

BOARD'S REPORT

**TO,
THE MEMBER,**

Your Directors have pleasure in presenting the 13th Annual Report on the business and operations of the Company and the accounts for the Financial Year ended on March 31, 2019.

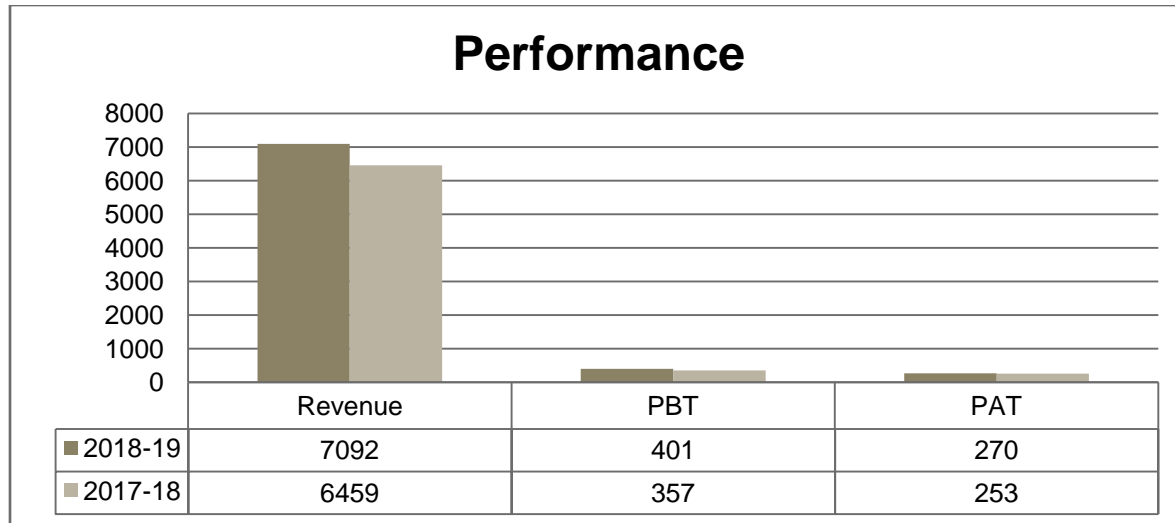
SUMMARY OF FINANCIAL HIGHLIGHTS:

The standalone and consolidated performance of the Company for the financial year ended on March 31, 2019 is summarized below:

FINANCIAL SUMMARY OF THE COMPANY :

(Amount in Rs)

Particulars	STANDALONE		CONSOLIDATED	
	2018-19	2017-18	2018-19	2017-18
Revenue from Operations	70,58,67,040	64,15,67,066	71,25,45,310	64,85,31,809
Other Income	33,55,720	43,67,154	32,95,694	47,33,564
Total Revenue	70,92,22,760	64,59,34,220	71,58,41,004	65,32,65,373
Profit/loss before Depreciation, Finance Costs, Exceptional items and Tax Expense	6,59,39,978	7,19,67,215	9,60,11,741	10,29,43,014
Less Depreciation /Amortization	49,27,428	68,06,040	81,14,560	98,59,328
Profit/Loss before Finance Costs, Exceptional items and Tax Expense	6,10,12,550	6,51,61,175	8,78,97,181	9,30,83,686
Less: Finance Costs	2,09,61,714	2,58,30,051	2,66,26,131	3,28,89,885
Profit/Loss before Exceptional items and Tax Expense	4,00,50,836	3,93,31,124	6,12,71,050	6,01,93,801
Add/(Less): Exceptional Items	--	35,99,000	--	40,17,520
Profit (Loss) before tax Expense	4,00,50,836	3,57,32,124	6,12,71,050	5,61,76,281
<i>Less: Tax Expenses</i>				
Current Tax	82,52,780	1,36,00,000	1,39,87,780	1,92,50,000
Previous Year Tax	12,29,455	(4,238)	19,72,826	(4,238)
Deferred Tax	35,39,440	(31,31,879)	42,88,397	(7,79,746)
Profit (Loss) After tax	2,70,29,160	2,52,68,241	4,10,22,048	3,77,10,265
Earning Per Equity Share	2.83	3.84	4.27	5.70



PERFORMANCE AND OPERATION REVIEW

➤ STAND ALONE FINANCIAL RESULTS:

Despite recession and acute competition, performance of your Company for the year under review has remained very encouraging. Total income was Rs. 70,92,22,760 (previous year Rs. 64,59,34,219). Tax expenses were Rs.94,82,235 (previous year Rs. 1,35,95,762). The net profit after tax was Rs.2,70,29,160 (previous year Rs. 2,52,68,241).

➤ CONSOLIDATED FINANCIAL STATEMENT:

Pursuant to the provisions of Section 129 and 134 and 136 of the Companies Act, 2013 read with rules framed there under and pursuant to Regulation 33 of SEBI (LODR) Regulations, 2015, your Company had prepared consolidated financial statements of the Company and its subsidiary i.e. PEARL FURNITURE PRIVATE LIMITED (CIN: U36100GJ2013PTC073483). The annual financial statements and related detailed information of the subsidiary company will be provided on specific request made by any shareholders and the said financial statements and information of subsidiary companies are open for inspection at the registered office of the company during office hours on all working day except Saturday, Sunday and Public holidays The separate audited financial statement in respect of the subsidiary company is also available on the website of the Company. As required under Regulation 33 of SEBI (LODR) Regulations, 2015 and in accordance with the requirements of AS 21, the Company has prepared Consolidated Financial Statements of the Company and its subsidiary and is included in the Annual Report. Consolidate Performance and Operation review are as shown above. A report on the performance and financial position of Associate and wholly owned subsidiary of your Company including capital, reserves, total assets, total liabilities, details of investment, turnover, etc., pursuant to Section 129 of the Companies Act, 2013 in the Form **AOC-1** which forms part and parcel of this Annual Report.

CONVERSION OF COMPANY TO PUBLIC LIMITED COMPANY :

Company has been converted from PARIN FURNITURE PRIVATE LIMITED to PARIN FURNITURE LIMITED w.e.f. April 04, 2018.

RESERVES:

The Board of Directors of your Company, has decided not to transfer any amount to the reserves for the year under review.

DIVIDEND :

The Board of Directors of your Company with a view of Ploughing back of profit have not recommend any Dividend for the year ended on March 31,2019.

PUBLIC DEPOSIT :

During the year under review, the company has not accepted or renewed any deposit from the public falling within the ambit of section 73 of Companies Act 2013 and the Companies (Acceptance of Deposits) Rules, 2014.

SHARE CAPITAL:

At present, the Company has Equity shares having face value of Rs. 10 each. The authorized share capital of the company is Rs. 12,50,00,000/- comprising of 1,25,00,000 Equity shares of Rs. 10 each. The paid up share capital of the company is Rs. 11,11,80,000/- comprising 1,11,18,000 equity shares of Rs. 10 each.

EQUITY INFUSION BY ALLOTMENT OF 30,00,000 EQUITY SHARES TO PUBLIC THROUGH INITIAL PUBLIC OFFER (IPO):

The IPO of the Company was subscribed. The Company after obtaining necessary approvals and finalization the Basis of allotment in consultation with NSE SME have allotted 30,00,000 Equity Shares of Rs. 10/- each at an issue price of Rs. 63/- per share including premium of Rs. 53/- per share to the public through Initial Public Offer (IPO) after complying with the provisions and guidelines under the Companies Act, 2013, SEBI (ICDR) & SEBI (LODR). The Post IPO Paid up Share capital of the Company is 11,11,8000 Equity Shares of Rs. 10/- each.

Hence, During the financial year, the Equity share capital of the company is increased from Rs. 8,11,80,000 comprising of 81,18,000 Fully Paid Up Equity Share of Rs. 10 each to Rs. 11,11,80,000 comprising of 1,11,18,000 fully paid up equity share of Rs. 10 Each.

LISTING:

In response to the company's application, the National Stock Exchange of India Limited (NSE) has given its final approval for listing and trading of Securities on NSE e- Merge (SME Emerge Platform). The Equity Shares of the Company are listed on SME Emerge Platform of NSE Limited w.e.f. **9th October, 2018**. The Company is regular in payment of Annual Listing Fees and other compliance fees.

DEMATERIALISATION OF EQUITY SHARES:

All the Equity Shares of the Company are in dematerialized form with either of the depositories viz. NSDL and CDSL. The ISIN No. allotted is INE00U801010.

USE OF PROCEEDS FROM IPO :

The proceeds from the issue of the Company vide prospectus have been utilized for the purpose for which they were raised and there is no deviation in the utilization of proceeds.

DIRECTORS & KEY MANAGERIAL PERSON [KMP]:

During the Year under review, Following Independent Directors and Key Managerial Personnel(s) were appointed and resigned from the board of the Company:

➤ **Independent Directors**

Mr. Dayalal Harjivanbhai Kesharia (Din:08114818) and Dr. Shweta Chirag Kathrani (Din: 08114974), appointed as Independent Directors of the company w.e.f. 19.04.2018.

➤ **Chief Financial Officer and Company Secretary**

Company has appointed Mr. Kamal M. Shah as Chief Financial Officer (CFO) and Ms. Krishna Lodhiya(ACS :A48628) as Company Secretary(CS) w.e.f. 16.04.2018.

Ms. Krishna Lodhiya, Company Secretary and Mr. Kamal Shah, (CFO) has resigned w.e.f. 02.07.2019 due to personal reasons and in place of them, Company has appointed Ms. Kajal Shah (ACS: A51907) as Company Secretary and Mr. Roshan Gupta as CFO of the Company w.e.f. 2nd July, 2019.

➤ **Managing Director & Whole Time Director**

Mr. Umesh Nandani's designation is changed from Director to Managing Director w.e.f. 19.04.2018. Mr. ParinUmeshbhaiNandani, has been appointed as Whole Time Director w.e.f. 10.06.2019. Mr. Deven D. Nanadani was appointed as Whole – Time Director of the Company w.e.f. 23.02.2019 thereafter his designation is changed to Non- Executive Director w.e.f. 10th June, 2019.

DISCLOSURE OF RELATIONSHIPS BETWEEN DIRECTORS INTER-SE:

Name of Directors	Relationship with other Directors
Umesh D. Nandani	He is Father of WTD Mr. Parin U. Nandani
Parin U. Nandani	He is Son of Managing Director Mr. Umesh D. Nandani
Deven Dipesh Nandani	None(As per definition of Relative)
Dayalal Harjivanbhai Kesharia	None
Shweta Chirag Kathrani	None

RETIREMENT BY ROTATION :

In terms of Section 152 of the Companies Act, 2013, Mr. Umesh Dhirajlal Nandani (DIN: 00039757), Managing Director of the Company is liable to retire by rotation at the forthcoming Annual General Meeting and being eligible, offered himself for re-appointment. Brief profile of Director seeking Appointment/Re-appointment is given in **Annexure I** of the Notice and also presented in Board's Report.

The Board confirms that none of the Directors of the Company is disqualified from being appointed as Director in terms of Section 164 of the Companies Act, 2013 and necessary declaration has been obtained from all the Directors in this regard.

BOARD EVALUATION:

Pursuant to the section 134(3)(p) of Companies Act, 2013 read with Rule 8 (4) of Companies Account Rule, 2014 and SEBI (Listing Obligation and Disclosure Requirement) Regulation, 2015, the Board has carried out an annual performance evaluation of its own performance, the Directors individually, as well as the Board Committees.

DECLARATION BY INDEPENDENT DIRECTORS:

Every Independent Director, at the first meeting of the Board in which he participates as a Director and hereafter at the first meeting of the Board in every Financial Year, gives a declaration that he meets the criteria of independence as provided under section 149(7) of the Companies Act, 2013 and accordingly the Company has received necessary declaration from each Independent Director under section 149(7) of the Companies Act, 2013 that he/she meets with the criteria of Independence laid down in Section 149(6) of the Companies Act, 2013.

COMMITTEES OF BOARD:

1. AUDIT COMMITTEE:

The Board of Directors of the Company has constituted an Audit Committee on 20.04.2018. The Constitution, composition and functioning of the Audit Committee also meets with the requirements of Section 177 of the Companies Act, 2013 and Regulation 18 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

The Composition of the Committee is as under:

Sr. No.	Name	Designation
1.	Mr. Dayalal Harjivanbhai Kesharia – Independent Director	Chairperson
2.	Ms. Shweta Chirag Kathrani – Independent Director	Member
3.	Mr. Parin Umeshbhai Nandani Non Executive – Non Independent Director	Member (UPTO 09 TH JUNE, 2019)
4.	Mr. Deven Dipesh Nandani Non Executive – Non Independent Director	Member (W.E.F. 10 TH JUNE, 2019)

Meeting:

During the financial year ended March 31, 2019, the Members of the Audit Committee met 6 (Six) Times on (1) 25-04-2018,(2) 21-05-2018, (3) 17-09-2018, (4) 01-10-2018,(5) 31-12-2018 and (6) 15-03-2019 and all the members have attended the meeting .Ms. Krishna Lodhiya, Company Secretary acted as secretary of the Committee meetings and CFO Mr. Kamal shah has also attended the meetings.

Terms & Reference of audit committee:

The Role of Audit Committee together with its powers as Part C of Schedule II of SEBI(Listing Obligations and Disclosure Requirements) Regulations, 2015 and Companies Act, 2013 shall be as under:

1. Oversight of the listed entity's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible;
2. Recommendation for appointment, remuneration and terms of appointment of auditors of the listed entity;
3. Approval of payment to statutory auditors for any other services rendered by the statutory auditors;
4. Reviewing, with the management, the annual financial statements and auditor's report thereon before submission to the board for approval;
5. Reviewing, with the management, the half yearly financial statements before submission to the board for approval, with particular reference to;
 - matters required to be included in the director's responsibility statement to be included in the board's report in terms of clause (c) of sub-section (3) of Section 134 of the Companies Act, 2013;
 - changes, if any, in accounting policies and practices and reasons for the same;
 - major accounting entries involving estimates based on the exercise of judgment by management;
 - significant adjustments made in the financial statements arising out of audit findings;
 - compliance with listing and other legal requirements relating to financial statements;
 - disclosure of any related party transactions;
 - modified opinion(s) in the draft audit report
6. Reviewing, with the management, the statement of uses/ application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document / prospectus / notice and the report submitted by the monitoring agency monitoring the utilization of proceeds of a public or rights issue, and making appropriate recommendations to the board to take up steps in this matter;
7. Reviewing and monitoring the auditor's independence and performance, and effectiveness of audit process;
8. Approval or any subsequent modification of transactions of the listed entity with related parties;
9. Scrutiny of inter-corporate loans and investments;
10. Valuation of undertakings or assets of the listed entity, wherever it is necessary;
11. Evaluation of internal financial controls and risk management systems;
12. Reviewing, with the management, performance of statutory and internal auditors, adequacy of the internal control systems;
13. Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit;
14. Discussion with internal auditors of any significant findings and follow up there on;
15. The Audit Committee may call for the comments of the auditors about internal control systems, the scope of audit, including the observations of the auditors and review of financial statement before their submission to the Board and may also discuss any related issues with the internal and statutory auditors and the management of the company.
16. Discussing with the statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern;
17. Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the board;
18. Discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern;
19. The Audit Committee shall have authority to investigate into any matter in relation to the items specified in section 177(4) of Companies Act 2013 or referred to it by the Board.
20. To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors;

21. To review the functioning of the whistle blower/Vigil mechanism;
22. Approving the appointment of the Chief Financial Officer (i.e. the whole time finance director or any other person heading the finance function) after assessing the qualifications, experience and background, etc., of the candidate; and;
23. Audit committee shall oversee the vigil mechanism.
24. Audit Committee will facilitate KMP/auditor(s) of the Company to be heard in its meetings.
25. Carrying out any other function as is mentioned in the terms of reference of the audit committee or containing into SEBI Listing Regulations 2015.

Further, the Audit Committee shall mandatorily review the following:

- a) Management discussion and analysis of financial condition and results of operations;
- b) Statement of significant related party transactions (as defined by the audit committee), submitted by management;
- c) Management letters / letters of internal control weaknesses issued by the statutory auditors;
- d) Internal audit reports relating to internal control weaknesses; and
- e) The appointment, removal and terms of remuneration of the chief internal auditor shall be subject to review by the audit committee.
- f) Statement of deviation

2. NOMINATION AND REMUNERATION COMMITTEE

The Board of Directors of the Company has constituted Nomination and Remuneration Committee (“NRC”) on 20.04.2018. The Constitution, composition and functioning of the Nomination and Remuneration Committee also meets with the requirements of Section 178(1) of the Companies Act, 2013 and Regulation 19 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

The Composition of the Committee is as under:

Sr. No.	Name	Designation
1.	Ms. Shweta Chirag Kathrani Independent Director	Chairperson
2.	Mr. Dayalal Harjivanbhai Kesharia Independent Director	Member
3.	Mr. Parin Umeshbhai Nandani Non Executive – Non Independent Director	Member (UPTO 09 TH JUNE, 2019)
4	Mr. Deven Dipesh Nandani Non Executive – Non Independent Director	Member (W.E.F 10 TH JUNE, 2019)

Meeting

During the financial year ended on March 31, 2019, the Members of the Nomination and Remuneration Committee met **3 (Three)** Times on (1) 21-05-2018, (2) 31-12-2018 and (3) 01-02-2019 all the members have attended the meeting. Ms. Krishna Lodhiya, Company Secretary acted as secretary of the Committee meetings and CFO Mr. Kamal Shah has also attended the meeting.

Terms & Reference of Nomination and Remuneration committee:

1. Identify persons who are qualified to become directors and may be appointed in senior management in accordance with the Criteria laid down, recommend to the Board their appointment and removal and shall carry out evaluation of every director’s performance.
2. Formulate the criteria for determining the qualifications, positive attributes and independence of a director and recommend to the board a policy relating to the remuneration for directors, KMPs and other employees.
3. Formulation of criteria for evaluation of performance of independent directors and the board of directors;
4. Devising a policy on diversity of board of directors;
5. Whether to extend or continue the term of appointment of the independent director, on the basis of the report of performance evaluation of independent directors;

6. Determine our Company's policy on specific remuneration package for the Managing Director / Executive Director including pension rights.
7. Decide the salary, allowances, perquisites, bonuses, notice period, severance fees and increment of Executive Directors.
8. Define and implement the Performance Linked Incentive Scheme (including ESOP of the Company) and evaluate the performance and determine the amount of incentive of the Executive Directors for that purpose.
9. Decide the amount of Commission payable to the Whole time Directors.
10. Review and suggest revision of the total remuneration package of the Executive Directors keeping in view the performance of the Company, standards prevailing in the industry, statutory guidelines etc.
11. To formulate and administer the Employee Stock Option Scheme.

3. STAKEHOLDERS' RELATIONSHIP COMMITTEE:

The Board of Directors of the Company has constituted Stakeholders' Relationship Committee on 20.04.2018. The Constitution, composition and functioning of the Stakeholders' Relationship Committee also meets with the requirements of Section 178 of the Companies Act, 2013 and Regulation 20 of the SEBI(Listing Obligations and Disclosure Requirements) Regulations, 2015.

The Composition of the Committee is as under:

Sr. No.	Name	Designation
1.	Mr. Parin Umeshbhai Nandani Non Executive- Non Independent Director	Chairman (UPTO 09 TH JUNE, 2019)
2.	Mr. Deven Dipesh Nandani Non Executive – Non Independent Director	Chairman (W.E.F. 10 TH JUNE, 2019)
3.	Ms. Shweta Chirag Kathrani Independent Director	Member
4.	Mr. Dayalal Harjivanbhai Kesharia Independent Director	Member

Meeting

During the financial year ended on March 31, 2019, the Members of the Stakeholders' Relationship Committee met **4 (Four)** Times on (1) 01-06-2018, (2) 06-09-2018, (3) 01-01-2019 and (4) 25-03-2019 and all the members have attended the meeting. Ms. Krishna Lodhiya, Company Secretary acted as secretary of the Committee meetings and CFO Mr. Kamal shahhas also attended the meetings.

Terms & Reference of Stakeholders' Relationship Committee:

Redressal of shareholders' and investors' complaints, including and in respect of:

1. Allotment, transfer of shares including transmission, splitting of shares, changing joint holding into single holding and vice versa, issue of duplicate shares in lieu of those torn, destroyed, lost or defaced or where the cages in the reverse for recording transfers have been fully utilized.
2. Issue of duplicate certificates and new certificates on split/consolidation/renewal, etc.; and
3. Review the process and mechanism of redressal of Shareholders /Investors grievance and suggest measures of improving the system of redressal of Shareholders /Investors grievances.
4. non-receipt of share certificate(s), non-receipt of declared dividends, non-receipt of interest/dividend warrants, non-receipt of annual report and any other grievance/complaints with Company or any officer of the Company arising out in discharge of his duties.
5. Oversee the performance of the Registrar & Share Transfer Agent and also review and take note of complaints directly received and resolved them.
6. Oversee the implementation and compliance of the Code of Conduct adopted by the Company for prevention of Insider Trading for Listed Companies as specified in the Securities & Exchange Board of India (Probation of insider Trading) Regulations, 1992 as amended from time to time.
7. Any other power specifically assigned by the Board of Directors of the Company from time to time by way of resolution passed by it in a duly conducted Meeting,

8. Carrying out any other function contained in the equity listing agreements as and when amended from time to time.”

SUBSIDIARY, JOINT VENTURES AND ASSOCIATE COMPANIES :

Your company has acquired 19 lacs Equity Share of Rs. 10 each of M/s. Pearl Furniture Pvt. Ltd.(CIN: U36100GJ2013PTC073483) out of 19.30 Lacs Equity shares i.e. holding 98.45%and thereby M/s. Pearl Furniture Pvt. Ltd. is a Subsidiary Company u/s 2(87)of the Companies Act, 2013 w.e.f. 01st June, 2017.

Our subsidiary company i.e.Pearl Furniture Private Limited is engaged in manufacturing of furniture items like Bed Room furniture, Chairs, Hospital Furniture, School Furniture etc. It has achieved revenue of Rs. 2698.59 Lacs, PBT of Rs. 212.20 Lacs and PATRs. 139.92 Lacs for the FY 2018-19. Attached Annual Report on Statement Containing Salient features of the financial statement of Subsidiaries as AOC –I with the Annual Report.

NUMBER OF BOARD MEETINGS:

During the financial year ended on March 31, 2019, the Board of Directors met **19 (Nineteen) Times**, the details of which is given below. The maximum interval between any two meetings did not exceed 120 days. The prescribed quorum was presented for all the Meetings and Directors of the Company actively participated in the meetings and contributed valuable inputs on the matters brought before the Board of Directors from time to time.

Name of Directors	Mr. Umesh D. Nandani	Mr. Parin U. Nandani	Mr. Deven D. Nandani	Mr. Dayalal H. Kesharia	MS. Shweta C. Kathrani	
Designation as on 31-03-2019	Managing Director	Non-Executive Director upto 09 th June, 2019 and Whole Time Director w.e.f. 10-06-2019	Whole-Time Direct or Executive Director upto 09 th June, 2019and Non-Executive Director w.e.f. 10-06-2019	Independent Director	Independent Director	
Date of Board Meeting & Attendance of meeting (Y/N/NA) (*NA: as the Directors were appointed on 19-04-2018)						
1	02-04-2018	Y	Y	Y	NA	NA
2	16-04-2018	Y	Y	Y	NA	NA
3	20-04-2018	Y	Y	Y	--	--
4	25-04-2018	Y	Y	Y	Y	Y
5	30-04-2018	Y	Y	Y	--	Y
6	04-05-2018	Y	Y	Y	--	Y
7	21-05-2018	Y	Y	Y	Y	Y
8	28-05-2018	Y	Y	Y	--	Y
9	01-06-2018	Y	Y	Y	--	Y
10	01-08-2018	Y	Y	Y	--	Y
11	30-08-2018	Y	Y	Y	--	Y
12	06-09-2018	Y	Y	Y	--	Y
13	17-09-2018	Y	Y	Y	Y	Y
14	01-10-2018	Y	Y	Y	Y	Y
15	04-10-2018	Y	Y	Y	Y	Y
16	13-11-2018	Y	Y	Y	--	Y
17	31-12-2018	Y	Y	Y	--	Y
18	23-02-2019	Y	Y	Y	Y	Y
19	25-03-2019	Y	Y	Y	Y	Y

EXTRACT OF THE 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 III** in **MGT-9** and forming part of the report.

PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS UNDER SECTION 186:

The Company has not granted any loan and has not given any guarantee and has not made any investment during the year under review and details of existing investment is given in the note 11 of notes to the Financial Statements and also disclosed herewith:

DETAILS OF EXISTING INVESTMENT				
Name& CIN of Company	Type of Investment	No. of Shares Acquired	Amount of Investment	Extent of Holding
PEARL FURNITURE PVT. LTD (CIN: 36100GJ2013PTC073483)	In Equity Shares	19,00,000	4,05,58,000	98.45%

As stated aforesaid, by virtue of this Investment, the Company Pearl Furniture Pvt. Ltd has become subsidiary Company.

CHANGES IN THE NATURE OF BUSINESS:

For sustained growth in future, Company wants to rely on the main business of Company; there is **NO** change in nature of business during the financial Year 2018-19.

WEB SITE:

www.parinfurniture.com is the website of the company. All the requisite details, policy are placed on this website of the Company.

MATERIAL CHANGES AND COMMITMENT IF ANY AFFECTING THE FINANCIAL POSITION OF THE COMPANY OCCURRED BETWEEN THE END OF FINANCIAL YEAR TO WHICH THIS FINANCIAL STATEMENT RELATES AND THE DATE OF THE REPORT:

There are no such Material Changes occurred subsequent to the close of the financial year of the Company to which the balance sheet relates and the date of the report which can affect the financial position of the Company.

DETAILS OF SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS OR COURTS OR TRIBUNALS IMPACTING THE GOING CONCERN STATUS AND COMPANY'S OPERATIONS IN FUTURE:

No such Order have been passed by the Regulators/Court or Tribunals which can impact the going concern status and Company's operation in future.

POLICY ON DIRECTOR'S APPOINTMENT AND REMUNERATION:

The salient features of the Policy on Directors' appointment and remuneration of Directors, KMP & senior employees and other related matters are as provided under Section 178(3) of the Companies Act, 2013, SEBI (LODR)Regulations, 2015 and any other re-enactment(s) for the time being in force. Nomination and Remuneration policy is available at the website of the Company. <http://www.parinfurniture.com/>.

INVESTOR GRIEVANCE REDRESSAL POLICY:

The Company has adopted an internal policy for Investor Grievance handling, reporting and solving.

PARTICULARS OF EMPLOYEES AND REMUNERATION:

The information required under Section 197 & Rule 5 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 is given below.

a) Ratio of Remuneration of each Director to the Employees' median remuneration:

Particulars	Designation	Remuneration (p.a.)	Median Remuneration (p.a.)	Ratio
Umesh Nandani	Managing Director	18,00,000	1,98,900	9.05
DevenNandani	Executive Director	9,60,000	1,98,900	4.83

b) the percentage increase in remuneration of Chief Financial Officer, Chief Executive Officer, Company Secretary or Manager, if any, in the financial year are as under:

- Company Secretary & Compliance Officer and Chief Financial Officer of the Company Appointed w.e.f. 16.04.2019 and as such no increase in remuneration.
- The percentage increase in remuneration of each directors :

Particulars	Designation	Remuneration (p.a.) 2018-19	Remuneration (p.a.) 2017-18	Increase/ Decrease (p.a.)
Umesh Nandani	Managing Director	18,00,000	15,60,000	2,40,000
DevenNandani	Executive Director	9,60,000	9,60,000	NIL

c) Number of permanent Employees on the rolls of the Company as on 31st March, 2019 - 126

d) Sub-clause (xii) of Rule 5(1): It is hereby affirmed that the remuneration paid is as per the Remuneration policy of the Company.

e) The percentage increase in the median remuneration of employees for the financial year 2018-19 is 8.69%

f) The average increase in the managerial remuneration for the F.Y 2018-19 is 9.52% and the average increase in the salary of employees other than managerial personnel for the FY 2018-19 is 5.45%.

g) Information relating to Top 10 Employees as per Rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 and amendments thereof:

Sr No	Employee Name	Designation	Nature of Employment (Whether contractual or otherwise)	Educational Qualification	Age	Experience (In Years)	Date of joining	Gross Remuneration Paid (For the year 18-19) in Rs.	Previous employment	the percentage of equity shares held by the employee in the company	Relative of any director/ Manger (Yes/No) If yes then name of such director and manager
1	Mr. Kumar Anjaria	VP	On roll	Graduate	54	27	01/01/2011	132000	Automotive Pvt Ltd	No	No
2	Rohan Thakkar	DGM-Project	On roll	Master	36	19	01/02/2011	110000	Maruti Architectural Products Pvt Ltd	No	No
3	Roshan Gupta	CFO	On Roll	CA	30	7	16/04/2018	82600	Maahi Milk Ltd	No	No
4	Krishnan Majumder	Regional Manager	On roll	Master	40	14	15/11/2018	80000	Saaj	No	No
5	Hardik Thakkar	Divisional Head	On roll	Master	35	14	01/01/2012	62000	Future Group	No	No
6	KeyurManek	Divisional Head	On Roll	Graduate	35	18	28/06/2002	57000	Poonam Furniture	No	No
7	Raj Raichrui	Manager/Accounts	On roll	B.Com CA	29	7	01/09/2017	53600	J. M Baxi	No	No
8	MukeshRamchandani	Asst. Branch Manager	On Roll	Under Graduate	30	15	01/03/2014	44000	Shree Ram Furniture	No	No
9	Ajay Kalaria	MIS Manager	On Roll	LLB	38	19	12/06/2016	43600	Kothari & Company	No	No
10	Kishan Bhatt	Manager Project Sales	On Roll	Master	31	12	15/08/2018	40000	J.K Machine Tools	No	No

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.

PARTICULARS OF CONTRACTS OR ARRANGEMENTS WITH RELATED PARTIES:

All transactions entered into with the related parties as defined under the Companies Act, 2013 during the financial year were in the ordinary course of business and on arm's length pricing basis. Form AOC-2 is attached to Board's Report as **Annexure - II**.

FUTURE OUTLOOK :

Our Company is a provider of wide and exclusive range of furniture and lifestyle products for several consumers. Our Company is managed by experienced and dedicated promoters to address the changing needs of customers in furniture industry. We are consistent in supplying of quality products round the year as customized products are made available to them as per the market demand.

Our core purpose is —To serve the world with better lifestyle. Our business network is spread in 18 States. We have COCO Flagship Retail Stores and around 900 dealers associated with us. We have huge stock keeping facilities having storage area with strong supply chain management. In addition to this, we have created spacious, specially designed showrooms for display of our various products like home furniture, office furniture, hospital furniture, institutional furniture etc.

SECRETARIAL AUDITOR:

M/s. K. P. Rachchh & Co., Practicing Company Secretaries(Membership No. FCS: 5156; CP No: 3974), Rajkot has been appointed by board as a secretarial auditor of Company for Financial Year 2018-19. There has been no qualification, reservation or adverse remark or disclaimer made by secretarial auditor.

The Secretarial Audit report for Financial Year is attached herewith as **Annexure V**.

The observations and comments, if any, appearing in the Secretarial Audit Report are self-explanatory and do not call for any further explanation / clarification. The Secretarial Auditors Report does not contain any qualification, reservation or adverse remark.

SECRETARIAL STANDARDS AND STATEMENT FOR COMPLIANCE OF APPLICABLE SECRETARIAL STANDARDS:

Secretarial Standards issued by the Institute of Company Secretaries of India as applicable to the Company were followed and complied with during 2018-19. The Company has devised proper systems to ensure compliance with the provisions of all applicable Secretarial Standards issued by the Institute of Company Secretaries of India and that such systems are adequate and operating effectively

We hereby states the Company has complied all applicable Secretarial Standards to the extend its applicable.

INTERNAL FINANCIAL CONTROL SYSTEMS AND THEIR ADEQUACY:

The Company has in all material respects, an adequate Internal Financial Control System over Financial Reporting and such Internal Financial controls over financial reporting were operating effectively.

The company has proper and adequate system of Internal control to ensure that all assets are safeguarded and protected against loss from unauthorized use or disposition and that transaction are authorized, recorded and reported correctly. The company has effective system in place for achieving efficiency in operations, optimum and effective utilization of resources, monitoring thereof and compliance with applicable laws. Company has also appointed Mr. Ajay Kalaria as Internal Auditor who will look at Internal Control and report to the Audit Committee and Board.

STATUTORY AUDITORS :

M/s. Bhavin Associates., Chartered Accountants, Rajkot holds office until the conclusion of Annual General Meeting for the financial year 2019-2020. The Company has obtained a written confirmation under section 139 of the Companies Act, 2013 from M/s. Bhavin Associates. that their appointment is in conformity with the limits specified under the said section.

STATUTORY AUDITORS REPORT:

The Notes on Financial Statements referred to in the Auditors' Report are self-explanatory and do not call for any further comments. The Auditor's Report does not contain any qualification or reservation. No fraud has been reported by the Auditors under section 143(12) of the Companies Act, 2013 requiring disclosure in the Board's Report.

CORPORATE SOCIAL RESPONSIBILITY(CSR):

The Company is not coming under the criteria as mentioned in Section 135 of the Companies Act, 2013 which specifies the requirement of forming the Corporate Social Responsibility Committee and for spending as CSR Expense.

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE:

In accordance with the provisions of section 134(3)(m) of the Companies Act, 2013 read with Rule, 8 of The Companies (Accounts) Rules, 2014, the relevant information pertaining to conservation of energy, technology absorption, foreign exchange earning and outgo are as follows:

[A] Conservation of Energy

- (i) the steps taken or impact on conservation of energy; :
Conservation of energy is always been an area of priority in the Company's operations. The Company has consumed power of Rs 26,90,183.37/- (P. Y. Rs. 25,37,482/-) for the year under review.
- (ii) the steps taken by the company for utilising alternate sources of energy - NIL
- (iii) The Capital Investment or Energy conservation Equipments: NIL

[B] Technology Absorption:

Conservation of energy is always been an area of priority in the Company's operations.

- (i) The efforts made towards technology absorption;
The Company has adopted indigenous technology. The Company has derived benefits like product improvement, cost reduction and product development
- (ii) The Company has not imported any technology during the last three years reckoned from the beginning of the financial year
- (iii) the expenditure incurred on Research and Development- NIL
The company has not initiated any research and development activities and thus no Expenditure has been incurred on Research and Development.

[C] Foreign Exchange Earnings and Outgo:

Foreign Earnings :Rs. NIL

Foreign Out Go : Rs. 61,582.50

DIRECTORS' RESPONSIBILITY STATEMENT [DRS]:

In accordance with the provisions of sub-section (5) of Section 134 of the Companies Act, 2013, Your Directors state that—

- a) in the 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 31.3.2019 and of the profit and loss of the company for that period;
- c) the directors had 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) the directors had prepared the annual accounts on a going concern basis; and

- e) the directors, 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 systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

DISCLOSURE UNDER SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION & REDRESSAL) ACT, 2013. :

The Company has always believed in providing a safe and harassment free workplace for every individual working in premises and always endeavors to create and provide an environment that is free from discrimination and harassment including sexual harassment. During the year ended on 31st March, 2019, the Company has not received any complaint pertaining to sexual harassment. Company has also framed and adopted policy and It is hereby stated that the company has complied with provisions relating to the constitution of Internal Complaints Committee under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 [14 of 2013]. The Said Policy is also available at the Website of the Company.

RISK MANAGEMENT:

In today's economic environment, Risk Management is a very important part of business. The main aim of risk management is to identify, monitor and take precautionary measures in respect of the events that may pose risks for the business. Your Company's risk management is embedded in the business processes. Your company has identified the certain risk like price risk, uncertain global economic environment, interest rate, human resource, competition, compliance and industrial health and safety risk and also planned to manage such risk by adopting best management practice.

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.

VIGIL MECHANISM FOR DIRECTORS AND EMPLOYEES- WHISTLE BLOWER MECHANISM:

Your Company is committed to highest standards of ethical, moral and legal business conduct. Accordingly, the Board of Directors has formulated a Whistle Blower Policy which is in compliance with the provisions of Section 177(10) of the Companies Act, 2013. Through this policy, Employees can raise concerns without any regarding any discrimination, harassment, victimization, any other unfair practice being adopted against them or any instances of fraud by or against your Company. Any incidents that are reported are investigated and suitable action taken in line with the Whistle Blower Policy. The said policy is available at the website of the Company.

POLICY ON PRESERVATION OF THE DOCUMENTS:

The Company has formulated a Policy pursuant to Regulation 9 of the Securities Exchange Board of India (Listing obligations and Disclosure Requirements) Regulations, 2015 ("Regulations") on Preservation of the Documents to ensure safekeeping of the records and safeguard the Documents from getting manhandled, while at the same time avoiding superfluous inventory of Documents.

POLICY ON CRITERIA FOR DETERMINING MATERIALITY OF EVENTS:

The Policy is framed in accordance with the requirements of the Regulation 30 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (Regulations). The objective of the Policy is to determine materiality of events or information of the Company and to ensure that such information is adequately disseminated in pursuance with the Regulations and to provide an overall governance framework for such determination of materiality.

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 ("LODR") 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.

EMPLOYEE RELATIONS:

The relationship with the staff and workers continued to be cordial during the entire year. The Directors wish to place on record their appreciation of the valuable work done and co-operation extended by them at all levels. Further, the Company is taking necessary steps to recruit the required personnel from time to time.

COST AUDIT:

Central Government has notified rules for Cost Audit and as per new Companies (Cost Records and Audit) Rules, 2014 issued by Ministry of Corporate Affairs; Company is not falling under the Industries, which will subject to Cost Audit. Therefore filing of cost audit report for the FY 2018-19 is not applicable to the Company.

MANAGEMENT DISCUSSION AND ANALYSIS REPORT:

The Management Discussion and Analysis report has been furnished herewith to Board's Report as **Annexure –IV**

ACKNOWLEDGEMENT:

Your Directors take this opportunity to express their gratitude for the co-operation and support from its customers, vendors, bankers and business associates and look forward to their continued support.

The Directors are also grateful to the shareholders for the confidence reposed in the Company. Your Directors also wish to place on record their sincere appreciation of the valuable contribution and efforts made by all the employees to achieve in these trying times.

**For and on behalf of the Board of Directors
Parin Furniture Limited**

Sd/-

Date: 10th August,2019

Place : Rajkot

Umesh Dhirajlal Nandani
Chairman & Managing Director
(DIN:00039757)