

DIRECTORS' REPORT

Dear Members,

Your Directors have pleasure in presenting their 39th Annual Report and Audited Accounts for the year ended 31st March 2019.

1. FINANCIAL RESULTS:

	(Rs. in Lakhs)	
	Year ended 31.03.2019	Year ended 31.03.2018
Revenue from operations	0	0
Other income	0	0
PBDIT	(10.05)	(11.42)
Interest and finance charges	0	0
Depreciation	0	0
Net profit/(Loss) before tax	(10.05)	(11.42)
Less: Provision for Tax:	0	0
Net profit/(Loss) after tax	(10.05)	(11.42)
Add: Balance Brought forward from previous year	(1373.69)	(1373.69)
Loss carried to Balance Sheet	(1395.16)	(1385.11)

2. OPERATIONS:

Currently the Company is not carrying its activities. The management of the Company evaluating opportunities available in current market scenario to revive its activities.

3. DIVIDEND:

During the year under review, the Company has not recommended any dividend for financial year 2018-19.

4. PUBLIC DEPOSITS:

During the year under review, the Company has not accepted any deposits hence the provisions of Chapter V of the Companies Act, 2013 and The Companies (Acceptance of Deposit) Rules, 2014 are not applicable.

5. SHARE CAPITAL:

During the year under review, there is no change in Authorised and Paid-up share capital of the Company

6. PROMOTER OF THE COMPANY:

During the year under review, there is no change in promoters of the Company.

7. DIRECTORS:

Mr. Surya Chilukuri (DIN: 02660183) has resigned from the Company on 21st June 2019. The Board consists of Executive and Non-executive Directors including Independent Director as per section 149 of the Companies Act, 2013 and rules made thereunder read with Regulation 17 of SEBI (Listing Obligations and Disclosure Requirements) Regulation, 2015.

The number and details of the meetings of the Board and other Committees are furnished in the Corporate Governance Report.

The Independent Directors have furnished declaration of independence under Section 149 of the Companies Act 2013.

Number of Board Meetings of Directors:

During the year ended 31st March 2019, Five Board Meeting were held.

The dates on which the Board Meetings were held are 30th May 2018, 14th August 2018, 14th November 2018, 14th December 2018 and 14th February 2019. The maximum time gap between any two consecutive meeting was within the period prescribed under the Companies Act, 2013 and SEBI (LODR) Regulations, 2015.

Familiarization Programme for Independent Directors

The Company familiarizes its Independent Directors with the Company, their roles, rights, responsibilities in the Company, nature of the industry in which the Company operates, business model of the Company, etc. through various programmes on a continuing basis. The Familiarisation programme for Independent Directors is disclosed on the Company's website.

Separate Meeting of Independent Directors

A separate meeting of Independent Directors of the Company was held on 25th March, 2019 as required under Schedule IV to the Companies Act, 2013 (Code for Independent Directors) and Regulation 25 of the SEBI (Listing Obligations And Disclosure Requirements), Regulations, 2015. At the Meeting, the Independent Directors:

- Reviewed the performance of Non-Independent Directors and the Board as a whole;
- Reviewed the performance of the Chairman of the Company, taking into account the views of Executive Director and Non-Executive Directors;

All the Independent Directors attended the Meeting of Independent Directors and Mr. Ravi Kumar Chennupati was the Lead Independent Director of that Meeting.

Statement on Declaration given by Independent Directors under sub-section (6) of Section 149.

The Independent Directors have submitted the declaration of Independence, as required under Section 149(7) of the Companies Act 2013, stating that they meet the criteria of Independence as provided under sub-section (6).

8. Board & Directors' Evaluation

Pursuant to the provisions of the Companies Act, 2013 and Regulation 25 of the SEBI (Listing Obligations And Disclosure Requirements) Regulations, 2015, the Board, its Committees and the

Directors have carried out annual evaluation / annual performance evaluation, covering various aspects of the Board's functioning such as adequacy of the composition of the Board and its Committees, Board culture, execution and performance of specific duties, obligations and governance. The Directors expressed their satisfaction with the evaluation process.

Directors' Appointment and Remuneration Policy

The Nomination and Remuneration Committee is responsible for developing competency requirements for the Board based on the industry and strategy of the Company and formulates the criteria for determining qualifications, positive attributes and independence of Directors in terms of provisions of Section 178 (3) of the Act and Regulation 19 of SEBI (Listing Obligations and Disclosure Requirement). The Board has, on the recommendations of the Nomination & Remuneration Committee framed a policy for remuneration of the Directors and Key Managerial Personnel.

9. REMUNERATION AND NOMINATION COMMITTEE

The Remuneration and Nomination Committee consists of the following Directors namely Mr. Ravi Kumar Chennupati, Mr. Sudhir Manubhai Patel and Sanjiv Kumar Tandon as members.

Brief description of terms of reference:

- Identifying person who are qualified to become Directors and who may be appointed in Senior Management in accordance with the criteria laid down and recommend to the Board for their appointment and removal.
- Carry on the evaluation of every directors' performance, formulation of the criteria for determining qualifications, positive attributes and independence of director.
- Recommend to the Board a policy relating to the remuneration of the Directors, key managerial personnel and other employees.
- Formulation of criteria for evaluation of Independent Directors and the Board.
- Devising a policy on Board diversity
- Any other matter as the Board may decide from time to time.

Nomination and Remuneration Policy

The objectives of the policy:

- To lay down criteria and terms and conditions with regard to identifying persons who are qualified to become Directors (Executive and Non-Executive) and persons who may be appointed in Senior Management and Key Managerial positions and to determine their remuneration.
- To determine remuneration based on the Company's size and financial position and trends and practices on remuneration prevailing in peer companies.
- To carry out evaluation of the performance of Directors

- To provide them reward linked directly to their effort, performance, dedication and achievement relating to the Company's operations.
- To retain, motivate and promote talent and to ensure long term sustainability of talented managerial persons and create competitive advantage.

10. PARTICULARS OF EMPLOYEES AND REMUNERATION

The information required under Section 197 (12) of the Act read with Rule 5 of The Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, is NIL

11. AUDITOR'S AND AUDITOR'S REPORT:

M/s. Ganesh Venkat & Co., Chartered Accountants (Registration No. 005293S; M.No. 025104), Hyderabad, Statutory Auditors of the Company, who was appointed as Statutory Auditors of the Company by shareholders of the Company vide resolution dated 29.09.2017 until the conclusion of Annual General Meeting for the financial year ended 31st March, 2022.

In terms of first proviso to Section 139 of the Companies Act, 2013, the appointment of the Auditors shall be placed for ratification at every Annual General Meeting. However, Companies (Amendment) Act, 2017 omitted the first proviso to section 139 of Companies Act, 2013, that required ratification of appointment of Auditors at every Annual General Meeting.

Audit Committee

The details pertaining to the role, objective and composition of the Audit Committee are included in the Corporate Governance Report which is part of the Annual Report for the year.

Secretarial Audit

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 has appointed Mrs. R.V.N Padmaja, Practicing Company Secretary to undertake the Secretarial Audit of the Company. The Report of the Secretarial Audit Report is annexed herewith.

There was no qualification, reservation or adverse remark in the secretarial audit report.

12. SUBSIDIARY COMPANIES:

The Company does not have any subsidiary/ associate/ Joint venture companies under review. Since the statement in terms of first proviso to sub-section (3) of Section 129 read with Rule 5 of Companies (Accounts) Rules, 2014 is not required to be attached.

13. INTERNAL CONTROL SYSTEMS

Your Company has in place internal and financial control systems commensurate with the size of the Company. The primary objective of our internal control framework is to ensure that internal controls are established, properly documented, maintained and adhered to in each functional department for ensuring orderly and efficient conduct of business which includes proper use and protection of the Company's resources, accuracy in financial reporting, compliance with the statutes, timely feedback on achievement of operational and strategic goals.

14. ENERGY CONSERVATION, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO

The information on conservation of energy, technology absorption and foreign exchange earnings and outgo stipulated under Section 134(3) (m) of the Companies Act, 2013 read with Rule 8 of the Companies (Accounts) Rules, 2014, is annexed herewith as 'Annexure' VI.

15. INFORMATION ON STOCK EXCHANGES

The Equity shares of the Company are listed on BSE Limited

16. CORPORATE GOVERNANCE

A detailed report on the subject forms part of this report. The Statutory Auditors of the Company have examined the Company's compliance and have certified the same as required under the SEBI Guidelines. Such certificate is reproduced in this Annual Report.

17. DIRECTORS' RESPONSIBILITY STATEMENT

To the best of their knowledge and belief and according to the information and explanations obtained by them, your Directors make the following statements in terms of Section 134 of the Companies Act, 2013:

- (a) that in the preparation of the annual accounts/financial statements for the financial year ended 31st March 2019; the applicable accounting standards had been followed along with proper explanation relating to material departures, if any;
- (b) that the accounting policies as mentioned in the financial statements were selected and applied consistently and reasonable and prudent judgments and estimates were made 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) that proper and sufficient care had been taken for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;
- (d) that the annual accounts were prepared on a going concern basis;
- (e) that proper internal financial controls were in place and that such internal financial controls are adequate and were operating effectively; and
- (f) that proper systems to ensure compliance with the provisions of all applicable laws were in place and that such systems were adequate and operating effectively.

18. CORPORATE SOCIAL RESPONSIBILITY (CSR)

As the Company does not fall under the criteria stipulated for applicability of section 135 of the Companies Act, 2013 the Company has not constituted a Committee of Corporate Social Responsibility and no contributions were made during the year.

19. VIGIL MECHANISM / WHISTLE BLOWER POLICY

In terms of the requirements of the Companies Act, 2013 and Regulation 22 SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 the Company has a vigil mechanism to deal with instance of fraud and mismanagement, if any. The details of the vigil mechanism are displayed on the website of the Company. The Audit Committee reviews the

functioning of the vigil / whistle blower mechanism from time to time. There were no allegations / disclosures / concerns received during the year under review in terms of the vigil mechanism established by the Company.

RISK MANAGEMENT POLICY

The Company has laid down the procedure for risk assessment and its mitigation through an internal risk committee. Key risks and their mitigation arising out of reviews by the Committee are assessed and reported to the Audit Committee on a periodic basis.

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

During the year under review, the Company has not received any Material Orders passed by the Regulators or Court.

21. EXTRACT OF ANNUAL RETURN

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

ACKNOWLEDGEMENTS

Your Directors would like to express their appreciation for the assistance and co-operation received from the financial institutions, banks, Government of India and various State Government authorities and agencies, customers, vendors and members during the year under review.

Date: 14.08.2019
Place: Hyderabad

For and on behalf of the Board of Directors

**Sd/-
Sachendra Tummala
Managing Director**