

**DIRECTORS' REPORT**

To

The Members

The Directors are pleased to present their 38<sup>th</sup> Annual Report on the business and operations of the Company together with the Audited Accounts for the financial year ended March 31, 2019.

**1. Financial Highlights-Standalone & Consolidated**

Particulars	Standalone		Consolidated	
	March 31, 2019	March 31, 2018	March 31, 2019	March 31, 2018
Revenue from Operations	204.55	229.99	204.55	229.99
Earnings before Interest, Taxes and Depreciation & Amortization	85.84	95.21	86.65	95.63
Less: Finance Cost	0.04	0.52	0.04	0.52
Less: Depreciation & Amortization	5.87	12.12	5.87	12.12
Profit before Tax	79.93	82.57	80.74	82.99
Less: Tax Expenses	22.05	12.10	22.05	12.10
Profit for the period from continuing Operations	57.88	70.47	58.69	70.89
Profit/Loss before Tax from discontinued Operations	-	-	-	-
Tax Expenses of discontinued Operations	-	-	-	-
Profit/Loss from discontinued operations after tax	-	-	-	-
Total Profit for the period	57.88	70.47	58.69	70.89
Other Comprehensive income(net of tax)	10.62	(41.27)	10.62	(41.27)
Total Comprehensive income	68.50	29.20	69.31	29.62
Earnings Per Share	2.20	0.94	2.23	0.94

**2. Performance**

During the Financial year 2018-2019 at Standalone level revenue from operations stood at Rs. 204.55 Lakhs against Rs. 229.99 Lakhs in the previous year – a decline of 11.06 %. The Operating Profit before tax stood at Rs. 79.93 Lakhs against profit of Rs. 82.57 Lakhs reported in the previous year. Profit after Tax for the current year is Rs. 57.88 Lakhs against Rs.70.47 Lakhs in the previous year.

The consolidated revenue from operations stood at Rs. 204.55 Lakhs against Rs. 229.99 Lakhs in the previous year – a decline of 11.06%. The Operating Profit before tax stood at Rs. 80.74 Lakhs against profit of Rs. 82.99 Lakhs reported in the previous year. Profit after Tax for the current year is Rs. 58.69 Lakhs against Rs.70.89 Lakhs in the previous year.

There were no material changes and commitments affecting the financial position of the Company which occurred between the end of the financial year to which this financial statement relate on the date of this report.



### **3. Share Capital**

There was no change in the share capital of the Company during the financial year 2018-19.

### **4. Dividend and Reserves**

Company has not recommended any dividend during the year under review, nor transferred any amount to General Reserve.

### **5. Change in the Nature of Business**

There was no change in nature of business of the company during the year under review.

### **6. Finance**

During the year the Company has not availed loan from Banks and other financial institutions.

### **7. Management Discussion and Analysis Report**

The Management Discussion and Analysis forms an integral part of this Report and covers, amongst other matters, the performance of the Company during the financial year under review as well as the future prospects.

### **8. Subsidiaries, Associates and Joint Venture Companies**

The Company has only one Associate viz. Rupal Holdings Private Limited incorporated on October 18, 2007.

The Consolidated Financial Statements of the Company are prepared in accordance with relevant Indian Accounting Standards issued by the Institute of Chartered Accountants of India and forms an integral part of this Report.

Pursuant to Section 129(3) of the Act read with Rule 5 of the Companies (Accounts) Rules, 2014, a statement containing salient features of the financial statements of associate is given in Form AOC-1 which forms an integral part of this Report.

The Company has no joint venture & subsidiary during the financial year 2018-19.

### **9. Directors Responsibility Statement**

Pursuant to Section 134 (3)(c) read with Section 134 (5) of the Companies Act, 2013, the Board of Directors hereby state that:

- a) In the preparation of the annual accounts for the financial year ended March 31, 2019, applicable accounting standards have been followed and there are no material departures from the same;
- b) they 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 as at March 31, 2019 and of the Profit of the Company for the financial year ended on that date;
- c) proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 and for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- d) the annual accounts have been prepared on a "going concern" basis;
- e) proper internal financial controls laid down by the directors were followed by the Company and that such internal financial controls are adequate and were operating effectively; and
- f) proper systems to ensure compliance with the provisions of all applicable laws were in place and that such systems are adequate and operating effectively.



## **10. Corporate Governance Report and Certificate**

In compliance with Regulation 34 of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, a Report on Corporate Governance along with Compliance Certificate issued by Statutory Auditor's of the Company, forms an integral part of this Report.

## **11. Meetings of the Board**

During the year under review the Board of Directors met 6(Six) times. The Details of the meetings of the Board of Directors of the company convened during the financial year 2018-19 are given in Corporate Governance report which forms part of the annual Report.

## **12. Nomination and Remuneration Policy**

The Nomination and Remuneration Policy containing criteria for determining qualifications, positive attributes, independence of a director and policy relating to remuneration for the Director, Key Managerial Personnel and Senior Management Personnel of the company are disclosed in the Corporate Governance report which forms part of the annual Report.

## **13. Board Evaluation**

Pursuant to the provisions of the Companies Act, 2013 and SEBI Listing (obligation and Disclosure Requirements) Regulations, 2015, the Board of Directors has carried out an annual evaluation of its own performance, board committees and individual directors. The performance of the Board was evaluated by the board after seeking inputs from all the directors on the basis of the criteria such as the Board composition and structure, effectiveness of board processes, manner of conducting the meetings, value addition of the Board members and corporate governance etc. as provided by the Guidance Note on Board Evaluation issued by the Securities and Exchange Board of India on 5<sup>th</sup> January, 2017.

The Board and the Nomination and Remuneration committee reviewed the performance of individual directors on the basis of criteria such as the contribution of the individual director to the Board and committee meetings like attendance of the directors in the meetings, their contribution & inputs, qualification and expertise etc.

## **14. Directors and Key Managerial Personnel**

In accordance with the provisions of section 152 of the Companies Act, 2013 and the Company's Articles of Association, Mrs. Aruna Doshi, (DIN: 00949220) Director retires by rotation at the forthcoming Annual General Meeting and, being eligible, offers himself for re-appointment. The Board recommends her re-appointment.

Ms. Surabhi Yadav (DIN: 06572436), will complete her first term of appointment on February 29, 2020 as Independent Non-executive Director. Pursuant to the provisions of the Act, based on the recommendation of the Nomination and Remuneration Committee, the Board recommends for the approval of the Members through a Special Resolution in the 38<sup>th</sup> AGM of your Company, the re-appointment of Ms. Surabhi Yadav as an Independent Non-Executive Director for second term of five consecutive years from March 01, 2020 to February 28, 2025.

All Independent Directors have given declarations that they meet the criteria of independence as laid down under Section 149(6) of the Companies Act, 2013 and Regulation 16(b) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

Pursuant to the provisions of section 2(51) and 203 of the Act, the key managerial personnel of the Company are as under:



S.No.	Name	Designation
1.	Mr. Devendra Sharma	Managing Director
2.	Mrs. Aruna Doshi	Whole Time Director
3.	Mr. K. M. Murdia	Chief Financial Officer
4.	Ms. Kalp Shri Vaya	Company Secretary

## 15. Internal Financial Control and its Adequacy

The Board has adopted policies and procedures for ensuring the orderly and efficient conduct of its business, including the adherence to the Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial disclosures.

The audit committee of the Board of Directors and the internal auditors reviews the adequacy and effectiveness of the internal control system and suggest the improvements to strengthen the same. During the period under review, such controls were tested and no reportable weakness in their working has been discovered.

## 16. Audit Committee

The composition of Audit Committee is provided in the corporate governance report forming part of this report.

## 17. Auditor and Auditors' Report

### (a) Statutory Auditors:

As per Section 139 of the Companies Act, 2013 ('the Act'), read with the Companies (Audit and Auditors) Rules, 2014, the Members of the Company in the 36<sup>th</sup> Annual General Meeting approved the appointment of M/s. Nyati and Associates, Chartered Accountants (Firm Registration No. 002327C), as the Statutory Auditors of the Company for an initial term of 5 years i.e. from the conclusion of 36<sup>th</sup> Annual General Meeting till the conclusion of 41<sup>st</sup> Annual General Meeting of the Company. Pursuant to amendments in Section 139 of the Companies Act, 2013, the requirements to place the matter relating to such appointment for ratification by members at every annual general meeting has been omitted with effect from May 07, 2018

M/s. Nyati and Associates, Chartered Accountants has furnished a certificate of their eligibility and consent under Section 139 and 141 of the Act and the Companies (Audit and Auditors) Rules 2014 for their continuance as the Auditors of the Company for the financial year 2019-20.

The Report given by Statutory Auditors on the financial statement of the Company for the year 2018-2019 is part of the Annual Report. There has been no qualification, reservation or adverse remark or disclaimer in their Report.

### (b) Secretarial Auditor

Pursuant to the provisions of Section 204 of the Act, read with Rule 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, your Company engaged the services of Mr. Ronak Jhuthawat, (CP No. 12094), Company Secretary in Practice, Udaipur to conduct the Secretarial Audit of the Company for the financial year ended March 31, 2019.

The Report given by the Secretarial Auditor forms integral part of this Report and does not contain any qualification, reservation or adverse remark.



## **18. Extract of the Annual Return**

The extract of the Annual Return of the Company as on March 31, 2019 in Form MGT - 9 in accordance with Section 92 (3) of the Companies Act, 2013 read with Companies (Management and Administration) Rules, 2014, are set out in the Annexure I to this report.

## **19. Particulars of Contracts, Arrangements or Transactions with Related Parties**

All contracts/arrangements/transactions entered by the Company during the financial year 2018-2019, with related parties, as defined under Section 188 of the Companies Act, 2013 and the Rules made there under and as per the applicable provisions of Securities and Exchange Board of India (Listing Obligations & Disclosure Requirements) Regulations, 2015 (hereinafter referred as "the Listing Regulations"), were in the ordinary course of business and on arm's length basis.

Further no material related party transactions were entered during the Financial Year under review, by your Company. Accordingly, disclosure of related party transactions as required under Section 134(3)(h) of the Companies Act, 2013 read with the Companies (Accounts) Rules, 2014, in Form AOC-2, is not applicable to our Company.

All Related Party Transactions are placed before the Audit Committee as also to the Board for approval. Omnibus approval was obtained on a yearly basis for transactions which are of repetitive nature.

The policy on Related Party Transactions as approved by the Board of Directors has been uploaded on the website of the Company.

## **20. Particulars of Employees**

The information required in accordance with Section 197(12) of the Companies Act, 2013 read with Rule 5(1) of The Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 and forming part of the Board's Report for the year ended 31st March, 2019 can be accessed in the manner as provided under Section 136 of the Companies Act, 2013. If any Member is interested in obtaining these particulars, may write to the Company Secretary at the Registered Office of the Company in this regard.

Further, the Company has no person in its employment drawing remuneration in excess of limits as defined under the provisions of Section 197 of the Companies Act, 2013, read with Rule 5(2) and 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.

## **21. 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 modifications(s) or re-enactment(s) thereof for the time being in force.

## **22. Particulars of Loans, Guarantees And Investment**

The particulars of loans, Guarantees and investments covered under the provisions of section 186 of the Companies Act, 2013 are given in the notes to Financial Statement.

## **23. Risk Management Policy**

Risk Management Policy is mandatory applicable to top 500 companies, hence the company is not required to have the Risk Management committee. However the Company has its own procedure for identifying the various business risks and seeks to create transparency, minimize adverse impact on the business objectives and enhance the company's competitive advantage. The risk management system defines the risk management approach across the enterprise at various levels including documentation and reporting.



## 24. Whistle Blower Policy and Vigil Mechanism

The Company has adopted a Whistle Blower Policy and has established the necessary vigil mechanism for directors and employees to report concerns about unethical behavior.

Your Company hereby affirms that no Director/employee has been denied access to the Chairman of the Audit Committee and that no complaints were received during the year. The said policy has been uploaded on the website of the Company.

## 25. Disclosure under the Sexual Harassment of women at workplace (Prevention, Prohibition and Redressal) act, 2013

In order to prevent sexual harassment of women at work place “The sexual Harassment of women at workplace (Prevention, Prohibition and Redressal) Act, 2013 was notified on 9th December, 2013. Under the said Act, every Company is required to set up an Internal Complaints Committee (ICC) to look into complaints relating to sexual harassment at work place of any women employee.

In terms of the provisions of the sexual Harassment of women at the workplace (prevention, Prohibition and Redressal) Act, 2013, the Company adopted a policy for prevention of sexual Harassment of Women at workplace and also set up an Internal Complaints Committee to look into complaints relating to sexual harassment at work place of any women employee. During the financial year ended 31d March 2019, the Company did not receive any complaint and no complaint was pending at beginning and at the end of the year.

## 26. Corporate Social Responsibility (CSR)

The Company has not developed and implemented any Corporate Social Responsibility initiatives as the said provisions are not applicable.

## 27. Significant and Material Orders Passed by the Regulators or Courts or Tribunals impacting the Going Concern status of the Company

There are no significant and material orders passed by the Regulators or Courts or Tribunals which would impact the going concern status of the Company.

## 28. Particulars of Energy Conservation, Technology Absorption and Foreign Exchange Earnings and Outgo required under the Companies (Accounts) Rules, 2014

### A. Conservation of Energy and Technology Absorption, Adaption and Innovation

The Company has no particulars to furnish under the above head since it has not carried any manufacturing activity during the year under review.

### B Foreign Exchange Earning & Outgo and Export Activities

#### 1. Foreign exchange earnings and outgo

Particulars	2018-19	2017-18
Foreign Exchange Earning	NIL	NIL
Foreign Exchange Outgo	3.06	6.18



## 29. Acknowledgement

Your Directors express their sincere thanks to the Bankers, Financial Institutions, Customers, Government Departments and Suppliers for their continued co-operation. The directors also place on record their deep appreciation for the valuable contribution of employees at all levels.

Your Directors also thanks the shareholders and other stakeholders for their continued support and patronage during the year under review.

By order of the Board  
For **Rajdarshan Industries Ltd.**

**Devendra Sharma**  
Managing Director  
DIN: 00921174

Udaipur, August 14, 2019