

## **DIRECTORS REPORT**

Your Directors are pleased to present their 20th Annual Report together with the Audited Accounts of the Company highlighting the business operations and financial results for the year ended March 31, 2020.

### **FINANCIAL RESULTS :**

The financial performance of the Company for the year ended March 31, 2020 is summarized below:

<b>Particulars</b>	<b>Year ended 31.03.20 (Amt. in Rs)</b>	<b>Year ended 31.03.19 (Amt. in Rs)</b>
Net Sales / Interest Earned / Operating Income	1,65,92,238	6,99,57,158
<b>Total Expenditure</b>	<b>1,96,30,254</b>	<b>5,63,30,249</b>
Profit/Loss Before Depreciation, Taxes and Extra ordinary Items	(30,38,017)	1,36,26,909
Depreciation	4,48,34,508	3,09,11,831
Profit/Loss Before Taxes and Extra ordinary Items	(4,78,72,525)	(1,72,84,922)
Extra Ordinary Items / Capital Loss	0	0
Profit Before Taxes	(4,78,72,525)	(1,72,84,922)
Provision For Taxation:		
(i) Current Tax	0	0
(ii) Deferred Tax	77,939	1,17,308
(iii) Earlier years provisions w/off	9,05,677	0
Net Profit/(Loss) after Tax	(4,88,56,141)	(1,74,02,231)
Equity Share Capital	10,40,27,550	10,40,27,550

### **PERFORMANCE AND BUSINESS REVIEW:**

During the year under review, Company has achieved the turnover of Rs.165.92 Lakhs and Loss of Rs. 488.56 Lakhs as against turnover of Rs.699.57 Lakhs and loss of Rs. 174.02 Lakhs respectively for the corresponding previous year.

### **DIVIDEND:**

Your Directors do not recommend any dividend due to loss during the year under review.

### **TRANSFER TO RESERVES:**

There has been no transfer to reserves out of the amount available for appropriation.

### **CHANGE IN THE NATURE OF BUSINESS:**

There is no Change in the nature of the business of the Company during the year under review.

### **DETAILS OF SUBSIDIARY/JOINT VENTURES/ASSOCIATE COMPANIES:**

There are no Subsidiary / Joint Ventures / Associate Companies.

### **PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS UNDER SECTION 186:**

There are no loans, guarantees or investments as specified under Section 186 of the Companies Act, 2013.

### **RELATED PARTY TRANSACTIONS:**

There are no material related party transactions during the year under review with the Promoters, Directors or Key Managerial Personnel. All transactions entered with Related Parties for the year under review were on arm's length basis and in the ordinary course of business and that the provisions of Section 188 of the Companies Act, 2013 and the Rules made there under are not attracted. Thus, disclosure in form AOC-2 in terms of Section 134 of the Companies Act, 2013 is not required.

### **EXTRACT OF ANNUAL RETURN:**

The provisions of section 134 of Companies Act, 2013 were amended vide Companies Amendment Act, 2017 and the said amendment was brought in force w.e.f. 31st July 2018. Accordingly, the requirement of attaching the extract of Annual Return, in format MGT -9 with the Directors Report has been dispensed off and the same needs to be posted on the Company's website, if any, and a link is to be given in the Directors Report. The Company will host the same on its website.

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### **CORPORATE SOCIAL RESPONSIBILITY:**

The provisions of Section 135 in respect of Corporate Social Responsibility (CSR) are not applicable to your Company during the year under review.

### **RISK MANAGEMENT:**

Company has implemented an integrated risk management approach through which it reviews and assesses significant risk on a regular basis to help ensure that there is a robust system of risk controls and mitigation in place.

### **INTERNAL CONTROL SYSTEM:**

The Company's internal control system is designed and framed to ensure day to day effective and efficient operations and compliance of laws and regulations. An alert internal audit group monitors the systems and processes. The prime objective of this audit is to test the adequacy and effectiveness of all internal control systems and suggest improvements. Significant issues are brought to the attention of the audit committee for periodical review.

### **HUMAN RESOURCES:**

In any organization communication with employee is a key determinant factor of success your company believes that employees are the most valued assets for success and growth of the Company. Your Company had implemented internet network for communication between management and employees for enhanced accessibility and transparency. Company has also initiated many morale building programs to strengthen their self-belief which further benefits the Company.

### **FIXED DEPOSITS:**

During the financial year 2019-20, your Company has not accepted any deposit within the meaning of Sections 73 and 74 of the Companies Act, 2013 read together with the Companies (Acceptance of Deposits) Rules, 2014.

### **DIRECTORS AND KEY MANAGERIAL PERSONNEL:**

In accordance with the provisions of Section 152 of the Companies Act, 2013 and the Company's Articles of Association Dr. Vivek Ishwar Hebbar, Director retires by rotation at the forth coming Annual General Meeting and being eligible offer himself for re-appointment.

Dr. Sriram Kumar, Chief Technology Officer has tendered his resignation and he would continue in the office till September 30, 2020. The Board placed on record its deep appreciation of the contribution made by Dr. Sriram Kumar during his tenure as Chief Technology officer of the Company and wished him all success in his future career endeavour.

Mr. N.Shiva has been re-designated as Mentor and Advisor of New Technology Innovations.

Pursuant to Section 149(7) of the Act the Company has received declaration of Independence from all the Independent Directors as stipulated under section 149(6).

Mr. N.K.Singh resigned as Company Secretary w.e.f. 12th April, 2019 and Mrs. Geeta Gunjan Trivedi was appointed as Company Secretary w.e.f. 01st December, 2019.

Lakshmi Kameswari, Manager of the Company resigned w.e.f. August 25, 2020. The Board placed on record its deep appreciation of the contribution made by Mrs. Lakshmi Kameswari during her tenure as Manager of the Company and wished her all success in her future career endeavour.

### **ANNUAL EVALUATION OF BOARD'S PERFORMANCE:**

In terms of the provisions of the Companies Act, 2013 read with Rules issued thereunder and as per the requirements of the Listing Agreement with the Stock Exchange, the Board of Directors on recommendation of the Nomination and Remuneration Committee, have evaluated the effectiveness of the Board/Director(s) for the financial year 2019-20.

### **WHISTLE BLOWER POLICY:**

The Company has a whistle blower policy to report genuine concerns or grievances.

### **VIGIL MECHANISM:**

Company established a vigil mechanism pursuant to the provisions of section 177(9) & (10) of the Companies Act, 2013 and as per Clause 49 of the Listing Agreement for their directors and employees to report their genuine concerns or grievances.,

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which also incorporates a whistle blower policy in terms of the Listing Agreement, includes an Ethics & Compliance Task Force comprising senior executives of the Company. Protected disclosures can be made by a whistle blower through an e-mail, or dedicated telephone line or a letter to the member of Audit committee or to the Chairman of the Audit Committee.

### **STATEMENT OF DIRECTORS' RESPONSIBILITY:**

Pursuant to Section 134(3) (c) of the Companies Act, 2013, the Directors confirm that:

- (a) in the preparation of the annual accounts for the financial year ended 31st March, 2020, the applicable accounting standards and Schedule III of the Companies Act, 2013, have been followed and there are no material departures from the same;
- (b) the Directors 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 your Company as at 31st March, 2020 and of the profit and loss of the Company for the financial year ended 31st March, 2020;
- (c) proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- (d) the annual accounts have been prepared on a 'going concern' basis;
- (e) proper internal financial controls laid down by the Directors were followed by the Company and that such internal financial controls are adequate and were operating effectively; and
- (f) proper systems to ensure compliance with the provisions of all applicable laws were in place and that such systems were adequate and operating effectively.

### **CORPORATE GOVERNANCE:**

Your Company's management has placed Corporate Governance as one of their top most priority. Your Company's philosophy on Corporate Governance envisages attainment of highest level of transparency, accountability and fairness in respect of its operations and achievement of highest internal standards in Corporate Governance and believes that the initiatives on Corporate Governance will assist the management in the efficient conduct of the business and in meeting its responsibilities to all its stakeholders

The Company has been making every endeavor to bring more transparency in the conduct of its business. As per the requirements of the Listing Agreement with the Stock Exchanges, a compliance report on Corporate Governance for the year 2018-19 and a Certificate from the Practicing Company Secretaries of the Company are furnished which form part of this Annual Report.

### **AUDITORS AND AUDITORS' REPORT:**

#### **STATUTORY AUDITOR**

M/s. JBRK & Co, Chartered Accountants, who were appointed as the Statutory Auditors of the company by the Members at their previous Annual General Meeting (AGM) shall be retiring on the conclusion of the ensuing AGM and are eligible for re-appointment. Members are requested to consider their re-appointment from the conclusion of ensuing Annual General Meeting (AGM) upto the conclusion of the next Annual General Meeting.

#### **COST AUDITOR**

Cost Audit is not applicable to the Company

#### **SECRETARIAL AUDIT**

Pursuant to the provisions of Section 204 of the Companies Act, 2013 read with the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, your Company has appointed Mr. Mohd. Akram, partner of DM & Associates Company Secretaries LLP to conduct the Secretarial Audit of your Company. The Secretarial Audit Report is annexed herewith to this Report. The Audit Report does not contain any qualification / adverse remark.

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### **DISCLOSURE RELATING TO REMUNERATION OF DIRECTORS, KEY MANAGERIAL PERSONNEL AND PARTICULARS OF EMPLOYEES:**

The managerial remuneration to Directors, Key Managerial Persons and Managers did not exceed the limit as specified u/s 197. The Company does not have any employee of the category specified Section 197 of the Companies Act, 2013 read with Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.

### **SIGNIFICANT/MATERIAL ORDERS PASSED BY THE REGULATORS:**

There are no significant / material orders passed by the Regulators or Courts or Tribunals impacting the going concern status of your Company and its operations in future.

### **GENERAL:**

- a) Your Company has not issued equity shares with differential rights as to dividend, voting or otherwise; and
- b) Your Company does not have any ESOP scheme for its employees/Directors.

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

Your company's operations does not involve large scale use of energy. The disclosure of particulars under this head is not applicable as your company operates in the service sector. Although your company is not a large scale energy user, acknowledges, the concept of conservation of energy. Your company has received foreign exchange during the year under review.

### **ACKNOWLEDGEMENTS:**

Your Directors would like to place on record their appreciation and sincere thanks to all the shareholders, customers, bankers, Central and State Government for the contribution made and support provided to the Company during the year under report. Your Company continues to enjoy the full cooperation of all its employees. The Directors wish to place on record their appreciation for the good performance achieved by them.

For and on behalf of Board of Directors

### **Regd Office:**

302, The Bureau Chambers,  
Above State Bank of Patiala,  
Chembur, Mumbai – 400071  
Maharashtra

Place: Mumbai.

Date: 25th August, 2020

**Dr. Vivek Hebbar**  
Chairman, Board of Directors