

# Directors' Report

Dear Shareholders,

Your Directors are pleased to present the 28<sup>th</sup> Annual Report on the affairs of the Company together with the Audited Statement of Accounts for the year ended March 31, 2018.

## 1. PERFORMANCE OF THE COMPANY

The Company's performance is summarized below:

### FINANCIAL RESULTS

(₹ in Lakhs except EPS and per share data)

Particulars	Standalone			Consolidated		
	2017 - 2018	2016-2017	YoY growth (%)	2017 - 2018	2016 - 2017	YoY growth (%)
<b>Sales and other income</b>	641313.80	396506.87	61.74	653648.15	400574.71	63.17
<b>EBITDA</b>	101400.54	94243.92	7.59	103834.68	95129.34	9.15
<b>Profit before tax</b>	100196.98	81969.47	22.24	102387.10	82781.40	23.68
<b>Provision for Income Tax</b>	34992.08	30954.26	13.04	35283.19	31111.63	13.40
<b>Provision for Deferred Tax</b>	(1057.20)	(1279.38)	(17.37)	(941.73)	(1409.75)	(33.20)
<b>Tax for earlier Year</b>	-	-	-	-	-	-
<b>MAT Credit Entitlement</b>	-	--	-	-	-	-
<b>Profit after tax</b>	66262.10	52294.59	26.71	68045.64	53079.52	28.19
<b>EPS (₹) Basic</b>	6.26	4.94	26.72	6.43	5.01	28.34
<b>EPS (₹) Diluted</b>	6.24	4.93	26.57	6.41	5.00	28.20

### PERFORMANCE

#### Standalone:

During the year, your Company recorded the total income of ₹ 641313.80 Lakhs from ₹ 396506.87 Lakhs in previous year, a growth of 61.74%. The EBITDA stood at ₹ 101400.54 Lakhs from ₹ 94243.92 Lakhs in previous year, an increase of 7.59%. Profit after Tax was increased to ₹ 66262.10 Lakhs from ₹ 52294.59 Lakhs in previous year, up by 26.71%.

#### Consolidated:

During the year, your Company recorded the total income of ₹ 653648.15 Lakhs from ₹ 400574.71 Lakhs in previous year, a growth of 63.17%. The EBITDA stood at ₹ 103834.68 Lakhs from ₹ 95129.34 Lakhs in previous year, an increase of 9.15%. Profit after Tax was increased to ₹ 68045.64 Lakhs from ₹ 53079.52 Lakhs in previous year, up by 28.19%.

## 2. STATE OF COMPANY'S AFFAIRS

The Management has decided to focus on the Vakrangee Kendra business, for which it is recalibrating its strategies and business model, to evolve into an even stronger and more successful company. The year witnessed upgradation of Vakrangee Kendra to enable a highly consistent brand experience across all the Kendras and to become the world's top-notch multi-service, assisted digital convenience store with standardised, unified and one-look branding for infrastructure. Besides offering the same portfolio of services, each Kendra will be equipped with an ATM machine, CCTVs, digital signages, and also pin-pad devices to enable all kinds of payment mechanisms across services.

## 3. UPDATE ON CAPITAL ALLOCATION POLICY

The Board of Directors of the Company on February 12, 2018 had announced Capital Allocation Policy wherein the total available cash would be utilized through Share Buy-back, dividend payout and re-investment in the business.

Currently, the Company is focusing on upgradation on the 45,000+ Vakrangee Outlets to the Nextgen format. ATM is mandatory in the Nextgen Vakrangee Kendra Model and is key to standardization of the outlet. ATMs have to be provided to all the Nextgen Franchisees on Custodian Basis by the Company. Based on the current Capex plan and increased spend in marketing expenses, the company has put on hold the current Capital Allocation policy. However, the Capital allocation policy would be finalized based on the outcome of 5,000 operational Next gen outlets.

In order to maintain the proven track record of dividend distribution, your Directors are pleased to recommend a dividend of Rs. 0.25/- per equity share (previous year Rs. 2/- per equity share), subject to the approval by the shareholders at the forthcoming Annual General Meeting.

The total dividend payout will be of Rs. 3191.10 Lakhs including Dividend Distribution tax of Rs. 544.10 Lakhs.

The Dividend Distribution Policy as adopted by the Company is annexed herewith as "Annexure 1". The policy is also available on the web-site of the Company, [www.vakrangee.in](http://www.vakrangee.in).

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## 4. SHARE CAPITAL

During the year under review following changes took place in the Share Capital of the Company:

- On May 22, 2017 issued and allotted 1,69,125 equity shares having face value of ₹1/- each to the employees of the Company upon conversion of stock options.
- The Authorised Share Capital of the Company was increased from ₹ 75,00,00,000/- (Rupees Seventy Five Crores) to ₹ 125,00,00,000/- (Rupees One Hundred Twenty Five Crores) by creation of additional ₹ 50,00,00,000/- (Rupees Fifty Crores) equity shares of Re. 1/- (Rupee One each) and consequently clause V of the Memorandum of Association of the Company has been altered.
- On December 26, 2017, the Company issued and allotted 52,94,01,545 bonus Equity Shares in the ratio of 1:1 to the eligible shareholders of the Company holding equity shares as on record date on December 23, 2017.

Pursuant to the above, the paid-up Share Capital of the Company as on March 31, 2018 stood at ₹ 1,05,88,03,090 comprising of 1,05,88,03,090 equity shares of Re. 1/- each.

## 5. PUBLIC DEPOSITS

During the year under review, the Company has not accepted or renewed any deposits falling within the purview of provisions of Section 73 of the Companies Act, 2013 read with The Companies (Acceptance of Deposits) Rules, 2014.

## 6. SUBSIDIARIES

As on March 31, 2018, the Company has three wholly owned subsidiaries viz, Vakrangee Finserve Limited, Vakrangee Logistics Private Limited and Vakrangee e-Solutions INC.

In accordance with Section 129(3) of the Companies Act, 2013, the Company has prepared consolidated financial statements of the Company, which forms part of this Annual Report. Further, a statement containing the salient features of the Financial Statements of Subsidiary Companies in prescribed **Form AOC – 1** is annexed herewith as **"Annexure 2"**. In accordance with Section 136 of the Companies Act, 2013, the Audited Financial Statements, including the Consolidated Financial Statements and related information of the Company and its subsidiaries are available on the website of the Company. These documents will also be available for inspection during the business hours at the Registered Office of the Company. Any Member desirous of obtaining a copy of the said Financial Statements may write to the Company. As on March 31, 2018, the Company does not have any material subsidiary companies. However, the Company has adopted Policy on determining Material Subsidiaries which is available on the website of the Company at [www.vakrangee.in](http://www.vakrangee.in).

## Vakrangee e-Solutions INC

The Company holds 100% of Equity Share Capital of Vakrangee e-Solutions INC which was incorporated in the financial year 2009-10 in Philippines for exploring various e-Governance opportunities in Philippines. The first contract under the initiative was "Land Titling Computerization Project", under which it completed scanning, digitization and encoding of more than 15 million title deeds for the Government of Philippines. The prestigious LTCP project was successfully executed, through deployment of world class technology and more than 8500 manpower resources to digitize land titles from 168 Districts of Philippines.

## Vakrangee Logistics Private Limited

Vakrangee Logistics Private Limited, incorporated in March 2016, is a wholly owned subsidiary of Vakrangee Limited. Vakrangee Logistics is building for its alliance partners, an unparalleled last-mile delivery capabilities and thus expanding their reach to unserviceable pincodes, where the logistics challenges are the maximum for traditional logistics companies. Vakrangee Logistics leverages the physical presence of Vakrangee Kendras to offer the last-mile delivery services. Vakrangee Logistics is currently building delivery capabilities of more than 45,000 Vakrangee Kendras covering more than 5000 pincodes and is planning to setup and manage a total of 45,000+ centers covering all pincodes in India. The key services offered by Vakrangee Logistics include forward delivery, reverse pick-ups and courier booking. Vakrangee Logistics through its network ensures a hassle-free experience to its partners and end-customers.

## Vakrangee Finserve Limited

Vakrangee Finserve Limited is a 100% Subsidiary of the Vakrangee Limited, incorporated in September 2011 with a focus on working as Business Correspondent for various Banks under the Business Correspondent (BC) Model of Reserve Bank of India (2006) in the area of Financial Inclusion. The Company has already signed agreements with various PSU Banks and their Rural Regional banks for carrying out BC services for these banks in identified Rural, Semi-Urban and Urban areas. The services include bank activities such as opening of Bank Accounts, Deposits, Withdrawals and Remittances, etc. Besides, the Company would provide Business Facilitator Services to these Banks which involve mobilization of deposits and loans.

## 7. MANAGEMENT DISCUSSION AND ANALYSIS REPORT

Management discussion and Analysis Report, as required under the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (SEBI LODR 2015), is forming part of this Annual Report.

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## 8. DIRECTORS' RESPONSIBILITY STATEMENT

Your Board of Directors hereby states that:

- a) in the preparation of the annual accounts, for the financial year ended March 31, 2018, the applicable accounting standards have been followed and that no material departures have been made from the same;
- 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 profits 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 the Companies Act, 2013, 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 for the Company and such internal financial controls are adequate and operating effectively; and
- f) they have devised proper systems to ensure compliance with the provisions of all applicable laws and such systems are adequate and operating effectively.

## 9. CORPORATE GOVERNANCE

The Report on Corporate Governance as per the requirement of SEBI LODR 2015 forms part of this Annual Report.

The requisite certificate from M/s. S.K. Jain & Co., Practicing Company Secretary, confirming the compliance with the conditions of Corporate Governance has been included in the said Report.

A Certificate from the CEO and CFO of the Company in terms of SEBI LODR 2015, inter alia, confirming the correctness of the Financial Statements and Cash Flow Statements, adequacy of the internal control for financial reporting, and reporting of matters to the Audit Committee, is also forming part of this Annual Report.

## 10. CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNINGS AND OUTGO

In accordance with the provisions of Section 134(3)(m) of the Companies Act, 2013 read with Rule 8(3) of the Companies (Accounts) Rules, 2014, required information relating to the

Conservation of Energy, Technology Absorption and Foreign Exchange Earnings and Outgo is given as hereunder:

- **Conservation of Energy**  
The Operations of the Company are not energy intensive. However, measures have been taken to reduce energy consumption by using efficient computers, IT Assets and other Equipments with latest technologies.
- **Technology Absorption**  
Since business and technologies are changing constantly, investment in research and development activities is of paramount importance. Your Company continues its focus on quality up-gradation of products and services development. It has helped maintain margins.

## • Foreign Exchange Earnings and Outgo

Particulars	31st March, 2018	31st March, 2017
Foreign Exchange Earnings	₹ 594.41 Lakhs	₹ 571.72 Lakhs
Foreign Exchange Outgo	₹ 25.93 Lakhs	₹ 126.97 Lakhs

## 11. PARTICULARS OF EMPLOYEES AND OTHER DISCLOSURE

Disclosures relating to remuneration and other details as required under Section 197(12) of the Act read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 are annexed herewith as "Annexure 3".

In terms of Section 136 of the Act, the Report and Accounts are being sent to the Members, excluding the information on employees' particulars which is available for inspection by the Members at the Registered Office of the Company during the business hours on working days of the Company. Any member interested in obtaining such particulars may write to the Company Secretary at the Registered Office of the Company.

## 12. DIRECTORS AND KEY MANAGERIAL PERSONNEL

### (a) Board of Directors:

The Board of Directors of the Company is a perfect blend of Executive and Non-Executive Directors with one woman Independent Director. More than 50% or half of the Board is comprising of Independent Directors and Nominee Director who is representing Life Insurance Corporation of India.

The Independent Directors of the Company are highly competent, educated and qualified with relevant experience and expertise. They contribute in various

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ways in the growth and development of the Company.

None of the Independent Directors had any pecuniary relationship or transactions with the Company during Financial Year 2017-18. None of the Directors or Key Managerial Personnel (KMP) of the Company are related inter-se.

Pursuant to the provisions of Section 152(6) of the Companies Act, 2013 Dr. Nishikant Hayatnagarkar, Whole Time Director, retires by rotation and being eligible, offers himself for reappointment at the ensuing Annual General Meeting.

The information as required to be disclosed under regulation 36 of SEBI LODR 2015 in case of reappointment is forming part of Notice.

As per the information available with the Company, none of the Directors of the Company are disqualified for being appointed as a Directors as specified in Section 164(2) of the Companies Act, 2013.

## (b) Appointment/Resignation of Directors/KMP:

During the year under review, Mr. Mehul Raval has been appointed as the Company Secretary & Compliance Officer of the Company w.e.f. 21<sup>st</sup> September, 2017 in place of Ms. Darshi Shah, who resigned as a Company Secretary & Compliance Officer w.e.f. 21<sup>st</sup> September, 2017.

On 12<sup>th</sup> February, 2018, Mr. Ranbir Datt was appointed as Nominee Director of Life Insurance Corporation of India (LIC) in place of Mr. T. Sitharthan.

## 13. DECLARATION OF INDEPENDENCE

All Independent Directors have given declarations affirming that they meet the criteria of independence as laid down under Section 149(6) of the Companies Act, 2013 and Regulation 16(1)(b) of the SEBI LODR 2015 and there has been no change in the circumstances which may affect their status as Independent Directors during the year.

## 14. DISCLOSURES RELATED TO BOARD, COMMITTEES AND POLICIES

### a. BOARD MEETINGS

The Board met at least once in each quarter and 7 meetings of the Board were held during the year and the maximum time gap between two Board meetings did not exceed the time limit prescribed in the Act and SEBI LODR 2015. The details have been provided in the Corporate Governance Report.

### b. PERFORMANCE EVALUATION

Pursuant to the provisions of the Companies Act, 2013 and SEBI LODR 2015, the Board has carried out an Annual Performance Evaluation of its own performance, the Directors individually as well as the Evaluation of the working of its various Committees.

A separate exercise was carried out to evaluate the performance of individual Directors including the Chairman of the Board, who were evaluated on parameters such as level of engagement and contribution, independence of judgement, safeguarding the interest of the Company and its minority shareholders etc. The performance evaluation of the Independent Directors was carried out by the entire Board excluding the Directors being evaluated. The performance evaluation of the Chairman and Non-Independent Directors was carried out by the Independent Directors at their separate meeting held on November 13, 2017.

### c. AUDIT COMMITTEE

The Board has well-qualified Audit Committee, the composition of which is in line with the requirements of Section 177 of the Companies Act, 2013 read with Regulation 18 of SEBI LODR 2015. All the Members, including the Chairman of the Audit Committee are Independent. They possess sound knowledge on Accounts, Audit, Finance, Taxation, Internal Controls etc. The details of the Composition of the Audit Committee are given in the Corporate Governance Report.

The Company Secretary of the Company acts as Secretary of the Committee.

### d. NOMINATION & REMUNERATION AND COMPENSATION COMMITTEE

The Company has duly constituted Nomination & Remuneration and Compensation Committee as per the requirements prescribed under the provisions of Section 178 of the Companies Act, 2013 and Regulation 19 of SEBI LODR 2015.

The Board has framed a Nomination & Remuneration Policy and Policy on fixation of criteria for selection and appointment of Directors, Key Managerial Personnel and Senior Management Personnel. The same has been annexed herewith as "Annexure 4".

The details of the Composition of the Nomination & Remuneration and Compensation Committee are given in the Corporate Governance Report.

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## e. RISK MANAGEMENT

The Company has laid down the procedures to inform to the Board about the risk assessment and minimization procedures and the Board has formulated Risk Management Policy to ensure that the Board, its Audit Committee and its Executive Management should collectively identify the risks impacting the Company's business and document their process of risk identification, risk minimization, risk optimization as a part of a risk management policy/ strategy.

The common risks inter alia are: Regulations, Credit Risk, Foreign Exchange and Interest Risk, Competition, Business Risk, Technology Obsolescence, Investments, Retention of Talent and Expansion of Facilities etc. The Board reviews the risk trend, exposure and potential impact analysis and prepares risk mitigation plans, if necessary.

## f. CORPORATE SOCIAL RESPONSIBILITY (CSR)

In accordance with the provisions of Section 135 read with Schedule VII of the Companies Act, 2013 the Company has adopted a CSR Policy outlining various CSR activities to be undertaken by the Company. The CSR Policy of the Company is available on the Company's website [www.vakrangee.in](http://www.vakrangee.in).

The Board has constituted a CSR committee inter-alia to define and monitor budgets to carry out CSR activities, to decide CSR projects or activities to be undertaken and to oversee such projects.

CSR Committee comprises of following:

Name	Designation
Mr. Dinesh Nandwana	Managing Director & CEO
Mr. Ramesh Joshi	Independent Director
Mr. Sunil Agarwal	Independent Director

Further, the disclosures as required under Rule 8 of Companies (Corporate Social Responsibility Policy) Rules, 2014 has been enclosed to this Report in "Annexure 5".

## 15. AUDITORS AND REPORTS

The matters related to Auditors and their Reports are as under:

### Statutory Auditor

During the year under review, in the 27th Annual General Meeting of the Company held on September 23, 2017, M/s. Price Waterhouse & Co Chartered Accountants LLP (PWC) were appointed as a Statutory Auditors of the Company in place of retiring Statutory Auditors M/s. S K Patodia & Associates, Chartered Accountants to hold office for a period of 5 years till the conclusion of the 32nd AGM subject to ratification by Members at every Annual General Meeting.

PWC had carried out Limited Review of financial results of the Company for half year ended September 30, 2017 and quarter ended December 31, 2017. In the Limited Review Reports filed with the Stock Exchanges, they had given un-qualified opinion on the financial results.

On 27th April, 2018, PWC resigned as a Statutory Auditors of the Company. The Board at its meeting held on May 5, 2018 appointed M/s. A.P. Sanzgiri & Co., Chartered Accountants (Firm Regn. No. 116293W) (APS) to fill up the casual vacancy caused due to resignation of PWC. Approval of the members was obtained via postal ballot process, the results of which were declared on June 13, 2018.

M/s. A.P. Sanzgiri & Co., Chartered Accountants shall hold office up to the conclusion of forthcoming Annual General Meeting.

The Board of Directors recommends appointment of M/s. A.P. Sanzgiri & Co., Chartered Accountants (Firm Regn. No. 116293W) as Statutory Auditors of the Company, to hold office from the conclusion of this Annual General Meeting till the conclusion of the fourth consecutive Annual General Meeting.

M/s. A.P. Sanzgiri & Co., Chartered Accountants (Firm Regn. No. 116293W) being eligible under section 139(1) and other applicable provisions, has consented to act as the Statutory Auditors of the Company and has also confirmed that their appointment, if made, would be within the limits prescribed under the Companies Act, 2013.

The Auditor's Report does not contain any qualification, reservation, adverse remark or disclaimer.

### Secretarial Auditor

M/s. S. K. Jain & Co., Practicing Company Secretary, was appointed to conduct Secretarial Audit of the Company for the financial year 2017-2018 as required under Section 204 of the Companies Act, 2013 and the rules thereunder. The Secretarial Audit Report for the financial year ended March 31, 2018 is annexed herewith as "Annexure 6" to this Report. The Secretarial Audit Report does not contain any qualification, reservation, adverse remark or disclaimer.

## 16. VIGIL MECHANISM / WHISTLE BLOWER POLICY

As per the provision of Section 177 (9) of the Companies Act, 2013, the Company is required to establish an effective Vigil Mechanism for Directors and Employees to report genuine concerns. In line with this, the Company has framed a Vigil Mechanism Policy through which the Directors and Employees may report concerns about unethical behavior, actual or suspected fraud or violation of the Company's Code of Conduct & Ethics without fear of reprisal. The Employees and Directors may report to the Compliance Officer and have direct access to the Chairman of the Audit Committee.

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The Whistle Blower Policy is placed on the website of the Company at [http://www.vakrangee.in/pdf/company-policies/Whistle\\_Blower\\_and\\_Vigil\\_Mechanism.pdf](http://www.vakrangee.in/pdf/company-policies/Whistle_Blower_and_Vigil_Mechanism.pdf)

## 17. 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 Workplace (Prevention, Prohibition and Redressal) Act, 2013. All women employees (permanent, contractual, temporary and trainee) are covered under this Policy. During the year 2017-18, no complaints on sexual harassment were received.

We hereby state and confirm that, the Company has constituted an internal complain committee under provisions of Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013

## 18. MATERIAL CHANGES AND COMMITMENT IF ANY AFFECTING THE FINANCIAL POSITION OF THE COMPANY

No material changes and commitments affecting the financial position of the Company have occurred between the end of the Financial year of the Company to which the Financial Statement relate and the date of this report.

There was no change in company's nature of business during the FY 2017-18.

## 19. CONTRACTS OR ARRANGEMENTS WITH RELATED PARTIES

During the year, all contracts / arrangements / transactions entered by the Company were in Ordinary Course of the Business and on Arm's Length basis. There were no material transactions with any related party as defined under Section 188 of the Companies Act, 2013 read with Companies (Meetings of Board and its Powers) Rules, 2014.

During the year, the Company had not entered into any contract / arrangement / transaction with related parties which could be considered material in accordance with the Policy of the Company on materiality of related party transactions. 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. The members may refer Note. 43 to the Financial Statements which sets out Related Party disclosures pursuant to Ind AS. There are no materially

significant related party transactions that may have potential conflict with interest of the Company at large.

The Policy on materiality of related party transactions and on dealing with related party transactions as approved by the Board may be accessed on the Company's website [http://www.vakrangee.in/company\\_policies.php](http://www.vakrangee.in/company_policies.php). The Policy intends to ensure that proper reporting, approval and disclosure processes are in place for all transactions between the Company and related parties.

## 20. BUSINESS RESPONSIBILITY REPORT

A separate section on Business Responsibility Report forms part of this Annual Report as required under Regulation 34(2) (f) of SEBI LODR 2015.

## 21. PARTICULARS OF LOANS GIVEN, INVESTMENTS MADE, GUARANTEES GIVEN OR SECURITIES PROVIDED BY THE COMPANY

Particulars of Loans, Guarantees and Investments covered under provisions of section 186 of the Act, if any, are given in the notes to the Financial Statements.

## 22. INTERNAL FINANCIAL CONTROL AND THEIR ADEQUACY

The Company has an Internal Control System, commensurate with the size, scale and complexity of its operations. The internal control systems, comprising of policies and procedures are designed to ensure sound management of your Company's operations, safekeeping of its assets, optimal utilization of resources, reliability of its financial information and compliance. Based on the report of Internal Audit function, corrective actions are undertaken in the respective areas and thereby strengthen the controls.

The statutory auditors of the Company has audited the financial statements included in this annual report and has issued a report on our internal financial controls over financial reporting as defined in Section 143 of the Act.

## 23. EMPLOYEES STOCK OPTION SCHEME

The Company has in place two Employees Stock Option Scheme ("ESOP Scheme") namely, ESOP scheme 2008 and ESOP scheme 2014. The Company has implemented both the schemes in accordance with the Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 ('the SEBI Guidelines').

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Both the ESOP Schemes of the Company are in compliance with the SEBI (Share Based Employee Benefits) Regulations, 2014 ("the Regulations") and no material changes in both the scheme were carried out during the year under review.

The details required to be disclosed under SEBI Guidelines are available on Company's web-site [www.vakrangee.in](http://www.vakrangee.in).

## 24. EXTRACT OF ANNUAL RETURN

Pursuant to the provisions of Section 134(3)(a) of the Companies Act, 2013, Extract of the Annual Return for the financial year ended March 31, 2018 made under the provisions of Section 92(3) of the Companies Act, 2013 in **Form MGT-9** is annexed herewith as "**Annexure 7**".

## 25. SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS OR COURTS

During the year under review, no significant and material orders were passed by the Regulators, Securities Exchange Board of India, Stock Exchanges, Tribunal or Courts.

## 26. HUMAN RESOURCES DEVELOPMENT AND INDUSTRIAL RELATIONS

The Company takes pride in the commitment, competence and dedication shown by its employees in all areas of Business.

The Company is committed to nurturing, enhancing and retaining top talent through superior Learning and Organizational Development. This is a part of Corporate HR function and is a critical pillar to support the Organisation's growth and its sustainability in the long run.

## 27. AFFIRMATION ON COMPLIANCE OF SECRETARIAL STANDARDS

The Company hereby affirms that during the year under review Company has complied with all the applicable secretarial standards (including any modifications or amendments thereto) issued by the Institute of Company Secretaries of India.

## 28. REPORTING OF FRAUDS

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

## 29. DISCLOSURE WITH RESPECT TO MAINTENANCE OF COST RECORDS

Your Company doesn't fall within the scope of Section 148(1) of the Companies Act, 2013 and hence does not require to maintain cost records as specified by the Central Government.

## CAUTIONARY STATEMENT

Statements in the Board's Report describing the Company's objectives, expectations or forecasts may be forward-looking within the meaning of applicable securities laws and regulations. Actual results may differ materially from those expressed in the statement. Important factors that could influence the Company's operations include global and domestic demand and supply, input costs, availability, changes in government regulations, tax laws, economic developments within the country and other factors such as litigation and industrial relations.

## ACKNOWLEDGEMENT AND APPRECIATION

Your Directors acknowledge and thank all stakeholders of the Company viz. customers, members, employees, dealers, vendors, banks and other business partners for their valuable sustained support and encouragement. The Board also wishes to place on record their appreciation for the hard work, dedication and commitment of the employees at all levels. The Board looks forward to their continued support and understanding in the years to come.

On behalf of the Board of Directors

**Dinesh Nandwana**

*Managing Director & CEO*  
(DIN:00062532)

**Dr. Nishikant Hayatnagarkar**

*Whole-Time Director*  
(DIN:00062638)

**Place:** Mumbai

**Date:** August 10, 2018