

Annexure to Director's Report**REPORT ON CORPORATE GOVERNANCE**

[In terms of Regulation 34(3) read with Schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Listing Regulations')]

COMPANY'S PHILOSOPHY ON CODE OF CORPORATE GOVERNANCE:

Your Company is committed to good Corporate Governance. The Company fully understands the rights of its shareholders to information on the performance of the company and considers itself a trustee of its shareholders. Corporate Governance strengthens investor's trust and ensures a long-term partnership that helps in fulfilling our quest for achieving significant growth and profits.

BOARD OF DIRECTORS:

At present the Board of Directors is consisting of three Directors. The Directors manages the day to day affairs of the Company. Non-executive and independent directors did not have any pecuniary relationship of transactions with the company during the period under review. There are no material transactions where they have had personal interests that conflict with that of the Company.

The composition of the Board of Directors as on date of this report:

Sr. No.	Name of Director	Executive/ Non—Executive/ Independent	No. of Directorships Held in Public Limited Companies (Including the Company)	#Committee(s) position (Including the Company)	
				Member	Chairman
1	MAYANK MEHTA	Wholetime Director	1	2	0
2	PRAVINABEN PATEL	Non-Executive Independent	2	3	1
3	UDAYBHAI PATEL	Non-Executive Independent	2	3	1

Only Audit Committee and Stakeholders' Relationship Committee has been considered as per Regulation 26 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations")

Name of other listed entities where Directors of the company are Directors and the category of Directorship as on date of this report:

Sr. No.	Name of Director	Name of listed entities in which the concerned Director is a Director	Category of directorship
1	MAYANK MEHTA	--	--
2	PRAVINABEN PATEL	SARAL MINING LIMITED	Independent Director
3	UDAYBHAI PATEL	SUN TECHNO OVERSEAS LIMITED	Non-Independent Director

None of the Directors hold Directorships in more than 20 companies. Further, any individual director's directorships in public companies do not exceed 10. None of the Directors is serving as a member of more than ten committees or as the Chairman of more than five committees across all the public companies of which he is a Director.

NUMBERS OF BOARD MEETINGS HELD AND THE DATES ON WHICH SUCH MEETINGS WERE HELD:

During the financial year 2018-19 the Board met 08 (Eight) times:-

28 th May, 2018	28 th July, 2018	3 rd November, 2018	20 th November, 2018
4 th February, 2019	28 th February, 2019	8 th March, 2019	29 th March, 2019

Attendance record of Directors attending the Board meetings and Annual General Meetings: -

Name of the Director	Category	No. of Board Meetings Attended	Last AGM attendance
MAYANK MEHTA Appointed as WTD as on 29.03.2019	Wholetime Director	8	Yes
PRAVINABEN PATEL	Non-Executive Independent Director	8	Yes
UDAYBHAI PATEL	Non-Executive Independent Director	8	Yes

MEETING OF INDEPENDENT DIRECTORS:

The Company's Independent Directors met on February 04, 2019 without the presence of the Executive Director and the Senior Management team. The meeting was attended by majority of Independent Directors and was conducted to enable the Independent Director to discuss matters prescribed under Schedule IV to the Act and Regulation 25(3) of the SEBI (LODR) Regulation, 2015.

The Board has identified the following skills/expertise/competencies with reference to its business for the effective functioning of the Company and which are currently available with the Board:

The following capabilities and expertise have been identified by the Board of Directors for it to function effectively, and are available among the board members collectively:

1. Project management – both for ensuring timely delivery of each equipment, as well as for expansion of facilities
2. B2B sales, marketing and account management
3. International business experience covering operations in new geographies
4. Manufacturing and supply chain management including running production facilities
5. Talent management – especially related to engineering skills

In addition, the team would require general management and financial management skills including commercial, legal and regulatory, risk management, industrial relations, and overall stakeholder management.

Disclosure of relationships between the Directors inter-se: There is no relationship between the Directors inter-se.

Number of shares and convertible instruments held by Non-Executive Directors:

Name of Director	No. of Equity Shares held
PRAVINABEN BHAILALBHAI PATEL	Nil
UDAYBHAI ARVINDBHAI PATEL	Nil

During the year under review, none of the Non-Executive Directors hold any convertible instruments of the Company.

AUDIT COMMITTEE:

The Audit Committee of the Board is constituted in compliance with the provisions of Section 177 of the Companies Act, 2013 and Regulation 18 of the SEBI (LODR) Regulation, 2015. The Audit Committee of the Company presently comprises of three Directors being MS. PRAVINABEN BHAILALBHAI PATEL, MR. UDAYBHAI ARVINDBHAI PATEL and MR. MAYANK NARENDRABHAI MEHTA.

Terms of Reference:

Pursuant to the SEBI (Listing Obligations and Disclosure Requirements) (Amendment) Regulations, 2018, the Company has revised the terms of reference of the Committee. The revised terms of reference are:

- (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) modified opinion / Qualification 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 utilisation of proceeds of a public or rights issue and making appropriate recommendations to the board to take up steps in this matter;
- (7) reviewing and monitoring the auditor's independence; performance, and effectiveness of audit process;

- (8) Formulating a policy on related party transactions, which shall include materiality of related party transactions;
- (9) approval or any subsequent modification of transactions of the listed entity with related parties;
- (10) scrutiny of inter-corporate loans and investments;
- (11) valuation of undertakings or assets of the company, wherever it is necessary;
- (12) evaluation of internal financial controls and risk management systems;
- (13) reviewing, with the management, performance of statutory and internal auditors, adequacy of the internal control systems;
- (14) 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;
- (15) discussion with internal auditors of any significant findings and follow up there on;
- (16) 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;
- (17) 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;
- (18) 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;
- (19) to review the functioning of the whistle blower mechanism;
- (20) approval of appointment of Chief Financial Officer (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;
- (21) reviewing the utilization of loans and/or advances from/investment by the holding company in the subsidiary exceeding rupees 100 crore or 10% of the asset size of the subsidiary, whichever is lower including existing loans / advances / investments existing as on the date of coming into force of this provision;
- (22) to review the compliance with the provisions of Regulation 9A of Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015 at least once in a financial year and to verify that the systems for internal control are adequate and are operating effectively;
- (23) to carry out any other function as is mentioned in the terms of reference of the Audit Committee.

Audit Committee shall mandatorily review the following information:

- (1) management discussion and analysis of financial condition and results of operations;
- (2) statement of significant related party transactions (as defined by the audit committee), submitted by management;
- (3) management letters / letters of internal control weaknesses issued by the statutory auditors;
- (4) internal audit reports relating to internal control weaknesses; and
- (5) the appointment, removal and terms of remuneration of the Chief Internal Auditor shall be subject to review by the audit committee;
- (6) statement of deviations:
 - (a) quarterly statement of deviation(s) including report of monitoring agency, if applicable, submitted to stock exchange(s) in terms of Regulation 32(1) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015;
 - (b) annual statement of funds utilized for purposes other than those stated in the offer document/prospectus/notice in terms of Regulation 32(7) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

Attendance at the Audit Committee Meetings:

During the year the Audit Committee met 4 times with attendance of the members as under:-

28th May, 2018 | 28th July, 2018 | 3rd November, 2018 | 4th February, 2019

Name	Attended
MAYANK NARENDRABHAI MEHTA	4
PRAVINABEN BHAILALBHAI PATEL	4
UDAYBHAI ARVINDBHAI PATEL	4

NOMINATION AND REMUNERATION COMMITTEE:

Nomination and Remuneration Committee of the Company presently comprises of three Directors being MS. PRAVINABEN BHAILALBHAI PATEL, MR. UDAYBHAI ARVINDBHAI PATEL and MR. MAYANK NARENDRABHAI MEHTA.

During the year under review, the terms of reference of Nomination and Remuneration Committee were expanded in order to align them with the provisions of Section 178 of the Companies Act, 2013 and Regulation 19 and Para A of Part D of Schedule II of the SEBI (LODR) Regulation, 2015.

The terms of reference of the Committee:

Pursuant to the SEBI (Listing Obligations and Disclosure Requirements) (Amendment) Regulations, 2018, the Company has revised the terms of reference of the Committee. The revised terms of reference are:

- (1) formulation of the criteria for determining qualifications, positive attributes and independence of a director and recommend to the board of directors a policy relating to, the remuneration of the directors, key managerial personnel and other employees;
- (2) formulation of criteria for evaluation of performance of independent directors and the board of directors;
- (3) devising a policy on diversity of board of directors;
- (4) identifying persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down and recommend to the board of directors their appointment and removal;
- (5) Specify the manner for effective evaluation of performance of Board, its committees and individual directors to be carried out either by the Board, by the Nomination and Remuneration Committee or by an independent external agency and review its implementation and compliance;
- (6) 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;
- (7) recommend to the board, all remuneration, in whatever form, payable to senior management;
- (8) to administer and supervise Employee Stock Options Schemes (ESOS) including framing of policies related to ESOS and reviewing grant of ESOS;
- (9) Carrying out any other function as is mentioned in the terms of reference of the Nomination and Remuneration Committee.

Nomination and Remuneration Policy:

The Committee is in process of formulating Nomination and Remuneration Policy which determines criteria inter-alia qualification, positive attributes and independence of Directors for their appointment on the Board of the Company and payment of remuneration to Directors, Key Managerial Personnel and other Employees. The Committee shall consider the following attributes / criteria, whilst recommending to the Board the candidature for appointment as Director.

- Qualification, expertise and experience of the Directors in their respective fields;
- Personal, Professional or business standing;
- Diversity of the Board

In case of re-appointment of Non-Executive Directors, the Board shall take into consideration the performance evaluation of the Director and his engagement level.

Attendance at the Nomination and Remuneration Committee Meetings:-

During the year the Audit Committee met 2 times and all respective committee member present in respective meeting.

20th November, 2018 | 29th March, 2019 |

STAKEHOLDERS' RELATIONSHIP COMMITTEE:

The Board of Directors of the Company has set up 'Stakeholders Relationship Committee' in order to align it with the provisions of Section 178 of the Companies Act, 2013. The Committee has been constituted to strengthen the investor relations and to inter-alia, look into issues relating to shareholders grievances pertaining to transfer of shares, non- receipt of declared dividends, non-receipt of Annual Report, issues concerning de-materialization etc.

This committee presently consists of three directors namely, being MS. PRAVINABEN BHAILALBHAI PATEL, MR. UDAYBHAI ARVINDBHAI PATEL and MR. MAYANK NARENDRABHAI MEHTA.

During the year under review, the Committee met as and when required and all respective members have attended the meetings.

Terms of reference of the Committee:

Pursuant to the SEBI (Listing Obligations and Disclosure Requirements) (Amendment) Regulations, 2018, the Company has revised the terms of reference of the Committee. The revised terms of reference are:

- (1) resolving the grievances of the security holders of the company including complaints related to transfer/transmission of shares, nonreceipt of annual report, non-receipt of declared dividends, issue of new/duplicate certificates, dematerialization / rematerialization of Shares and debentures, general meetings etc;
- (2) review of measures taken for effective exercise of voting rights by shareholders;
- (3) review of adherence to the service standards adopted by the company in respect of various services being rendered by the Registrar and Share Transfer Agent;
- (4) review of the various measures and initiatives taken by the company for reducing the quantum of unclaimed dividends and ensuring timely receipt of dividend warrants/annual reports/statutory notices by the shareholders of the company;
- (5) to look into the reasons for any defaults in the payment to the Depositors, Debenture holders, Shareholders (in case of non-payment of declared dividends) and Creditors;
- (6) carrying out any other function as is mentioned in the terms of reference of the Stakeholder's Relationship committee.

Details of Complaints / Queries received and redressed during 1st April, 2018 to 31st March, 2019:

Number of shareholders' complaints pending at the beginning of the year	Number of shareholders' complaints received during the year	Number of shareholders' complaints redressed during the year	Number of shareholders' complaints pending at the end of the year
Nil	Nil	NA	Nil

GENERAL BODY MEETINGS

Location and time for last 3 years Annual General Meetings:

Financial Year	Location	Date	Time
36th 2017-18	At Registered office of the company	17.09.2018	10:00 A.M.
35th 2016-2017	At Registered office of the company	09.09.2017	10:00 A.M.
34th 2015-2016	At Registered office of the company	28.09.2016	10:00 A.M.

* Change of Statutory Auditor of the company.

No special resolution was required to be carried out through postal ballot during the last year. No resolution is proposed by postal ballot at the ensuing Annual general meeting.

MEANS OF COMMUNICATION:

The Company has submitted its quarterly, half yearly and yearly financial results to the Stock Exchanges as well as website of the company immediately after its approval by the Board. The Company did not send the half yearly report to the Shareholders of the Company.

GENERAL SHAREHOLDERS INFORMATION:

Financial Year	1st April to 31st March	
Date and time of Annual General Meeting	Monday, 30th September, 2019 at 10.00 A.M.	
Venue of Annual General Meeting	B-205, 2nd floor, Wing B, Supreme Business Park BH Lake Castle Building, Hiranandani Garden, Powai Mumbai 400076	
Dates of Book Closure	23.09.2019 to 30.09.2019	
Listing on Stock Exchange	BSE Limited, Mumbai	
Stock Code and Scrip ID	512017 (BSE) and EXDONTR (BSE)	
Demat ISIN No.	INE204I01013	
Financial Calendar (tentative schedule):		
Unaudited Results for the quarter ending 30.06.2019	Before 15th August, 2019	
Unaudited Results for the quarter ending 30.09.2019	Before 15th November, 2019	
Unaudited Results for the quarter ending 31.12.2019	Before 15th February, 2020	
Unaudited Results for the quarter ending 31.03.2020; or	Before 15th May, 2020	
In case company take Audited Results for the Whole Financial Year.	Before 30th May, 2020	

CATEGORIES OF SHAREOWNERS AS ON 31.03.2019

Category	No. of Shares Held	Voting Strength (%)
Promoters	466725	1.46
Resident Individuals	-	-
share capital up to Rs. 2 lakh	5438407	16.97
share capital in excess of Rs. 2 lakh	18746452	58.49
Bodies Corporate	4774204	14.90
NRIs/ OCBs	--	--
HUF	4774204	8.19
Total	32050000	100.00

DISTRIBUTION OF SHAREHOLDING AS ON 31.03.2019

Share Balance	Holders	% of Total	Total Shares	% of Total
Up to – 2500	21	2.07	3200	0.01
2501-5000	5	0.49	2180	0.01
5001- 10000	5	0.49	5309	0.02
10001- 20000	11	1.08	39000	0.12
20001- 30000	39	3.84	141980	0.44
30001- 40000	65	6.40	313572	0.98
40001-50000	150	14.76	908150	2.83
50001- 100000	299	29.43	2751986	8.59
100001 and above	421	41.44	27884623	87.00
Total	1016	100.00	32050000	100.00

STOCK MARKET DATA:

Order passed by Stock Exchange (BSE Limited) vide Notice No. 20150227-27 dated 27.02.2015 suspend trading of equity shares with effect from 04.03.2015. Hence Data not available.

REGISTRAR AND SHARE TRANSFER AGENT:

M/s SATELLITE CORPORATE SERVICES PRIVATE LIMITED having its registered office at Unit. No 49, Building No. 13 AB, 2nd Floor, Samhita Commercial Co-Op Society Ltd, Off Andheri Kurla Rd, MTNL Lane, Sakinaka, Mumbai, Maharashtra, 400072, INDIA is the Registrar & Share Transfer Agent for processing the transfer of securities issued by the Company.

SHARE TRANSFER SYSTEM:

The Registrars and Transfer Agents process, inter-alia, the share transfer requests received in physical and electronic mode and confirm dematerialisation requests and extinguishment of shares and other share registry work. The transfers are normally processed within 10-12 days from the date of receipt if the documents are complete in all respect.

DEMATERIALIZATION OF SHARES AND LIQUIDITY:

The Equity Shares of your company are traded in compulsory dematerialization form by all investors. The company has entered into agreements with both existing Depositories, National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) enabling the investors to hold shares of the company in electronic form through the depository of their choice.

ADDRESS FOR CORRESPONDENCE:

C-10, SAHAR ROY APT CHS LTD, OPP. SAHAR CARGO COMPLEX, ANDHERI (E), MUMBAI-400099

Investors Correspondence/ Complaints to be address to:

MR. SUDHAKARAN KUTTAPPAN NAIR Director and Compliance Officer
E-mail: exdontrading@yahoo.co.in.

DISCLOSURES:

- There are no materially significant related partly transactions i.e. transactions of the Company of material natures, with its promoters, the directors or the managements, their subsidiaries or relatives etc., that may have potential conflict with interest of the Company at large.
- No penalties or strictures were imposed on the Company by the Stock Exchange or SEBI or any statutory authority, on any matter related to capital markers, during the last three years.
- The Company has complied with various rules and regulations prescribed by the Stock Exchange and SEBI during the last three years. No penalties or strictures have been imposed by them on the Company.

- The Company is not exposed to commodity price risk since it generally executes projects through its contractors.
- There were no instances of raising of funds through preferential allotment or qualified institutions placement as specified under Regulation 32 (7A) of the Listing Regulations.
- A certificate obtains from Practicing Company Secretary that none of the directors on the board of the company have been debarred or disqualified from being appointed or continuing as directors of companies by the Board/Ministry of Corporate Affairs.
- In terms of the amendments made to the Listing Regulations, the Board of Directors confirm that during the year, it has accepted all recommendations received from its mandatory committees.
- Disclosure with respect to demat suspense account/ unclaimed suspense account: Not applicable.
- During the financial year 2018-2019, the total fees for all services paid by the Company, on consolidated basis, to statutory auditor and all entities in the network firm/network entity of statutory auditor was Rs. 35,000.

Disclosures in relation to the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013:

Number of complaints filed during the financial year 2018-19:	Nil
Number of complaints disposed off during the financial year 2018-19:	NA
Number of complaints pending as on end of the financial year:	NA

CEO/CFO Certification:

The Chief Executive Officer (CEO) and Chief Financial Officer (CFO) have issued certificate pursuant to the provisions of Regulation 17(8) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, certifying that the financial statements do not contain any materially untrue statement and these statements represent a true and fair view of the Company's affair. The said certificate is annexed and forms a part of the Annual Report.

Certificate on Corporate Governance:

A compliance certificate from Statutory Auditor pursuant to the requirements of Schedule V to SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 regarding compliance of conditions of Corporate Governance is attached.

**For and on Behalf of the Board
For, EXDON TRADING COMPANY LIMITED**

**PLACE: MUMBAI
DATE: 30.05.2019**

**MAYANK MEHTA
Wholetime Director
DIN: 01306423**