

**DIRECTORS' REPORT**

To,  
The Members,  
Prime Customer Services Limited,

The Board of Directors has pleasure in presenting their Report along with Annual Report and Audited Financial Statements for the year ended 31st March, 2019.

**FINANCIAL PERFORMANCE:**

The highlights of the financial results for the financial year 2018-19 are as follows:

(In Rs.)

<b>PARTICULARS</b>	<b>YEAR ENDED 31.03.2019</b>	<b>YEAR ENDED 31.03.2018</b>
Revenue From Operations	43,17,76,070	36,11,60,805
Other Income	46,930	80,812
<b>Total Revenue</b>	<b>43,18,23,000</b>	<b>36,12,41,617</b>
Profit before Financial Expenses, Preliminary expenses, Depreciation and Taxation	2,20,69,608	1,75,16,167
Less: Financial expenses	34,55,840	19,09,451
Less: Depreciation & Preliminary Expenses	13,21,436	16,41,388
<b>Profit Before Taxation</b>	<b>1,72,92,332</b>	<b>1,39,65,328</b>
Less: Provision for current tax	48,48,141	41,30,640
Add / (Less) : Deferred tax	1,79,449	1,70,284
<b>Profit After Taxation</b>	<b>1,26,23,640</b>	<b>1,00,04,972</b>
Less: Proposed Dividend	NIL	NIL
Less: Tax on Dividend	NIL	NIL
Add/(Less): Surplus Brought Forward from previous year	1,37,56,095	37,51,123
Transfer to reserves	NIL	NIL
<b>Balance carried over to Balance Sheet</b>	<b>5,28,44,789</b>	<b>4,02,21,149</b>

**REVIEW OF OPERATIONS:**

The Company has reported income from operation during the year is Rs. 43, 17, 76,070 as compared to the previous year's income from operation of Rs. 36, 11, 60,805. The Company has earned net profit before tax of Rs. 1, 72, 92,332 as against previous year's net profit before tax of Rs. 1, 39, 65,328.

**CHANGE IN NATURE OF BUSINESS, IF ANY AND FUTURE OUTLOOK:**

During the year under review, the Company has not done any changes in its nature of Business.

**DIVIDEND:**

No dividend was declared for the current Financial Year because Company retains its earnings for the future growth of the Company.

**CONSOLIDATED FINANCIAL STATEMENTS:**

The accounts of the Florens Farming Private Limited and Florens Fresh Supply Solutions Private Limited are consolidated with the accounts of the Company in accordance with the provisions of Accounting Standards AS-21 on consolidated financial statement issued by the Institute of Chartered Accountants of India, Companies Act, 2013 read with Schedule III of the Companies Act, 2013 and rules made thereunder and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. The audited consolidated financial statements are provided in this Annual Report.

**MANAGEMENT DISCUSSION AND ANALYSIS:**

Management Discussion and Analysis for the year under review as stipulated under Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 is included in this report as Annexure-"A".

**DEPOSITS:**

During the year under review, your Company has not accepted any deposits within the meaning of Section 73 of the Companies Act, 2013 and rules made thereunder.

**PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS:**

The company has not given any loans or guarantees covered under the provisions of section 186 of the Companies Act, 2013. The detail of the investments made by company is given in the notes to the standalone financial statements.

**INTERNAL CONTROLS AND THEIR ADEQUACY:**

The Company has adequate internal controls and processes in place with respect to its financial statements which provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements. These controls and processes are driven through various policies, procedures and certifications. The processes and controls are reviewed periodically. The Company's internal control system is commensurate with its size, scale and complexities of its operations.

**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. All employees (permanent, contractual, temporary, trainees) are covered under this policy. There was no case of sexual harassment reported during the year under review.

**CONSERVATION OF ENERGY & TECHNOLOGY ABSORPTION:**

The Company has taken precautionary steps for conservation of energy & technology absorption by implementing various measures & efforts which improve the productivity of the machineries, improve quality of a product, reduce the cost of a manufacturing and no specific investment has been made in reduction in energy consumption.

**FOREIGN EXCHANGE EARNINGS AND OUTGO:**

During the period under review foreign exchange earnings or out flow reported as follow:

(In Rs.)

Particulars	Amount In Foreign currency
Out Flow	NIL
Earning	NIL

**INDUSTRIAL RELATIONS:**

During the year under review, your Company enjoyed cordial relationship with workers and employees at all levels.

**COMPOSITION OF BOARD AND STATUTORY COMMITTEES FORMED THEREOF**

**Board of Directors:**

The Board of the Company comprises of eight Directors out of which one is Managing Director, three are Whole-time and rest of the Directors are Non-Executive Independent Directors. The maximum gap between any two board meetings is not more than 120 days. During the financial year 2018-19, there were SIX (6) meetings of the board held on 30th May, 2018, 13th August, 2018, 28th September, 2018, 14th November, 2018, 19th February, 2019, and 19th March, 2019.

Name	Attendance at Meetings			Number of other Directorship & Committee Membership / Chairmanship**		
	No. of Board Meetings		Last AGM	Other Directorship*	Committee Membership	Committee Chairmanship
	Meetings held during Tenure	Meetings Attended				
Whole-time Director						
Mr. Jinen Ghelani	6	4	Yes	-	-	-
Mr. Hiren Ghelani	6	4	Yes	-	-	-
Mrs. Neha Ghelani	6	3	Yes	-	-	-
Mr. Sameer Rajguru	6	3	No	-	-	-
Independent Director						
Mr. Brijesh Misra	6	5	Yes	-	-	-
Mr. Mihir Manek	6	5	Yes	-	-	-
Mr. Ravi Menon	6	2	No	-	-	-
Mr. Umesh Patel	6	4	Yes	-	-	-

\*Directorships and Committee member/Chairmanship in other companies mentioned above excludes directorships in private limited companies, unlimited companies, foreign companies and companies incorporated under section 8 of the Companies Act, 2013.

\*\*While calculating the number of Membership / Chairmanship in Committees of other companies, Membership / Chairmanship of only Audit Committee and Stakeholders Relationship Committee have been considered pursuant to Regulation 18 and Regulation 20 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. None of the Director is a member in more than ten committees and act as a Chairman in more than five committees across all companies in which he is a Director.

**Audit Committee:**

During the financial year 2018-19, five (5) meetings of the Audit Committee were held on 30th May, 2018, 13th August, 2018, 14th November, 2018, 19th February, 2019 and 19th March, 2019. The details of the composition of the committee and attendance at its meeting are set out in the following table:

S.N.	Name	Designation	Meetings held during Tenure	Meetings Attended
1	Mr. Mihir Manek	Chairman	5	5
2	Mr. Brijesh Misra	Member	5	4
3	Mr. Hiren Ghelani	Member	5	4

**Nomination and Remuneration Committee:**

During the financial year 2018-19, there were no meeting held of the Nomination and Remuneration Committee. The details of the composition of the committee and attendance at its meeting are set out in the following table:

S.N.	Name	Designation	Meetings held during Tenure	Meetings Attended
1	Mr. Ravi Menon	Chairman	0	0
2	Mr. Brijesh Misra	Member	0	0
3	Mr. Mihir Manek	Member	0	0

**Stakeholders Relationship Committee:**

During the financial year 2018-19, 4(Four) Stakeholders Relationship Committee were held on 30th May, 2018, 13th August, 2018, 14th November, 2018 and 19th February, 2019. The details of the composition of the committee and attendance at its meeting are set out in the following table:

S.N.	Name	Designation	Meetings held during Tenure	Meetings Attended
1	Mr. Brijesh Misra	Chairman	4	3
2	Mr. Ravi Menon	Member	4	2
3	Mr. Mihir Manek	Member	4	4

**DIRECTORS AND KEY MANAGERIAL PERSONNEL:**
**1. Changes in Composition of Board of Directors:**

There were no changes made in composition of Board of Directors during the F.Y. 2018-19.

- i) Mr. Mayur Nanalal Thakkar has been appointed as Additional Non Executive Director after end of Financial Year i.e. 23rd April, 2019.

**2. Independent Directors**

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

**3. Retirement by Rotation**

In accordance with the provisions of Section 152(6) of the Companies Act, 2013 and in terms of Articles of Association of the Company, Mr. Sameer Rajguru Ramesh (DIN: 07198139) will retire by rotation at the ensuing Annual General Meeting and being eligible, offer himself for re-appointment. The board recommends his appointment.

**4. Profile of the Directors seeking appointment / reappointment:**

As required under Regulation 36 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, Particulars of the Director retiring by rotation and seeking appointment / re-appointment at the ensuing Annual General Meeting is annexed to the notice convening 12th Annual General Meeting.

**5. Changes in other Key Managerial Personnel**

- i) Mrs. Shivangi Shah resigned from the office of Company Secretary of the Company w.e.f. 19th February, 2019. There was no other appointment or cessation of key managerial personnel during the financial year.

- ii) Ms. Riya Doshi has been appointed as Company secretary of the Company after the end of Financial Year i.e. 23rd April, 2019.

**DIRECTORS' RESPONSIBILITY STATEMENT:**

In accordance with the provisions of the Section 134 of the Companies Act, 2013, the directors confirm that:

- a) in the preparation of the annual accounts for the year ended 31st March, 2019, the applicable accounting standards had been followed along with proper explanation relating to material departures;
- b) 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 and loss of the Company for that period;
- c) they have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- d) they have prepared the annual accounts on a going concern basis;
- e) they have laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and were operating effectively; and
- f) they have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

**LISTING**

The equity shares of our Company are listed on SME platform of BSE and the Company has paid the annual listing fees for the FY2019-20

**RELATED PARTY TRANSACTIONS:**

All the related party transactions entered into during the financial year were on an arm's length basis and were in the ordinary course of business. Your Company had not entered into any transactions with related parties which could be considered material in terms of Section 188 of the Companies Act, 2013. Accordingly, the disclosure of related party transactions as required under Section 134(3) (h) of the Companies Act, 2013 in Form AOC 2 is not applicable.

**AUDITORS:**

At the Annual General Meeting held on 30th September, 2016, M/s O. P. Bhandari & Co., Chartered Accountants (Firm Registration No: 112633W), Ahmedabad were appointed as statutory auditors of the Company to hold office for a period of five (5) years i.e. 2016-17, 2017-18, 2018-19, 2019-20 and 2020-21 (subject to ratification of the appointment by the Members at every Annual General Meeting held after this Annual General Meeting of the Company). In accordance with the Companies Amendment Act, 2017 enforced on 7th May, 2018 by the Ministry of Corporate Affairs, the appointment of Statutory Auditor is not required to be ratified at every Annual General Meeting. Observations of the auditors in their report together with the notes on accounts are self-explanatory and therefore, in the opinion of Directors, do not call for any further explanation.

**INTERNAL AUDITORS:**

M/s DBD & Associates, Chartered Accountants (Firm Registration No. 145761W) has been re-appointed as Internal Auditor of the Company for the F.Y. 2018-19 pursuant to provisions 138 and any other applicable provisions of the Companies Act, 2013 and the rules made thereunder.

**COST AUDIT REPORT:**

As per provision of section 148(3) of Companies Act, 2013 and rule 6(2) of Companies (Cost records and audit) Rules, 2014, the company is not required to appoint a cost auditor to audit the cost records of the company.

**SECRETARIAL AUDIT REPORT:**

Pursuant to the provisions of Section 204 of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Company with the approval of its Board, appointed M/s. Umesh Ved & Associates, Company Secretaries, Ahmedabad to undertake the Secretarial Audit of the Company for the financial year ended 31st March, 2019. The Secretarial Audit Report is annexed herewith as Annexure- "B" which is self explanatory and give complete information.

**EXTRACT OF ANNUAL RETURN:**

The details forming part of the extract of the Annual Return in form MGT-9 is annexed herewith as "Annexure C".

**BUSINESS RISK MANAGEMENT:**

The Company has implemented various policies from ground level to the top level management for identifying the risk, measuring the same and takes corrective measures for managing the risk.

**PARTICULARS OF EMPLOYEES:**

The details related to employees and their remuneration as required under Section 197(12) and Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 are mentioned in Annexure 'D' to this Board's Report. Disclosure under Rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 is not applicable as no employee falls under the threshold provided therein.

**CORPORATE SOCIAL RESPONSIBILITY:**

The provision of section 135 of Companies Act, 2013 for implementing Corporate Social Responsibility Policy, constitute committee and expenditure thereof is not applicable to the company.

**VIGIL MECHANISM:**

The Company has established a Vigil Mechanism for directors and employees to report genuine concerns. The vigil mechanism provide for adequate safeguards against victimization of person who use Vigil Mechanism and also provide for direct access to the Chairman of the Audit Committee. The details of Vigil Mechanism are displayed on the website of the Company [www.primecustomer.co.in](http://www.primecustomer.co.in).

**NOMINATION AND REMUNERATION POLICY:**

The Nomination and Remuneration policy posted on the website of the Company [www.primecustomer.co](http://www.primecustomer.co). Incurrently, no compensation is paid to the Non- Executive Directors of the Company except for the sitting fees as per provisions of Companies Act, 2013.

**CORPORATE GOVERNANCE:**

The Company being listed on the Small and Medium Enterprise platform is exempted from provisions of corporate governance as per Regulation 15 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015. Hence no corporate governance report is disclosed in this Annual Report.

**DETAILS OF COMPLAINTS RECEIVED AND REDRESSED:**

During the F.Y. 2018-19, Company has not received any complain from any shareholders. Further the Complaints received from Dimple Khetan as mentioned in earlier Annual Report of F.Y. 2017-18, SEBI has disposed this complaint and ROC has not found any violation and error in said Transaction and currently the matter is under sub Judice at Andheri court and Hon'ble NCLT Ahmedabad.

**EVALUATION OF BOARD PERFORMANCE:**

The Company has taken various measures for obtain commitment by all board members to the process of performance evaluation by means of set performance criteria ,plan the process and gather the information, discuss and interpret the data, develop a plan of follow-up; identify areas for change and set goals for effective performance of the board members & individual Director also.

**CERTIFICATION:**

During the year under review, the Company having the following certifications pertaining to the Highest International Standard of Food Safety and Hygiene:

1. FSSAI
2. APEDA Recognition
3. IEC: Import Export Code
4. ISO Certificate

**COMPLIANCE WITH THE SECRETARIAL STANDARD**

The Company has complied with all the provisions of Secretarial Standards on Board Meetings and General Meetings issued by the Institute of Company Secretaries of India.

**OTHER REGULATORY REQUIREMENT:**

The Company has been complied with all regulatory requirements of central government and state government and no order has been passed by the regulatory authority which has impact the going concern status & company's performance in future.

**MATERIAL CHANGES AND COMMITMENTS AFFECTING THE FINANCIAL POSITION OF THE COMPANY:**

There have been no material changes and commitments affecting the financial position of the Company which have occurred between 31st March, 2019 and the date of this Report.

**SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS OR COURTS:**

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

**ACKNOWLEDGEMENT AND APPRECIATION:**

Yours Directors place on record their appreciation of the sincere and devoted services, rendered by all employees of the company and the continued support and confidence of the customers. The Board expresses special thanks to progressive farmers who have worked hard to achieve International Standards in the quality of their produce. The Board also expresses its sincere thanks to Banks, Financial Institutions, Government Authorities, Agricultural and Processed Food Products Export Development Authority (APEDA), FSSAI and all other well wishers, for their timely support.

**By Order of the Board of Directors  
For Prime Customer Services Limited**

Date : 3rdAugust, 2019  
Place : Ahmedabad

**Jinen Ghelani  
Managing Director & CFO  
(DIN: 01872929)**