

## **ANNEXURE –C- BOARD REPORT REPORT ON CORPORATE GOVERNANCE**

### **1. COMPANY'S PHILOSOPHY**

The Company firmly believes that corporate governance and compliance practices are of paramount importance in order to maintain the trust and confidence of the stakeholders and clients of the Company and the unquestioned integrity of all personnel involved or related to the Company. To ensure transparency, fairness and objectivity in an organisation's functioning, the Company has proactively adopted best practices with regard to corporate governance and compliance, which are ahead of regulatory requirements. The Company's policy on compliance with external regulatory requirements is backed by stringent internal policies and principles to ensure, inter alia, priority to clients' interest over proprietary interest, maintenance of confidentiality of client information and prevention of insider trading.

### **2. BOARD OF DIRECTORS**

The Board of Directors of the Company consists of 3 Directors including the Non- Executive Chairman. Out of 3, 2 directors are non-executive ind. directors as per the provisions of the Co.Act,2013 . The Company does not have any pecuniary relation or transaction with Non-Executive Directors during the year under review.

#### **Board procedure**

A detailed Agenda folder was sent to each Director in advance (generally before 7 to 10 days) of Board and committee meetings. To enable the Board to discharge its responsibilities effectively, the Managing Director briefed the Board at every meeting on the financial performance of the Company up to last completed month as against the budget/revised budget of the year. Presentations are made by the Managing Director about the financial, operational performance and market scenario. The Board also reviewed:

- Strategy and business plans
- Annual operating and capital expenditure budgets
- Investment plans of the company
- Compliance with statutory/regulatory requirements and review of major legal issues.
- Adoption of quarterly / half yearly / annual results (after recommendation of Audit Committee where required).
- Significant labour problems
- Major accounting provisions and write-offs.
- Details of joint venture or Collaboration Agreement

**Composition, Category of Directors and their other directorship and Membership / Chairmanship of Committees.**

Sr. No.	Name of the Director	Category	Number of other		
			Directorships	Committee Memberships	Committee Chairmanships
1	SUSHMA V RAVAL	Non Executive Chairman & M.D.	-	3	-
2.	DHAVAL R JADHAV	Non-Exe. Ind. Dir.	-	3	3
3	AJAY KUMAR S JADHAV	Non-Exe. Ind. Dir.	-	3	-

During the year 6 Board Meetings were held . The Board was present with the relevant and necessary information. None of the Directors is a member of more than 10 committees or acting as Chairman of more than 5 committees across all companies in which he is a director.

The attendance at the Board Meeting during the year and at the last Annual General Meeting was as follows:

SR.NO	NAME OF DIRECTORS	NO. OF BOARD MEETINGS ATTENDED	ATTENDENCE AT THE AGM HELD ON 30-09-2017
1	SUSHMA V RAVAL	6	YES
2	DHAVAL R JADHAV *	-	YES
3.	AJAY KUMAR S JADHAV *	-	YES

\* APPOINTED ON 07/08/2018

\*\* APPOINTED ON 07/08/2018

### 3. AUDIT COMMITTEE

Presently the audit committee consists of 3 Directors. All members of Audit Committee are financially literate and 2 Directors out of 3 has financial management expertise as required for member of Audit Committee as stipulated in LODR,2015. The functions of the audit committee are in line with as enumerated u/s 177 of the Act,2013.

The Details of Audit Committee meetings held during the year April 2017 to March 2018 and the attendance of the Audit Committee Members are as under:

<b>SR.NO</b>	<b>DIRECTOR'S NAME</b>	<b>CATEGORY</b>	<b>NO OF MEETINGS HELD ATTENDED</b>	
1	DHAVAL R JADHAV	Indep. Director, Chairman	5	-
2	SUSHMA V RAVAL	Member	5	5
3	AJAY KUMAR S JADHAV	Member	5	-

#### **Terms of Reference:-s**

The terms of reference for the audit committee as laid down by the Board include the following:-

- a. Overseeing the Company's Financial reporting process and the disclosure of its financial information to ensure that the financial statements are correct, sufficient and credible.
- b. Recommending the appointment and removal of statutory auditor, fixation of audit fee and also approval for payment for any other services.
- c. Reviewing with management, the quarterly, half yearly and annual financial statements before submission to the Board, focusing primarily on any changes in accounting policies and practices; major accounting entries based on exercise of judgement by management; qualifications in draft audit report; significant adjustments arising out of audit; the going concern assumption; compliance with accounting standards; compliance with stock exchange and legal requirements' concerning financial statements; any related party transaction i.e. transactions of the Company of material nature, with promoters or the management, their subsidiaries or relatives, etc. that may have potential conflict with the interests of Company at large.
- d. Reviewing with the management, statutory and internal auditors, the adequacy of internal control system and ensuring compliance therewith.
- e. Discussions with statutory auditors before the commencement of the audit about the nature and scope of audit as well as have post-audit discussion to ascertain any areas of concern.
- f. Reviewing the Company's financial and risk management policies.
- g. To review the functioning of the Whistle Blower Policy adopted by the Company.
- h. To review report on Management Discussion & Analysis of Financial Condition and Results of operation, to be included in the Company's Annual Report to its Shareholders.

#### **4. NOMINATION AND REMUNERATION COMMITTEE**

The company had constituted a Remuneration Committee to decide and fix payment of remuneration and sitting fees to the Directors of the Company earlier but as per new provisions u/s 178 of the Co.Act,2013, the said committee has been reconstituted w.e.f. 07/08/2017 presently consisting of DHAVAL R JADHAV, Chairman of the said

committee, SUSHMA V RAVAL and AJAY KUMAR S JADHAV are the members of the said committee. This committee will look after the functions as enumerated u/s 178 of the new Act.

## 5. **STAKEHOLDERS RELATIONSHIP COMMITTEE**

### **Composition:-**

The said committee comprises of DHAVAL R JADHAV, Chairman of the said committee, SUSHMA V RAVAL and AJAY KUMAR S JADHAV are the members of the said committee. There are 4 meetings during the year.

The Committee has delegated the authority to an officer of the Company who attends to share transfer formalities at least once in a fortnight.

### **Compliance Officer:-**

The company has designated SUSHMA V RAVAL as Compliance Officer.

### **Summary of Investors' Complaints:-**

During the year no complaints were received from the share holders.

### **Annual General Meeting :-**

The Annual General Meetings (AGMs) of the company have been held at the following places in the Previous three years.

<b>YEAR</b>	<b>DATE</b>	<b>TIME</b>	<b>VENUE</b>
2014-15	30-09-2015	10.30 A.M	<b>AT REGD. OFFICE</b>
2015-16	30-09-2016	10.30 A.M	<b>AT REGD. OFFICE</b>
2016-17	29-09-2017	10.30 A.M	<b>AT REGD. OFFICE</b>

No special resolution on matters requiring postal ballot are placed for share holders approval at this meeting.

## 6. **DISCLOSURES REGARDING RELATED PARTY TRANSACTIONS:-**

There were no transactions by the company of material significance with related parties i.e. its Promoters, Directors of Companies or the Management or their relatives during the year which may have potential conflict with interest of the Company at large.

## 7. **MEANS OF COMMUNICATION:**

- (i) The periodical unaudited / audited financial results are published in English and Bengali as required under the LODR,2015. All financial and other vital information is

promptly communicated to the stock exchanges on which company's shares are listed.

- (ii) The Management Discussion and Analysis report prepared by the management and forming part of the Annual Report is separately attached.

**8. GENERAL INFORMATION FOR SHAREHOLDERS:**

**(a) Regd. Office:-** The Address has been given above

**(b) Date, Time, Venue of Annual General Meeting:-**

29th September, 2018 at 10.30 AM at the Regd. Office.

**(c) Financial Reporting for the quarter ending:-**

JUNE 30	: END JULY
SEPT 30	: END OCTOBER
DEC 31	: END JANUARY
MARCH 31	: END APRIL

**(d) Date of Book Closure :**

24.09.2018 to 29.09.2018 (both days inclusive)

**(e) Listing Details :**

Company's shares are listed on Bombay stock exchange and the scrip code is 512113

**(f) Market price data:**

It is available on the web site of BSE at [www.bseindia.com](http://www.bseindia.com).

**g. Registrar And Transfer Agent:**

The name & address of the registrar & share transfer agent has been given on the first page of the Annual Report.

**h. Share Transfer System:**

The Company has a Share holders/ Investors grievance Committee who looks after share transfer job by meeting at regular intervals depending upon the receipt of the shares for transfer.

**i. Investor Services:**

The Company has received certain complaints from the shareholders/investors during the year and all those have been resolved amicably.

**2. DEMATERIALISATION OF SHARES AND LIQUIDITY :**

The Company has appointed registrar & share transfer agent for electronic connectivity whose name & address has been given on the first page of Annual

Report. The Company has also entered into MOU with CDSL & NSDL for electronic connectivity.

### **DISPOSAL OF INVESTOR GRIEVANCES**

The average time required by the Company for the redressal of routine investor grievances is estimated to be seven working days from the date of receipt of the complaint. In case of non-receipt routine complaints and where external agencies are involved. The Company will strive to redress these complaints as expeditiously as possible.

### **CERTIFICATION WITH RESPECT TO FINANCIAL STATEMENT**

The Managing director of the Company has furnished a certificate to the Board of Directors of the Company with respect to accuracy of financial statements and adequacy of internal controls and compliance of Clause 49 as required under LODR,2015.

### **CODE OF CONDUCT**

The Company's Board of Directors has adopted the code of conduct which govern the conduct of all directors /employees. All Directors and senior management personnel have affirmed compliance with respective codes for the year ended on 31<sup>st</sup> March 2018.

### **MANAGEMENT DISCUSSION AND ANALYSIS**

Company is mainly operating into the Steel & Ferrous Industry. The key issues of the Management Discussion and Analysis are given below.

#### **(a) Industry Structure and Developments**

Indian steel industry plays a significant role in the country's economic growth. The major contribution directs the attention that steel is having a stronghold in the traditional sectors, such as infrastructure & constructions, automobile, transportation, industrial applications etc. Moreover, steel variant stainless steel is finding innovative applications due to its corrosion resistive property. India is the fifth largest steel producer at the global front and struggling to become the second largest producer in the coming years.

The country has acquired a central position on the global steel map with its giant steel mills, acquisition of global scale capacities by players, continuous modernization & up gradation of old plants, improving energy efficiency, and backward integration into global raw material sources. Global steel giants from across the world have shown interest in the industry due to its phenomenal performance. For instance - the crude steel production in India registered a year-on-year growth of 6.4% in 2018 and reached 66.8 Million Metric Tons.

The Company is operating in this sector on very small size and eventhough it is a small player in the market company had established its own customer base and distribution channel and have good market accep[tance].

## **(b) Strength**

Highly qualified professionals under an efficient Board of directors gives the company an edge over the competitors and a team of executives is the major strength of the Company.

Company is known from its reputation which the company has earned due to its quality business and cordial relation with its clients and presently the company is trying to expand its business into other uncovered areas.

## **( c ) Comment on Current year's performance**

Receipts	: The current financial year turnover is only 9.75 L only
Operating Expenses	: The operating Expenses are well under control.
Operating Profits	: There are no operating profit for the current year.
Indirect Expenses	: The Indirect Expenses are under control.
Depreciation	: Rs.0.09 Lacs is provided as depreciation
Profit before tax	:Company incurred net loss during the year.
Taxation	: Tax is no Provided.
Debtor/Sales	: Debtors are reasonable and realization period has decreased due to the policy of the Company.

## **d) Opportunities and Threats**

We operate in a market characterized by swift changes and convergence. We face formidable competition in every aspect of our business; particularly from companies that seek to connect people across geographies. We do face stiff competition from other players in the market.

Your company however, has a well-integrated platform that will ensure we stay ahead of the curve. We are augmenting features and products to our existing products and own the complete value chain of products and services we address.

## **(e) Segment wise performance**

The business of the Company falls under a single segment i.e. manufacture of steel and steel products for the purpose of Accounting Standard AS-17.

## **(f) Outlook**

The Company is making all efforts to accelerate growth of its business. It expects to improve its position in the market by focusing on technologically advanced and more profitable products/market segments and working aggressively in the areas of productivity, efficiency and cost reductions.

## **(g) Risk and concerns**

The market penetration by new entrants in the Company's business area and the strong hold of existing Big players in the market places hurdles in the growth path of the

Company. However the company is aggressively using well talented employees and personal to establish new business areas and to develop existing market.

**(h) Internal control system**

Internal audit and other controls have been found to be adequate. These are reviewed periodically by the Audit Committee and found the performance satisfactory.

**PLACE: MUMBAI  
DATE : 01/09/2018**

**BY ORDER OF THE BOARD OF DIRECTORS  
FOR KELVIN FINCAP LTD.**

**Sd/-  
SUSHMA V RAVAL  
CHAIRMAN**