

BOARD'S REPORT

Dear Shareholders,

Your Directors present herewith their Twenty Eighth Annual Report together with the Audited Financial Statement of the Company for the year ended 31st March, 2020.

1. Financial Highlights

Particulars	Year Ended 2019-20 Rs. In Lacs	Year Ended 2018-19 Rs. In Lacs
Total Turnover	282.30	232.26
Gross profit (i.e., Profit before interest and depreciation)	32.22	5.67
Profit before exceptional Item and tax	32.22	5.67
Exceptional Item –	–	–
Profit after exceptional Item (before tax) – PBT	5.67	5.67
Profit after exceptional Item and tax – PAT	24.85	4.52
Earnings per share - basic and diluted Rs.	0.04	0.01

2. Review of Performance:

During the year your Company has generated revenue of Rs. 282.30 lacs as compared to 232.26 lacs in the previous financial year and has earned profit of Rs. 24.85 lacs as compared to 4.52 lacs in the previous financial year. The management of the Company is taking all the efforts to revive the business of the Company.

There have been significant changes in terms of the pending regulatory compliances as a step towards the revival of the Company.

Revival of the overall functioning and operations of the Company

During the year under consideration and upto the date of this report, your Directors have pleasure to inform all the stakeholders of the Company that there has been several positive improvements in the overall functioning of the Company.

During the last 2 years, the Board of Directors of the Company had been completely re-constituted. The new Directors appointed on the Board have immense experience in the field of business administration and management. Further, the Company has hired several qualified Professional including Corporate Advocates, Company Secretaries, IT Professionals etc to enable the company to run efficiently.

These professionals along with the Management of the Company have successfully completed various pending Compliances with Bombay Stock Exchange, Registrar of Companies (Ministry of Corporate Affairs), NSDL, CDSL, and the Registrar and Share Transfer Agents which was pending since almost a decade.

The Management is assured that before the end of the current financial year, the Company shall take another step forward. Further, the Management is taking every effort to get the shares of the Company traded at the terminal of the BSE Limited which is suspended as on now. Despite of the COVID-19 Pandemic crisis, the management of the Company have been continuously working hard to comply with all the requirements and directions of the various regulators.

We feel honored that our stakeholder had shown faith and trust in the time when we faced several formidable challenges where few of them threatened the very survival of the company. We have faced and conquered every unsure mountable challenge through our grit and spider instinct. At times, many even doubted about the very integrity of the organization.

The Management of the Company has been working meticulously to achieve the long term path as set in the road map towards the progress.

3. Nature of Business:

There was no change in the nature of business of the Company during the period under review and your Company continues to operate in the same line of business.

4. Transfer to reserves

The Board does not propose to transfer any amount to the Reserve for the period under consideration.

5. Dividend:

With a view to conserve resources for funding any future business requirements and expansion plans and to minimize the existing accumulated losses, your Directors have not recommended any dividend for the current period.

6. Unpaid Dividend & IEPF

The Company has not transferred any amount to the Investor Education & Protection Fund (IEPF) and no amount is lying in Unpaid Dividend A/c of the Company.

7. Material Changes & commitments, if any affecting the financial position of the Company

During the year, there has been no instances of occurrence of any material changes or commitments that could affect the financial position of the Company.

8. Report on performance of subsidiaries, Associates and Joint venture Companies:

During the year under review, your Company did not have any subsidiary, associate and Joint Venture Company hence the requirement of providing salient features of Associates, Joint Ventures and subsidiaries in Form AOC-01 is not applicable.

9. Directors and Key Managerial Personnel:

Mr. Ravi Subramanian is the Executive Director of the Company.

Mrs. Lucy D'Lima (DIN-07394708), Mr Ramakrishnan Padmanabhan Iyer (DIN: 00528878) and Mr. Anupam Singh Kushwah (DIN: 07083119) are the Non-Executive Independent Directors of the Company.

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

None of the Non-Executive Directors had any pecuniary relationships or transactions with the Company which may have potential conflict with the interests of the Company at large.

At the 27th Annual General Meeting of the Company held on 29th November, 2019, the members of the Company passed resolution for the appointment of Mr. Srinivasan Pattamadai (DIN: 06938100) as the Managing Director of the Company along with the terms and conditions of his appointment.

In terms of Section 152 of the Companies Act, 2013 and the Articles of Association of the Company, Mr. Srinivasan Pattamadai (DIN: 06938100) retires by rotation at the ensuing Annual General Meeting and being eligible, offers himself for re-appointment. He has confirmed that he is not disqualified from being appointed as Director in terms of Section 164 of the Companies Act, 2013. A brief resume of Mr. Srinivasan Pattamadai (DIN: 06938100), nature of his expertise in specific functional areas and names of the Companies in which he holds directorship and/or membership/ chairmanship of Committees of the Board, as stipulated under the SEBI (Listing Obligations and Disclosure Requirements), 2015 with the Stock Exchange/s, is given in the Corporate Governance Report which may be taken as forming part of this Report.

10. Evaluation by the Independent Directors

In a separate meeting of Independent Directors, performance of non-independent directors, performance of the Board as a whole and performance of the Chairman was evaluated, taking into account the views of executive director.

11. Number of Board Meetings

The details of the meeting including the dates and the details of the Directors who attended the meeting is provided in the Corporate Governance Report which forms part of the Annual Report.

12. Committees of the Board:

The Board of Directors of your Company has constituted the following committees in terms of the provisions of the Companies Act, 2013 and the SEBI (Listing Obligations and Disclosure Requirements), 2015 :

1. Audit Committee
2. Nomination and Remuneration Committee
3. Stakeholders' Relationship Committee

The details regarding composition and meetings of these committees held during the year under review as also the meetings of the Board of Directors are given in the Corporate Governance Report which may be taken as forming part of this Report.

13. Board Evaluation:

Pursuant to the provisions of the Act and the Listing Regulations, performance evaluation of the Board, its committees, Managing Director and the Independent Directors were carried out. The manner in which the evaluation is carried out has been explained in the Corporate Governance Report.

14. Performance Evaluation Criteria

Separate exercise was carried out to evaluate the performance of individual Directors including the Chairman by the Nomination and Remuneration committee as per the structured mechanism who were evaluated on following parameters / criteria:

Participation and contribution by a director,
Commitment (including guidance provided to senior management outside of Board / Committee meetings),
Effective deployment of knowledge and expertise,
Effective management of relationship with stakeholders
Integrity and maintenance of confidentiality,
Independence of behaviour and judgment,
Observance of Code of Conduct, and
Impact and influence

15. Policy on Nomination and Remuneration of Directors, KMPs and other employees:

In terms of sub-section 3 of Section 178 and Regulation 19 of SEBI (Listing Obligations and Disclosure Requirements), 2015 of the Companies Act, 2013, the Nomination and Remuneration Committee of the Company has laid down a policy on the selection and appointment of Directors and the Senior Management of the Company and their remuneration including criteria for determining qualifications, positive attributes, independence of a director and other matters.

16. Extract of Annual Return:

The extract of the Annual Return as provided under sub-section (3) of Section 92 of the Companies Act, 2013 in prescribed format is attached as "**Annexure A**" to this Report. Further, the same is placed on the website of the Company: <https://www.silverlinetechnology.com/investor-relations/annual-reports/>

17. Risk Management:

The details of the risk management framework adopted and implemented by the Company are given in the Corporate Governance Report which may be taken as forming part of this Report.

18. Adequacy of Internal Controls with reference to Financial Statements:

Internal Audit plays a key role in providing an assurance to the Board of Directors with respect to the Company having adequate Internal Financial Control Systems. The Internal Financial Control systems provide, among other things, reasonable assurance of recording the transactions of its operations in all material respects and of providing protection against significant misuse or loss of Company's assets.

19. Vigil Mechanism:

The Company has established a vigil mechanism to enable directors and employees to report genuine concerns and grievances about any incident of violation / potential violation of law or the Code of Conduct laid down by the Company. The mechanism lays down the overall framework and guidelines for reporting genuine concerns. The details of this mechanism are given in the Corporate Governance Report which may be taken as forming part of this Report. These are also posted on the website of the Company.

20. Green Initiatives

Pursuant to Sections 101 and 136 of the Companies Act, 2013, the Company will be sending Annual Report through electronic mode i.e. email to all the shareholders who have registered their email addresses with the Company or with the Depository to receive Annual Report through electronic mode and initiated steps to reduce consumption of paper.

21. Human Resources

Employees are considered to be team members being one of the most critical resources in the business which maximize the effectiveness of the Organization. Human resources build the Enterprise and the sense of belonging would inculcate the spirit of dedication and loyalty amongst them towards strengthening the Company's Policies and Systems. The Company maintains healthy, cordial and harmonious relations with all personnel and thereby enhancing the contributory value of the Human Resources.

22. Environment and Safety

The Company is conscious of the importance of environmentally clean and safe operations. The Company's policy requires conduct of operations in such a manner, so as to ensure safety of all concerned, compliances environmental Regulations and preservation of natural resources. There was no major accident during the year.

23. Particulars of loans, guarantees and investments:

During the year under review, your Company has not given any loan or provided any Security or Guarantee. Further, your Company has not made any investment in the Securities of the any other body corporate as defined under Section 186 of the Companies Act, 2013.

24. Transactions with related parties:

The Company has not entered into any transactions/contracts/arrangements referred to in Section 188(1) of Companies Act, 2013 with related party(ies) as defined under the provisions of Section 2(76) of the Companies Act, 2013, during the financial year under review.

25. Directors' Responsibility Statement:

Pursuant to the requirements under 134(3)(c) of the Companies Act, 2013 with respect to Directors' Responsibility Statement, it is hereby confirmed:

1. that in the preparation of the annual accounts for the year ended 31st March, 2020, the applicable accounting standards had been followed along with proper explanation relating to material departures;
2. that 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 as at 31st March, 2020 and of the profit of the Company for the year ended as on that date;
3. that the directors had 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;
4. that the directors had prepared the annual accounts for the financial year ended 31st March, 2020, on a 'going concern' basis.
5. that the directors had laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and operating effectively;
6. that 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.

26. Management Discussion and Analysis Report:

The Management Discussion and Analysis Report for the year under review, as stipulated under Regulation 34 SEBI (Listing Obligations and Disclosure Requirements), 2015 of the, is given separately which may be taken as forming part as "**Annexure B**" to this Report.

27. Report on Corporate Governance:

A report on Corporate Governance as stipulated under Regulation 17 SEBI (Listing Obligations and Disclosure Requirements), 2015 forms part of the Annual Report and a Certificate from the Auditors of the Company, confirming compliance with the provisions of Corporate Governance, is attached "**Annexure C**" to this Report.

28. Statutory Auditors:

M/s JMT & Associates., Chartered Accountants, Mumbai, (FRN: 104167W) the Statutory Auditors of the Company who holds office until the conclusion of the ensuing Annual General Meeting have accorded their consent to be re-appointed as the Statutory Auditor of the Company for the year ended 31st March, 2021. Necessary resolution for the re-appointment of the Statutory Auditor forms part of the Notice of the meeting.

M/s JMT & Associates have submitted the certificate to the Company to the effect that they are eligible to be appointed as the Statutory Auditors of the Company as required under Section 143 of the Companies Act, 2013. Accordingly, the Board of Directors of the Company, upon the recommendation of the Audit Committee seek your approval for the appointment of JMT & Associates as the Statutory Auditor of the Company for the year ended 31st March, 2021.

29. Observations of Statutory Auditors for the year ended 31st March 2020:

Brief Observations	Management Reply
<p>According to the information and explanations given to us, and the records of the company examined by us, the Company has made provisions for undisputed statutory dues. However, there are disputed income tax liabilities and the company has made representations and applications with the concerned authorities and where required, legal representations are made for adjudication of the said matter .The dispute is at different levels and the management is taking all the necessary steps to protect the interest of the company.</p>	<p>The observation of the Statutory Auditor is self explanatory and does not require any further clarification for the same.</p>

30. Secretarial Auditor and its Report:

Pursuant to the provisions of Section 204 of the Companies Act, 2013 read with the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Company has appointed Mr. Ritesh M. Sharma, Company Secretary in Practice to undertake the secretarial audit of the Company. The Secretarial Audit Report given by the Secretarial Auditor is attached as “**Annexure D**” to this Report.

31. Observations of Secretarial Auditors for the year ended 31st March 2020 and Management Reply:

With respect to the observations, qualification and remarks as stated by the Secretarial Auditor in their Report for the year ended 31st March, 2020, the Board of Directors state that:

- a. The Management of the Company is in process of streamlining the business of the Company. Due to non availability of funds and lack of business opportunities, Company has failed to make the payment to various regulators and authorities.
- b. The management of the Company shall take all the necessary steps to provide adequate notice for the meeting of the Board and its committee.
- c. The Management shall ensure to conduct all further General Meeting within the stipulated period of time.
- d. All the pending compliances shall be complied with at the earliest by the management and the Company is taking all efforts to arrange funds to comply with all requirements.
- e. Due to unavoidable circumstances, Company was unable to provide the copy of the Minutes and notices for the verification.

All other observations/remarks/qualifications are self explanatory and does not call for further clarification. We request all the stakeholders to consider our current financial crisis due to which the Company was unable to hire expertise to streamline its pending compliances and other legal requirements.

32. Reporting of Frauds by Statutory Auditors under Section 143(12)

There were no incidences of reporting of frauds by Statutory Auditors of the Company under Section 143(12) of the Act read with Companies (Accounts) Rules, 2014.

33. Maintenance of Cost Records

Pursuant to the provisions of Section 148 of the Companies Act, 2013 read with the Companies (Cost Records and Audit) Rules, 2014, as amended from time to time, the Company is not required to maintain Cost Records under said Rules.

34. Deposits:

During the year under review, your Company has not accepted or invited any deposits from public within the meaning of Chapter V of the Companies Act, 2013 and applicable rules made thereunder or any amendment or re-enactment thereof.

35. Particulars of remuneration to employees, etc.:

The particulars of remuneration to directors and employees and other related information required to be disclosed under Section 197 (12) of the Companies Act, 2013 and the Rules made thereunder are given in “**Annexure E**” to this Report.

36. Particulars regarding Conservation of Energy, Technology Absorption and Foreign Exchange Earnings and Outgo:**(a) Conservation of Energy Technology Absorption:****1. Steps taken or impact on conservation of energy:**

All the manufacturing facilities continued their efforts to reduce the specific energy consumption. Specific and total energy consumption is tracked at individual factory/block level and also at consolidated manufacturing level. Apart from regular practices and measures for energy conservation, many new initiatives were driven across the units. Some of them are mentioned below

- Use of natural Lightning and natural ventilation
- LED Lights in office in place of CFL in offices
- Encouraging Go Green Initiatives

2. The steps taken by the company for utilizing alternate sources of energy:

The manufacturing units continue to put in effort to reduce specific energy consumption. The Company is evaluating other sources of energy.

3. Capital investment on energy conservation equipments: N.A

(b) Technology Absorption

- Efforts made towards technology absorption, adaptation and innovation and benefits derived as a result of the above efforts e.g. product improvement, cost reduction, product development, import substitution, etc

The Company is in Process of Developing the ways for technology absorption, adaptation and innovation.

- In case of imported technology (imported during the last 3 years reckoned from the beginning of the financial year) : N.A
- Expenditure Incurred on Research and Development : N.A

(c) Foreign Exchange Earnings and Outgo:

The Information on foreign exchange earned in terms of actual inflows during the year and the foreign exchange outgo during the year in terms of actual outflows is furnished in the Notes to Accounts.

37. Disclosure regarding Internal Complaints Committee

The Company has zero tolerance towards sexual harassment at the workplace and has adopted a policy on prevention, prohibition and redressal of sexual harassment at workplace in line with the provisions of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 and the Rules thereunder.

The Company had constituted a committee called as Internal Complain Committee for prevention and prohibition of Sexual Harassment of woman at workplace and 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].

During the year, Company has not received any complaints pertaining to any kind of harassment at the work place.

38. Significant and material orders passed by the Regulators, etc.:

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

39. Secretarial Standards of ICSI

The Central Government has given approval on April 10, 2015 to the Secretarial Standards specified by the Institute of Company Secretary of India, the Secretarial Standards on Meetings of the Board of Directors (SS-1) and General Meetings (SS-2) came into effect from 1 July 2015. The Company is in compliance with the same.

Acknowledgement:

Your Directors take this opportunity to express their appreciation to the Investors, Banks, Financial Institutions, Clients, Vendors, Central and State Governments and other Regulatory Authorities for their assistance, continued support, co-operation and guidance.

**For and on behalf of the Board of Directors
For Silverline Technologies Limited**

sd/-

**Mr. Srinivasan Pattamadai
Managing Director
DIN:06938100**

Place: Mumbai

Date: 03rd September, 2020.

