 2018-19, there are no material significant Related Party Transactions entered into by the Company with Promoters, Directors, Key Managerial Personnel or other designated persons which may have a potential conflict with the interest of the Company. Attention of Shareholders is also drawn to the disclosure of transactions with related parties set out in Note No. 1.23 of the Standalone Financial Statements, forming part of the Annual Report. None of the Directors have any pecuniary relationships or transactions vis-à-vis the Company. The 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 is annexed as **Annexure-D** in Form No. AOC-2 and forms part of this report.

26. DEPOSITS:

During the year under review, the Company has not accepted any deposit within the meaning of Sections 73 and 74 of the Companies Act, 2013 read with the Companies (Acceptance of Deposits) Rules, 2014 (including any statutory modification(s) or re-enactment(s) thereof for the time being in force).

27. DISCLOSURE AS PER SEXUAL HARRASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION AND REDRESSAL) ACT, 2013:

The Company has zero tolerance for sexual harassment at workplace and has adopted a policy on prevention, prohibition and redressal of sexual harassment at workplace in line with the provisions of Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 and the rules framed thereunder.

28. CORPORATE SOCIAL RESPONSIBILITY (CSR):

The provisions of Section 135 of the Companies Act, 2013 read with applicable rules related to Corporate Social Responsibility is not applicable to Company for the Financial Year 2018-19.

29. VIGIL MECHANISM / WHISTLE BLOWER POLICY:

The Board of Directors has adopted the Vigil Mechanism, which is in compliance with Section 177(9) Companies Act, 2013 and Regulation 22 of the SEBI (LODR) Regulations 2015 for Directors and employees to report to the management, instances of unethical behaviour, actual or suspected, fraud or violation of the Company's code of conduct or ethics policy and to report genuine concerns or grievances. Further, the Policy provides for adequate safeguards against victimisation of employees who avail of the mechanism and also provides for direct access to the Chairperson of the Audit Committee. The Vigil Mechanism has been posted on the website of the company at www.grandeurproducts.com.



30. RISK MANAGEMENT:

The Committee oversees Company's process and policies for determining risk tolerance and review management's measurement and comparison of overall risk tolerance to established levels. Major risks identified by the businesses and functions are systematically addressed through mitigating actions on a continuous basis. The Company has developed and implemented a risk management policy to create transparency, minimise adverse impact on business objectives and enhance the Company's competitive advantage. The Risk Management is overseen by the Audit Committee of the Company on a continuous basis.

31. DIRECTORS' RESPONSIBILITY STATEMENT:

Pursuant to the requirement of Section 134(3)(c) and 134(5) of the Act, the Board of Directors, to the best of their knowledge and ability, confirm that:

- i. in the preparation of the annual accounts for the Financial Year 2018-19, the applicable accounting standards have been followed and there are no material departures;
- ii. they have 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 of the Company for the financial year;
- iii. they have taken proper and sufficient care to the best of their knowledge and ability for the maintenance of adequate accounting records in accordance with the provisions of the Act. They confirm that there are adequate systems and controls for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- iv. they have prepared the annual accounts for the Financial Year 2018-19 on a going concern basis;
- v. they have laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and operating properly; and
- vi. they have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

32. REPORTING OF FRAUDS:

There was no instance of fraud during the year under review, which required the Statutory Auditors to report to the Audit Committee and / or Board under Section 143(12) of the Act and the rules made thereunder.

33. CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNINGS AND OUTGO:

The Information on conservation of energy, technology absorption, foreign exchange earnings and outgo stipulated under Section 134(3)(m) of the Companies Act, 2013 read with Rule 8(3) of the Companies (Accounts) Rules, 2014 is annexed as **Annexure-E** and forms part of this report.

34. EXTRACT OF ANNUAL RETURN:

Pursuant to Section 92(3) of the Companies Act, 2013 and Rule 12(1) of the Companies (Management and Administration) Rules, 2014, the extract of the Annual Return in Form MGT-9 is annexed herewith as **Annexure-F** and forms part of this report.



35. MANAGEMENT DISCUSSION & ANALYSIS:

Management Discussion and analysis Report for the year under review, as stipulated under Regulation 34(2)(e) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 is presented in a separate section forming part of the Annual Report.

36. CORPORATE GOVERNANCE:

Your Company is in compliance with all the applicable provisions of Corporate Governance as stipulated under Chapter IV of the Listing Regulations. A detailed report on Corporate Governance as required under the Listing Regulations is provided in a separate section and forms part of the Annual Report.

Mr. MB Suneel, Company Secretary (C.P. No. 14449) has certified the Company's compliance of the requirements of Corporate Governance in terms of Regulation 34 of the Listing Regulations and their Compliance Certificate is annexed to the Report on Corporate Governance.

37. HUMAN RESOURCES:

The Company's HR policies and procedures are designed to recruit and retain the best talent to support the operations of your Company and to align the interest of employees with the long term organisational goals.

38. SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS OR COURTS:

During the Financial Year 2018-19, there were no instances of significant and material orders passed by the regulators or Courts or Tribunals which can adversely impact the going concern status of the Company and its operations in future.

39. MATERIAL CHANGES AND COMMITMENTS AFFECTING THE FINANCIAL POSITION OF THE COMPANY AFTER 31st MARCH 2019:

39.1. After the Closing of the financial year 2018-19, following material changes took place effecting the financial position of the Company:

a. Approval of Scheme of Amalgamation

The Scheme of amalgamation of Tierra Agrotech Private Limited which is wholly owned subsidiary of the company and Xylem Seeds Private Limited which is step down subsidiary of the company under Sections 230 to 232 of the Act got approval from National Company Law Tribunal ('NCLT'), Hyderabad on 20th August, 2019.

b. Completion of Open Offer

The Open offer made by Mr. Suresh Atluri ("Acquirer 1"), Mr. Surinder Kumar Tikoo ("Acquirer 2"), Mr. Parthasarathi Bhattacharya ("Acquirer 3") and Mr. Satish Kumar Tondapu ("Acquirer 4") Mrs. Sailaja Mannepalli ("PAC 1") and Mr. Srinivasa Rao Paturi ("PAC 2") (hereinafter collectively referred to as "Acquirers and PACs") to the Equity Shareholders of Grandeur Products Limited (hereinafter referred to as "GPL"/"Target Company") pursuant to and in compliance with regulation 3(1) and 4 of the Regulations to acquire upto 58,01,200 Equity Shares of ₹ 10.00 each representing 26% of the Equity Share Capital/Voting Capital of the Target Company ("Offer Size") at a price of ₹ 40 (Rupees Forty only) per Equity Share ("Offer Price"), to the Public Shareholders of the Target Company.

After the closing of the financial year the Acquirers and PACs have acquired 2,25,000 Equity Shares from the public shareholders of the company. The open offer got completed in the month of May, 2019.



Consequent to completion of open offer Mr. Suresh Atluri ("Acquirer 1"), Mr. Surinder Kumar Tikoo ("Acquirer 2"), Mr. Parthasarathi Bhattacharya ("Acquirer 3") and Mr. Satish Kumar Tondapu ("Acquirer 4") Mrs. Sailaja Mannepalli ("PAC 1") and Mr. Srinivasa Rao Paturi ("PAC 2") became the promoters of the Company with the existing promoters.

39.2. There have been no commitments affecting the financial position of your Company which have occurred between after the financial year 31st March, 2019.

40. MANAGERIAL REMUNERATION & REMUNERATION PARTICULARS OF EMPLOYEES:

The information required pursuant to Section 197 (12) read with Rule 5 (1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, in respect of employees of the Company is herewith annexed as "**Annexure- G**".

In terms of Rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Company does not have any employee who is employed throughout the financial year and in receipt of remuneration of ₹ 120 Lakhs or more, or employees who are employed for part of the year and in receipt of ₹ 8.50 Lakhs or more per month.

The Company does not have any employee who is employed throughout financial year or part thereof, who was in receipt of remuneration in financial year under review which in aggregate, or as the case may be, at a rate which in the aggregate is in excess of that drawn by the Managing Director or Whole time director and holds by himself or along with his spouse and dependent children not less than 2% of the equity shares of the Company.

41. CAUTIONARY STATEMENT:

Statements in the Director's Report and the Management Discussion and Analysis Report describing the Company's objectives, projections, expectations, estimates or forecasts may be forward-looking within the meaning of applicable laws and regulations. Actual results may differ substantially or materially from those expressed or implied therein due to risks and uncertainties. Important factors that could influence the Company's operations, inter alia, include input availability and prices, changes in government regulations, tax laws, economic, political developments within the country and other factors such as litigations and industrial relations.

42. ACKNOWLEDGEMENTS:

Your Directors place on record their sincere appreciation for the dedication, hard work and commitment of the employees at all levels and their significant contribution to your Company's growth.

Your Directors thank the Banks, Financial Institutions, Government Departments and Shareholders and look forward to having the same support in all our future endeavors.

For and on behalf of the Board of Directors

sd/-

Vijay Kumar Deekonda
Chairman & Whole Time Director
(DIN:06991267)

Date: 3rd September, 2019
Place: Hyderabad