

## DIRECTORS' REPORT

To,  
The Members,  
**Kashyap Tele - Medicines Limited**

Your Directors have pleasure in presenting the 24<sup>th</sup> Annual Report of the Company together with the Audited Financial Statements and the Auditors' Report thereon for the Financial Year ended, 31<sup>st</sup> March, 2018.

### 1. FINANCIAL HIGHLIGHTS:

The summary of the financial results for the year is given below:

Particulars	(Amount in ₹)	
	31 <sup>st</sup> March, 2018	31 <sup>st</sup> March, 2017
Revenue from Operations	18,00,000	15,45,000
Other Income	11,340	9,450
<b>Total Revenue</b>	<b>18,11,340</b>	<b>15,54,450</b>
<b>Expenditure:</b>		
Changes in inventories of finished goods, work-in progress and Stock – in Trade	0	0
Employee benefit expense	6,27,156	5,11,492
Depreciation and Amortization Expenses	0	0
Other Expenses	6,91,101	5,80,313
<b>Total Expenses</b>	<b>13,18,257</b>	<b>10,91,805</b>
Profit Before Tax	4,93,083	4,62,645
<b>Tax Expenses:</b>		
(1) Current Tax	93,957	88,157
(2) Deferred Tax	0	0
<b>Profit/ (Loss) for the period</b>	<b>3,99,126</b>	<b>3,74,488</b>
Earning per Equity Share of the Face Value of ₹1/- each Basic & Diluted in (₹)	0.01	0.01

### 2. HIGHLIGHTS OF PERFORMANCE:

The Total Income of the Company has been increased to ₹18,11,340 in the Financial Year 2017-18 from ₹15,54,450 in Previous Year 2016-17 at a growth rate of 16.53%. The total expense of the Company is ₹13,18,257 in Financial Year 2017-18 as compared to ₹10,91,805 in Previous Year 2016-17 at a rate of 20.74%. The Profit of the Company has increased to ₹3,99,126 as compared to the Profit of ₹3,74,488 in the Previous Year 2016-17 at a growth rate of 6.58%.

### 3. DIVIDEND:

Due to inadequate profit your directors are not in a position to recommend any dividend for the financial year ended 31<sup>st</sup> March, 2018.

The Dividend Distribution Policy as per Regulation 43A of the Listing Regulations is not applicable to the Company as the Company does not fall under top 500 listed Companies on the basis of market capitalization.

### 4. NON APPLICABILITY OF BUSINESS RESPONSIBILITY REPORT:

The Business Responsibility Report as per Regulation 34(2) of the Listing Regulations is not applicable to the Company as the Company does not fall under top 100 listed Companies on the basis of market capitalization.

### 5. APPLICABILITY OF THE INDIAN ACCOUNTING STANDARDS (IND AS):

Pursuant to the notification dated 16<sup>th</sup> February, 2015 issued by the Ministry of Corporate Affairs, the Company has adopted the Indian Accounting Standards ("Ind AS") notified under the Companies (Indian Accounting Standards) Rules, 2015 prescribed under Section 133 of the Companies Act, 2013 (as amended from time to time) with effect from 1<sup>st</sup> April, 2017 and the Financial Statement for the financial year 2017-18 are prepared in accordance with Ind AS.

### 6. SHARE CAPITAL:

#### a) Authorised Share Capital

There was no change in the Authorised Capital of the Company during the financial year 2017-18. The Authorised Share Capital of the Company as at 31<sup>st</sup> March, 2018 stood at ₹15,00,00,000.

#### b) Issue Share Capital

The Issued Share Capital of the Company as at 31<sup>st</sup> March, 2018 stood at ₹5,00,00,000. During the year under review, the Company has not issued shares with differential voting rights nor has granted any stock options or sweat equity. As

on 31<sup>st</sup> March, 2018, none of the Directors of the Company hold any instruments convertible into equity shares of the Company.

**c) Subscribed and Paid up Share Capital**

The Subscribed and Paid up Share Capital of the Company as at 31<sup>st</sup> March, 2018 stood at ₹4,77,22,000.

**7. AMOUNTS TRANSFERRED TO RESERVES:**

No amount has been transferred to General Reserve.

**8. INFORMATION ABOUT SUBSIDIARY / JV / ASSOCIATE COMPANY:**

The Company does not have any Associate/Subsidiary/JV Company.

The Company is an Associate Company of M/s. Jindal Worldwide Limited and M/s. Amitara Industries Limited having a stake of 31.25% and 25.94% respectively in your company's equity share capital.

**9. EXTRACT OF THE ANNUAL RETURN AS PER SECTION 92(3) OF COMPANIES ACT 2013:**

The details forming part of the extract of the Annual Return in Form MGT- 9 is annexed herewith as **Annexure-A**.

**10. PARTICULARS OF EMPLOYEES AND RELATED DISCLOSURE:**

Disclosures pertaining to remuneration and other details as required under Section 197(12) of the Companies Act, 2013 read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 are provided

in the prescribed format and annexed as **Annexure B** to this Directors' Report.

No employee has received remuneration in excess of the limits set out in rules 5(2) and 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 during financial year 2017-18.

**11. TRANSFER OF UNCLAIMED DIVIDEND TO INVESTOR EDUCATION AND PROTECTION FUND (IEPF):**

Since there was no Dividend declared in past years, the provisions of Section 125 of the Companies Act, 2013 are not applicable to the Company.

**12. CHANGE IN THE NATURE OF BUSINESS:**

There has been no change in the nature of business of the Company during the year. Further, there were no material changes and commitments between the end of the financial year of the Company to which the Financial Statements relates and date of Directors' Report affecting the financial position of the Company.

**13. MEETINGS OF THE BOARD:**

The Board of Directors of the Company met 7 (Seven) times on 6<sup>th</sup> May, 2017, 29<sup>th</sup> May, 2017, 6<sup>th</sup> July, 2017, 12<sup>th</sup> August, 2017, 14<sup>th</sup> September, 2017, 13<sup>th</sup> December, 2017 and 13<sup>th</sup> February, 2018. The maximum gap between any two Board Meetings was less than one hundred and twenty days. All material information was circulated to the directors before the meeting or placed at the meeting, including minimum information required to be made available to the Board as prescribed under Part A of Schedule II of sub-regulation 7 of Regulation 17 of the Listing Regulations.

Name of Director	Category	Attendance of Meeting of Board of Directos held on						
		6 <sup>th</sup> May, 2017	29 <sup>th</sup> May, 2017	6 <sup>th</sup> July, 2017	12 <sup>th</sup> August, 2017	14 <sup>th</sup> September, 2017	13 <sup>th</sup> December, 2017	13 <sup>th</sup> February, 2018
Mr. Amit Agrawal	Managing Director	√	√	√	√	√	√	√
Mr. Dinesh Jain	Non Executive Non Independent Director	Leave of Absence	√	Leave of Absence	√	Leave of Absence	Leave of Absence	√
Mr. Sanjeev Agrawal*	Non Executive Non Independent Director	√	Leave of Absence	√	N.A.	N.A.	N.A.	N.A.
Mr. Girwarsingh Shekhawat	Independent Director	√	√	Leave of Absence	√	√	√	Leave of Absence
Mr. Ravindra Joshi*	Independent Director	Leave of Absence	√	√	N.A.	N.A.	N.A.	N.A.
Ms. Surabhi Agrawal	Independent Director	√	√	√	√	√	√	√
Ms. Amrita Khetan#	Non Executive Non Independent Director	N.A.	N.A.	N.A.	Leave of Absence	√	√	√
Mr. Devkinandan Sharma#	Independent Director	N.A.	N.A.	N.A.	Leave of Absence	√	√	√

\*Resigned from the Director of the Company w.e.f. 02<sup>nd</sup> August, 2017.

#Appointed as a Director of the Company w.e.f. 12<sup>th</sup> August, 2017.

#### 14. BOARD OF DIRECTORS:

In Accordance with the Provision of Section 152 of the Companies Act, 2013 and the Articles of Association of the Company, Ms. Amrita Khetan, Director of the Company will retire by rotation and being eligible, offer herself for re-appointment at the ensuing Annual General Meeting.

The following are the changes in the Composition of Board of Directors of the Company during the financial year 2017-18:

Sr. No.	Name of the Director	Category	Appointment / Cessation	Date of Appointment/ Cessation
1.	Mr. Sanjeev Agrawal	Non Executive Non Independent Director	Cessation	2 <sup>nd</sup> August, 2017
2	Mr. Ravindra Joshi	Independent Director	Cessation	2 <sup>nd</sup> August, 2017
3	Mr. Devkinandan Sharma	Independent Director	Appointment	12 <sup>th</sup> August, 2017
4	Ms. Amrita Khetan	Non Executive Non Independent Director	Appointment	12 <sup>th</sup> August, 2017

All the Directors of the Company have confirmed that they are not disqualified from being appointed as directors in terms of Section 164 of the Companies Act, 2013.

#### 15. KEY MANAGERIAL PERSONNEL (KMP):

Pursuant to the provisions of Sections 2(51) and 203 of the Companies Act, 2013 read with the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (as amended from time to time), the following are the Key Managerial Personnel of the Company:

1. Mr. Amit Agrawal: Managing Director;
2. Mr. Dinesh Jain: Chief Financial Officer (w.e.f. 19<sup>th</sup> May, 2018);
3. Ms. Shefali Singh: Company Secretary & Compliance Officer (w.e.f. 1<sup>st</sup> March, 2016 to 7<sup>th</sup> May, 2017);
4. Mr. Dhruvil Shah: Company Secretary & Compliance Officer (w.e.f. 6<sup>th</sup> July, 2017 to 25<sup>th</sup> June, 2018);
5. Ms. Purna Kakkar: Company Secretary & Compliance Officer (w.e.f. 25<sup>th</sup> June, 2018 to till date).

Ms. Shifali Singh resigned as Company Secretary & Compliance Officer - KMP of the Company w.e.f. 7<sup>th</sup> May, 2017. Subsequently, Mr. Dhruvil Shah appointed as a Company Secretary & Compliance Officer - KMP of the Company w.e.f. 6<sup>th</sup> July, 2017. He further resigned on 25<sup>th</sup> June, 2018, the Directors placed on record their appreciation for the contribution made by the resigning Company Secretaries during their tenure. Thereafter, Ms. Purna Kakkar has appointed as a Company Secretary & Compliance Officer - KMP of the Company w.e.f. 25<sup>th</sup> June, 2018.

The Board of Director at its meeting held on 19<sup>th</sup> May, 2018 has appointed Mr. Dinesh Jain as a Chief Financial Officer – KMP of the Company w.e.f. 19<sup>th</sup> May, 2018.

#### 16. DECLARATION BY INDEPENDENT DIRECTORS:

The Company has received necessary declarations from each of the Independent Directors under Section 149(7) of the Companies Act, 2013 read with relevant Rules, that they meet the criteria of independence laid down in Section 149(6) of the Companies Act, 2013 and Regulations 16(1)(b) & 25 of the Listing Regulations. Further the said declarations are placed before the Board and the Board is of the similar opinion as declared by the Independent Directors.

#### 17. COMPANY'S POLICY RELATING TO DIRECTORS APPOINTMENT, PAYMENT OF REMUNERATION AND DISCHARGE OF THEIR DUTIES:

The Company has adopted a Remuneration Policy for the Directors, Key Managerial Personnel and other employees, pursuant to Section 178(3) of the Companies Act, 2013. The philosophy for remuneration of Directors, Key Managerial Personnel and all other employees of the Company is based on the commitment of fostering a culture of leadership with trust. The Remuneration Policy of the Company is aligned to this philosophy. It is affirmed that the remuneration paid to Directors, Key Managerial Personnel and all other employees is as per the Remuneration Policy of the Company.

#### 18. AUDITORS:

##### (a) Statutory Auditors and Auditor's Report:

As per the provisions of Sections 139, 142 and all other applicable provisions of the Companies Act, 2013, at the 23<sup>rd</sup> Annual General Meeting of the Company held on 18<sup>th</sup> September, 2017, the Members of the Company had appointed M/s. Saremal & Company, Chartered Accountants (Firm Registration No. 109281W), as Statutory Auditors of the Company to hold the office for a term of 5 (five) years from the conclusion of 23<sup>rd</sup> Annual General Meeting till the conclusion of the 28<sup>th</sup> Annual General Meeting to be held in the year 2022.

Further the Ministry of Corporate Affairs (MCA) vide notification dated 7<sup>th</sup> May, 2018 has done away with the requirement of ratification of appointment of Statutory Auditors at every Annual General Meeting, as per the first proviso of Section 139 of the Companies Act, 2013 and the Companies (Audit and Auditors) Amendment Rules, 2018. Accordingly, the Company is not required to pass any resolution pertaining to ratification of the appointment of Statutory Auditors in the Annual General Meeting and thus the said agenda does not forms the part of the notice to the said Annual General Meeting.

The Statutory Auditors' report annexed to the financial statement for the financial year 2017-18 does not contain any qualification, reservation or adverse remark and is self-explanatory and unmodified and thus does not require any further clarifications/ comments.

**(b) Secretarial Auditors:**

The Secretarial Audit was carried out by M/s. SPANJ & Associates, Practicing Company Secretaries, Ahmedabad for the financial year 2017-18. The Report given by the Secretarial Auditors is annexed as **Annexure - C** and forms an integral part of this Board's Report. There has been no qualification, reservation or adverse remark or disclaimer in their Report.

Pursuant to Section 204 of the Companies Act, 2013 read with Rule 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Board of Directors in its board meeting held on 19<sup>th</sup> May, 2018, has appointed M/s. SPANJ & Associates, Practicing Company Secretaries, Ahmedabad as the Secretarial Auditors of the Company for the Financial Year 2018-19. Further the Company has received the consent letter regarding such appointment and this is in accordance with the applicable provisions of the Companies Act and rules framed thereunder.

**(c) Internal Auditors:**

The Board of Directors has appointed M/s. Jagdish Verma & Co., Chartered Accountants, Ahmedabad (FRN: 103837W) as Internal Auditors of the Company for the Financial Year 2018-19 in their Board Meeting held on 19<sup>th</sup> May, 2018.

As regards the comments made in the Auditor's Report, the Board is of the opinion that they are self-explanatory and does not warrant further clarification.

**19. PARTICULARS OF LOANS, GUARANTEES OR INVESTMENT UNDER SECTION 186:**

The details of Loans, Guarantee and Investments covered under the provisions of Section 186 of the Companies Act, 2013 are given in the notes to the Financial Statements.

**20. MANAGEMENT DISCUSSION AND ANALYSIS:**

As per requirements of Regulation 34 of Listing Regulations, the Management's Discussion and Analysis of the financial condition and results of operations of the Company is annexed as **Annexure-D** to this report.

**21. PARTICULARS OF CONTRACTS OR ARRANGEMENTS WITH RELATED PARTIES REFERRED TO IN SUB-SECTION (1) OF SECTION 188 OF THE COMPANIES ACT 2013:**

All transactions with related parties were in the ordinary course of business and on arm's length basis. The Company has not entered into any transaction of a material nature with any of the related parties which are in conflict with the interest of the Company.

The details of related party transactions are disclosed in Note No. 29 attached to and forming part of the accounts.

**22. CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO:**

**(A) Conservation of energy and Technology absorption**

The particulars as required under the provisions of Section 134 (3) (m) of the Companies Act, 2013 in respect of conservation of energy and technology absorption have not been furnished considering the nature of activities undertaken by the Company during the year under review.

**(B) Foreign exchange earnings and Outgo**

There were no foreign exchange earnings and outgo during the year under review.

**23. REPORT ON RISK MANAGEMENT POLICY:**

The Company has laid down a Risk Management Policy and identified threat of such events which if occurs will adversely affect either/or, value to shareholders, ability of Company to achieve objectives, ability to implement business strategies, the manner in which the Company operates and reputation as "Risks". Further such Risks are categorized in to Strategic Risks, Operating Risks & Regulatory Risks. A detailed exercise is carried out to identify, evaluate, manage and monitoring all the three types of risks.

**24. FIXED DEPOSITS:**

During the period under report, the Company has not accepted any deposits from the public falling within the purview of Section 73 of the Companies Act, 2013 read with the Companies (Acceptance of Deposits) Rules, 2014.

**25. ANNUAL EVALUATION BY THE BOARD OF ITS OWN PERFORMANCE AND THAT OF ITS COMMITTEES AND INDIVIDUAL DIRECTORS:**

The Nomination and Remuneration Committee has laid down the criteria for performance evaluation of Executive and Non-Executive Directors of the Company as per Section 178 of the Companies Act, 2013 and as per Regulation 19 of the Listing Regulations. The Board of Directors carried out an annual evaluation of its own performance and performance of the Chairman, Board Committees and Individual Directors pursuant to the provisions of the Companies Act 2013.

The Board, along with the Nomination and Remuneration, developed and adopted the criteria and framework for the evaluation of each of the Directors and of the Board and its Committees. The evaluation was then conducted as per the approved process. The Chairman of the Committee also had interactions with each of the Directors and sought their feedback and suggestions on the overall Board Effectiveness and Directors performance.

In addition, pursuant to the provisions of Schedule IV to the Companies Act, 2013 the Independent Directors reviewed the performance of the Non-Independent Directors and of the Board as a whole, performance of the Chairman of the Board taking into account the views of all the Directors and the quality, quantity and timeliness of flow of information between the Company management and the Board and its sufficiency for the Board to effectively perform its duties.

Separate meeting of Independent Directors of the Company was held on 13<sup>th</sup> December, 2017 and it reviewed the performance of Non-Independent Directors & the Board as a whole and also reviewed the performance of Chairman of the Company. The same was discussed in the board meeting that followed the meeting of the Independent Directors, at which the performance of the Board, its committees and individual

During the year, the Audit Committee met four times on 29<sup>th</sup> May, 2017, 14<sup>th</sup> September, 2017, 13<sup>th</sup> December, 2017 and 13<sup>th</sup> February, 2018. The maximum gap between any two meetings was less than one hundred and twenty days.

Name of Members	Designation	Category	Attendance at the Audit Committee Meetings Held on			
			29 <sup>th</sup> May, 2017	14 <sup>th</sup> September, 2017	13 <sup>th</sup> December, 2017	13 <sup>th</sup> February, 2018
Ms. Surabhi Agrawal	Chairperson	Independent Director	√	√	√	√
Mr. Girwarsingh Shekhawat	Member	Independent Director	√	√	√	√
Mr. Dinesh Jain	Member	Non-Executive Non-Independent Director	√	Leave of Absence	Leave of Absence	√

#### TERMS OF REFERENCE OF AUDIT COMMITTEE:

1. Oversight of the company'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 Company;
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, with particular reference to:
  - a. 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
  - b. Changes, if any, in accounting policies and practices and reasons for the same
  - c. Major accounting entries involving estimates based on the exercise of judgment by management
  - d. Significant adjustments made in the financial statements arising out of audit findings
  - e. Compliance with listing and other legal requirements relating to financial statements
  - f. Disclosure of any related party transactions
  - g. Qualifications in the draft audit report
5. Reviewing, with the management, the quarterly financial statements before submission to the board for approval;
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. Review and monitor the auditor's independence and performance, and effectiveness of audit process;
8. Approval or any subsequent modification of transactions of the Company with related parties;
9. Scrutiny of inter-corporate loans and investments;
10. Valuation of undertakings or assets of the Company, wherever it is necessary;

Directors was also discussed in detail and the members recorded their satisfaction.

#### 26. COMMITTEES OF THE BOARD:

The Company's Board has the following Committees:

- I. Audit Committee
- II. Stakeholders Relationship Committee
- III. Nomination & Remuneration Committee

##### I. AUDIT COMMITTEE:

The powers, role and terms of reference of the Audit Committee covers the areas as contemplated under Section 177 of the Companies Act, 2013 and Regulation 18 of Listing Regulations, as applicable, besides other terms as referred by the Board of Directors.

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. 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;
16. 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;
17. 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;
18. To review the functioning of the Whistle Blower Mechanism;
19. Approval of appointment of CFO (i.e., the Whole-time Finance Director or any other person heading

the finance function or discharging that function) after assessing the qualifications, experience and background, etc. of the candidate;

20. Reviewing the Management letters/ letters of Internal Control weaknesses issued by Statutory Auditor;
21. Review of Management Discussion and Analysis of financial condition and results of operations;
22. Review of Statement of significant related party transactions (as defined by the Audit Committee), submitted by management;
23. Review of Management letters / letters of internal control weaknesses issued by the statutory auditors;
24. Review of Internal audit reports relating to internal control weaknesses;
25. Review of appointment, removal and terms of remuneration of the Chief internal auditor; and
26. Carrying out any other function as may be required in pursuance of the decision of the Board of Directors of the Company or any provision under the Companies Act or SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 or any other applicable law.

## II. STAKEHOLDERS RELATIONSHIP COMMITTEE:

Stakeholders Relationship Committee of the Company is constituted in line with the provisions of Section 178 of the Companies Act, 2013 and Regulation 20 of the Listing Regulations. The Board has constituted Stakeholders' Relationship Committee Inter alia, to consider and review the complaints received from shareholders like transfer of shares, non- receipt of balance sheet etc.

The Committee met two times during the financial year on 12<sup>th</sup> August, 2017 and 13<sup>th</sup> February, 2018. The composition of the Committee as well as the particulars of attendance at the Committee meetings are given below:

Name of Members	Designation	Category	Attendance at the Stakeholders Relationship Committee Meetings Held on	
			12 <sup>th</sup> August, 2017	13 <sup>th</sup> February, 2018
Mr. Girwarsingh Shekhawat	Chairperson	Independent Director	√	√
Mr. Amit Agrawal	Member	Executive Director	√	√
Mr. Dinesh Jain	Member	Non-Executive Non-Independent Director	√	√

## TERMS OF REFERENCE OF STAKEHOLDERS RELATIONSHIP COMMITTEE:

To allot the Equity Shares of the Company, and to supervise and ensure:

1. To attend to requests from the shareholders for transfer / transmission of shares and all matters incidental or related thereto;
2. To attend to matters relating dematerialization / rematerialisation of shares / other securities and all matters incidental or related thereto;

3. To advise the Board on matters incidental or relating to issue of Bonus Shares & Rights Shares, etc.;
4. To consider and resolve grievances of the security holders of the Company, including complaints related to the transfer of shares, non-receipt of annual report and non-receipt of declared dividends;
5. To investigate complaints relating to allotment of shares, approval of transfer or transmission of shares or any other securities;

6. To attend to issue of duplicate certificates and new certificates on split / consolidation / renewal;
7. To attend to matters relating to compliance with the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and other statutory requirements concerning the interests of holders of shares and other securities; and
8. To carry out any other function as may be required in pursuance of the decision of the Board of Directors of the Company or any provision under the Companies Act or SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 or any other applicable law.

### III. NOMINATION AND REMUNERATION COMMITTEE AND POLICY THEREON:

The Nomination and Remuneration Committee of the Company is constituted in alignment with the provisions of Section 178 of the Companies Act, 2013 and Regulation 19 of the Listing Regulations and terms of reference, including role & powers of the Committee as referred by the Board of Directors.

During the financial year 2017-18, the Nomination and Remuneration Committee was re-constituted and Mr. Dinesh Jain, Non-Executive Non-Independent Director was appointed as Member of Nomination and Remuneration Committee in place of Mr. Ravindra Joshi, who retired as a Director with effect from 2<sup>nd</sup> August, 2017.

During the financial year, the Nomination and Remuneration Committee met five times on 6<sup>th</sup> May, 2017, 29<sup>th</sup> May, 2017, 6<sup>th</sup> July, 2017, 12<sup>th</sup> August, 2017 and 13<sup>th</sup> February, 2018.

Name of Members	Designation	Category	Attendance at the Nomination and Remuneration Committee Meeting Held on				
			6 <sup>th</sup> May, 2017	29 <sup>th</sup> May, 2017	6 <sup>th</sup> July, 2017	12 <sup>th</sup> August, 2017	13 <sup>th</sup> February, 2018
Ms. Surabhi Agrawal	Chairperson	Independent Director	√	√	√	√	√
Mr. Ravindra Joshi*	Member	Independent Director	√	√	√	N.A.	N.A.
Mr. Girwarsingh Shekhawat	Member	Independent Director	√	√	Leave of Absence	√	√
Mr. Dinesh Jain <sup>#</sup>	Member	Non-Executive Non-Independent Director	N.A.	N.A.	N.A.	√	√
Mr. Devkinandan Sharma <sup>§</sup>	Member	Independent Director	N.A.	N.A.	N.A.	Leave of Absence	√

\* Resigned w.e.f. 2<sup>nd</sup> August, 2017

<sup>#</sup> Appointed as committee member w.e.f. 2<sup>nd</sup> August, 2017

<sup>§</sup> Appointed as committee member w.e.f. 12<sup>th</sup> August, 2017 and resigned w.e.f. 14<sup>th</sup> February, 2018

#### TERMS OF REFERENCE OF NOMINATION & REMUNERATION COMMITTEE:

1. Formulating the criteria for determining qualifications, positive attributes and independence of a director and recommending to the Board a policy, relating to the remuneration of the directors, key managerial personnel and other employees;
2. Formulating of criteria for evaluation of performance of the independent directors and the Board;
3. Devising a policy on Board diversity;
4. Identifying persons who qualify to become directors and who may be appointed in senior management in accordance with the criteria laid down, recommending to the Board their appointment and removal;
5. Determining 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. Analyzing, monitoring and reviewing various human resource and compensation matters; and
7. Determining the company's policy on specific remuneration packages for executive directors including pension rights and any compensation payment, and determining remuneration packages of such directors.

#### Policy for selection and appointment of Directors and Key Managerial Personnel and their remuneration

The Nomination and Remuneration Committee (NRC) has adopted a Charter which, inter alia, deals with the manner of selection of Board of Directors and Key Managerial Personnel and their remuneration.

**A. Appointment criteria and qualifications:**

1. The Committee shall identify and ascertain the integrity, qualification, expertise and experience of the person for appointment as Director, KMP or at Senior Management level and recommend to the Board his / her appointment.
2. A person should possess adequate qualification, expertise and experience for the position he / she is considered for appointment. The Committee has discretion to decide whether qualification, expertise and experience possessed by a person are sufficient / satisfactory for the concerned position.
3. The Company shall not appoint or continue the employment of any person as Whole-time Director who has attained the age of 70 years. Provided that the term of the person holding this position may be extended beyond the age of seventy years with the approval of shareholders by passing a special resolution based on the explanatory statement annexed to the notice for such motion indicating the justification for extension of appointment beyond 70 years.

- **Term / Tenure:**

1. **Managing Director/Whole-time Director:**

The Company shall appoint or re-appoint any person as its Executive Chairman, Managing Director or Executive Director for a term not exceeding five years at a time. No re-appointment shall be made earlier than one year before the expiry of term.

2. **Independent Director:**

An Independent Director shall hold office for a term up to five consecutive years on the Board of the Company and will be eligible for re-appointment on passing of a special resolution by the Company and disclosure of such appointment in the Board's report. No Independent Director shall hold office for more than two consecutive terms, but such Independent Director shall be eligible for appointment after expiry of three years of ceasing to become an Independent Director. Provided that an Independent Director shall not, during the said period of three years, be appointed in or be associated with the Company in any other capacity, either directly or indirectly. However, if a person who has already served as an Independent Director for five years or more in the Company as on 1<sup>st</sup> October, 2014 or such other date as may be determined by the Committee as per regulatory requirement, he / she shall be eligible for appointment for one more term of five years only. - At the time of appointment of Independent Director it should be ensured that, no such

Director should serve as an Independent Director in more than seven listed entities, further any Director who is serving as a Whole-time Director in any listed entity shall serve as an Independent Director in not more than 3 listed entities.

- **Evaluation:**

During the year under review, the Committee shall carry out evaluation of performance of every Director, KMP and Senior Management Personnel.

- **Removal:**

Due to reasons for any disqualification mentioned in the Companies Act, 2013, rules made there under, the Committee may recommend, to the Board with reasons recorded in writing, removal of a Director, KMP or Senior Management Personnel subject to the provisions and compliance of the said Act, rules and regulations.

- **Retirement:**

The Director, KMP and Senior Management Personnel shall retire as per the applicable provisions of the Companies Act, 2013 and the prevailing policy of the Company. The Board will have the discretion to retain the Director, KMP, Senior Management Personnel in the same position / remuneration or otherwise even after attaining the retirement age, for the benefit of the Company.

**B. Remuneration Policy**

1. The remuneration / compensation / commission etc. to the Whole-time Director, KMP and Senior Management Personnel will be determined by the Committee and recommended to the Board for approval. The remuneration / compensation / commission etc. shall be subject to the prior/post approval of the shareholders of the Company and Central Government, wherever required.
2. The remuneration and commission to be paid to the Whole-time Director shall be in accordance with the percentage / slabs / conditions laid down in the Articles of Association of the Company and as per the provisions of the Companies Act, 2013, and the rules made thereunder.
3. Increments to the existing remuneration / compensation structure may be recommended by the Committee to the Board which should be within the slabs approved by the Shareholders in the case of Whole-time Director. Increments are effective from 1<sup>st</sup> April unless otherwise decided by the board.
4. Where any insurance is taken by the Company on behalf of its Whole-time Director, Chief Executive Officer,



Chief Financial Officer, the Company Secretary and any other employees for indemnifying them against any liability, the premium paid on such insurance shall not be treated as part of the remuneration payable to any such personnel. Provided that if such person is proved to be guilty, the premium paid on such insurance shall be treated as part of the remuneration.

- **Remuneration to Whole-time / Executive / Managing Director, KMP and Senior Management Personnel:**

1. **Fixed pay:**

The Whole-time Director / KMP and Senior Management Personnel shall be eligible for a monthly remuneration as may be approved by the Board on the recommendation of the Committee or as per the terms and conditions of appointment letter as approved by the Board. The breakup of the pay scale and quantum of perquisites including, employer's contribution to P.F, pension scheme, medical expenses, club fees etc. shall be decided and approved by the Board on the recommendation of the Committee and approved by the shareholders and Central Government, wherever required.

2. **Minimum Remuneration:**

If, in any financial year, the Company has no profits or its profits are inadequate, the Company shall pay remuneration to its Managing Director and Whole-time Directors in accordance with the provisions of Schedule V of the Companies Act, 2013 and approved by the Board of Directors and if it is not able to comply with such provisions, with the previous approval of the Central Government.

3. **Provisions for excess remuneration:**

If any Whole-time Director draws or receives, directly or indirectly by way of remuneration any such sums in excess of the limits prescribed under the Companies Act, 2013 or without the prior sanction of the Central Government, where required, he / she shall refund such sums to the Company and until such sum is refunded, hold it in trust for the Company. The Company shall not waive recovery of such sum refundable to it unless permitted by the Central Government.

- **Remuneration to Non- Executive / Independent Director:**

1. **Remuneration / Commission:**

The remuneration / commission shall be fixed as per the slabs and conditions mentioned in the Articles of Association of the Company and the Companies Act, 2013 and the rules made thereunder.

2. **Sitting Fees:**

The Non- Executive / Independent Director may receive remuneration by way of fees for attending meetings of Board or Committee thereof. Provided that the amount

of such fees shall not exceed One Lakh Rupees per meeting of the Board or Committee or such amount as may be prescribed by the Central Government from time to time.

3. **Commission:**

Commission may be paid within the monetary limit approved by shareholders, subject to the limit not exceeding 1% of the profits of the Company computed as per the applicable provisions of the Companies Act, 2013.

27. **VIGIL MECHANISM/WHISTLE BLOWER POLICY:**

The Company has a well established Vigil Mechanism/ Whistle Blower Policy for providing a formal mechanism for all employees of the Company to approach Chairman of the Audit Committee of the Company and make protective disclosures about the unethical behavior, actual or suspected fraud and violation of the Company's Code of Conduct and Business Ethics. Under the Policy, each employee of the Company has an assured access to the Chairman of the Audit Committee. The Vigil Mechanism/ Whistle Blower Policy is displayed on the website of the Company i.e. [www.kashyaptele-medicines.com](http://www.kashyaptele-medicines.com).

28. **INTERNAL CONTROL SYSTEMS:**

The Company has an effective Internal Control System in place to ensure reliability of financial reporting, orderly and efficient conduct of business, compliance with policies, procedures, safeguarding of assets and economical and efficient use of resources. Appropriate review and control mechanisms are built in place to ensure that such control systems are adequate and operate effectively.

The Company has devised systems to ensure compliance with the provisions of all applicable laws to the Company. During the year under review, the Audit Committee, the Statutory Auditors and top management of the Company has ensured and reviewed the adequacy of internal control system in the Company, its compliance with operating systems, accounting procedures and policies of the Company. Significant Audit observations and corrective actions, if any, thereon were presented before the Board for their review.

29. **CORPORATE SOCIAL RESPONSIBILITY:**

The Company is not falling under the criteria as mentioned in Section 135 of the Companies Act, 2013 read with Companies (Corporate Social Responsibility Policy) Rules, 2014. Hence, provision of Corporate Social Responsibility is not applicable to the Company.

30. **CORPORATE GOVERNANCE REPORT:**

Pursuant to Regulations 15 and 34(3) read with Schedule V of Listing Regulations a Report on Corporate Governance is not applicable to the Company for the financial year 2017-18 as the paid up equity share capital and net worth of the Company does

not exceed ₹10 crore and ₹25 crore respectively as on the last day of previous financial year ended on 31<sup>st</sup> March, 2017.

**31. 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:**

The BSE Limited (BSE) vide its letter dated 27<sup>th</sup> February, 2015, trading in securities of the Company have been suspended due to various reasons w.e.f. 4<sup>th</sup> March, 2015. The management of the Company had promptly initiated contact with BSE official in the said matter and various representations has been made to BSE in regards to revocation of suspension. The revocation of suspension is under process and expected to be completed within this year.

No other significant and material orders passed by the Regulators or Courts or Tribunals impacting the going concern status and Company's operations in Future.

**32. SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION AND REDRESSAL) ACT, 2013:**

The Company has in place, policy on Prevention, Prohibition and Redressal of Sexual Harassment for women at workplace in accordance with the requirements of The Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013. The policy has set guidelines on the redressal and enquiry process that is to be followed by complainants, whilst dealing with issues related to sexual harassment at the work place. During the year the Company neither has received any complaints nor has pending any complaints under the said act.

**33. DIRECTORS' RESPONSIBILITY STATEMENT:**

Pursuant to Sections 134(3)(c) and 134(5) of the Companies Act, in relation to financial statements of the Company for the year ended 31<sup>st</sup> March, 2018, the Board of Directors states that:

- in the preparation of the annual accounts for the financial year ended 31<sup>st</sup> March, 2018, the applicable accounting standards had been followed along with proper explanation relating to material departures;
- 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 and of the profit and loss of the Company for that period;
- 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;

- the Directors had prepared the annual accounts on a going concern basis;
- the proper internal financial controls were in place and that the financial controls were adequate and were operating effectively; and
- 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.

**34. LISTING OF SHARES:**

The Equity Shares of the Company are listed on the BSE Limited (BSE) with scrip code No. 531960. The annual listing fee for the financial year 2018-19 has been paid to BSE Limited.

**35. NON APPLICABILITY OF GOODS AND SERVICE TAX (GST):**

As per the Central Governments guidelines Goods and Service Tax (GST) has become effective w.e.f. 1<sup>st</sup> July, 2017. In this regards, as on date the Company has not falls under the threshold limits (i.e. Turnover in a financial year exceeds ₹20 lacs) of mandatory GST registration.

**36. ELECTRONIC CONNECTIVITY WITH DEPOSITORIES:**

The Shareholders are hereby informed that the Electronic Connectivity with Depositories i.e. NSDL and CDSL has become effective as follows:

Name of Depository	Effective date
National Securities Depository Limited (NSDL)	11 <sup>th</sup> August, 2017
Central Depository Services (India) Limited (CDSL)	10 <sup>th</sup> April, 2017

**37. ACKNOWLEDGEMENT:**

Your Directors place on record their sincere appreciation for the steadfast commitment and highly motivated performance by employees. Your Directors also sincerely thank all the Stakeholders, Business Partners, Government & other Statutory Bodies, Banks, Financial Institutions, Analysts and Shareholders for their continued assistance, cooperation and support.

**On behalf of Board of Directors  
For, Kashyap Tele-Medicines Limited**

**Date : 10<sup>th</sup> July, 2018  
Place : Ahmedabad**

**Sd/-  
Amit Agrawal  
Managing Director  
DIN: 00169061**