BOARD'S REPORT

To,
The Members,

Your Directors have pleasure in presenting their Seventy Third Annual Report on the working of the Company together with the Audited Statement of Accounts for the year ended on 31st March, 2018.

1. Financial Summary and Highlights: (₹ in Lacs)

Particulars	Year ended on 31st March, 2018	Year ended on 31st March, 2017
Profit for the year before providing for Depreciation, Interest & Tax	5,419.59	6,065.38
Adjusting therefrom:		
Less:		
Interest (Net)	748.05	391.88
Depreciation/ Amortisation	647.94	858.41
Profit Before Tax	**4,023.60**	**4,815.09**
Less:		
Tax Expenses	743.52	1,207.15
Profit After Tax	**3,280.09**	**3,607.93**
Other Comprehensive Income	6,024.59	6,730.12
Total Comprehensive Income	**2,744.50**	**10,338.06**

The Company has prepared the Standalone and Consolidated Financial Statements in accordance with the Companies (Indian Accounting Standards) Rules, 2015 prescribed under Section 133 of the Companies Act, 2013.

2. Dividend:

Your Directors do not recommend any dividend on equity shares for the financial year ended on 31st March, 2018.

Your Directors recommended and paid interim dividend on the 1% Optionally Convertible Preference Shares upto the date of their redemption.

3. Subsidiaries, Associates and Joint Ventures:

During the year under review, Shreno Publications Limited ceased to be subsidiary of the Company w.e.f. 4th August, 2017.

As required under Rule 8(1) of the Companies (Accounts) Rules, 2014, the Board's Report has been prepared on standalone financial statements and a report on performance and financial position of the subsidiary and associates is included in the consolidated financial statements.

In accordance with third proviso of Section 136(1) of the Companies Act, 2013, the Annual Report of the Company, containing therein its standalone and consolidated financial statements has been placed on the website of the Company, www.shreno.com. Further, as per fourth proviso of the said Section, audited annual accounts of the subsidiary Company has also been placed on the website of the Company www.shreno.com. Shareholders interested in obtaining a copy of the audited annual accounts of the subsidiary Company may write to the Company Secretary at the Company's registered office.

4. Directors:

In accordance with the provisions of the Companies Act, 2013 and the Articles of Association of the Company, Mr. Chirayu Amin (DIN: 00242549), Director of the Company, will retire by rotation at the ensuing Annual General Meeting and being eligible offers himself for re-appointment.

Mrs. Malika Amin has resigned from the Directorship of the Company w.e.f. 21st June, 2018.

The Board at its Meeting held on 6th August, 2018, re-appointed Mr. Nitin Bhave as Whole-Time Director of the Company for the period of 3 (three) years, effective from 1st October, 2018, subject to the approval of the Members at the Annual General Meeting.

The first term of office of, Mr. C. R. Mukherjee and Mr. Mayur Jadeja as Independent Directors, will expire on 31st March, 2019. The Nomination and Remuneration Committee and the Board of Directors at their respective meeting held on 6th August, 2018 has recommended their re-appointment as an Independent Directors of the Company for the second term of 5 (five) consecutive years, effective from 1st April, 2019, subject to the approval of the members by way of special resolution at the Annual General Meeting.

5. Key Managerial Personnel:

Mr. Shaunak Amin, Managing Director, Mr. Nitin Bhave, Whole-Time Director, Mr. Nilesh Mistry, CFO and Ms. Manisha Kathed, Company Secretary are Key Managerial Personnel of the Company during the year 2017-18.

Mr. Nilesh Mistry has resigned from the post of CFO and Ms. Manisha Kathed has resigned from the post of Company Secretary of the Company w.e.f 31st March, 2018 and 31st May, 2018 respectively.

Mr. Rahul Mukadam and Mr. Sagar Gandhi were appointed as Dy. CFO and Dy. Company Secretary of the Company w.e.f. 1st June, 2018.

6. Meetings of the Board:

Five (5) Board Meetings were held during the financial year ended 31st March, 2018 on the following dates: 15th May, 2017, 31st July, 2017, 20th September, 2017, 16th November, 2017 and 15th March, 2018.

7. Independent Directors:

The Independent Directors of the Company have given the declaration to the Company that they meet the criteria of independence as prescribed under sub-section (6) of Section 149 of the Companies Act, 2013.

8. Performance Evaluation:

Pursuant to the provisions of the Companies Act, 2013, the Board has carried out the annual performance evaluation of the Directors individually as well as evaluation of the working of the Board and of the Committees of the Board, by way of individual and collective feedback from Directors.

The following were the Evaluation Criteria:

(a) For Non-Executive and Independent Directors:

- Knowledge and Skills
- Professional Conduct
- Duties, Role and Functions

(b) For Executive Directors:

- Performance as Member/ Team Leader
- Evaluating Business Opportunity and analysis of Risk Reward Scenarios
- Key set Goals/KRA and Achievements
- Professional Conduct and Integrity
- Sharing of Information with the Board

The Directors expressed their satisfaction with the evaluation process.

9. Audit Committee:

The Audit Committee consists of Mr. Mayur Jadeja and Mr. C. R. Mukherjee, Independent Directors and Ms. Yera Amin, Non-Executive Director of the Company. Mr. Mayur Jadeja is the Chairman of the Committee. The Committee inter alia reviews the Internal Control System and reports of Internal Auditors and compliance of various regulations. The Committee also reviews at length the Financial Statements before they are placed before the Board of Directors.

10. Nomination and Remuneration Committee:

The Nomination and Remuneration Committee consists of Mr. Mayur Jadeja and Mr. C. R. Mukherjee, Independent Directors and Mr. Chirayu Amin, Non-Executive Promoter Director and Chairman of the Company. Mr. Mayur Jadeja is the Chairman of the Committee. The terms of reference of the Committee covers the matters specified for Nomination and Remuneration Committee under the Companies Act, 2013.

11. Policy on Nomination and Remuneration:

In compliance with the requirements of Section 178 of the Companies Act, 2013, the Company has laid down a Remuneration Policy which has been uploaded on the Company's website. The web-link as required under Companies Act, 2013 is as under:

http://www.shreno.com/Remuneration-policy.pdf

The salient features of the Remuneration Policy are as under:

1) Setting out the objectives of the Policy.
2) Definitions for the purposes of the Policy.
3) Policy for appointment and removal of Director, KMP and Senior Management which includes:
   a) Appointment criteria and qualifications.
   b) Term / Tenure.
   c) Guidelines for:
      i) Evaluation;
      ii) Removal;
      iii) Retirement.
4) Policy relating to the Remuneration for the Managerial Personnel, KMP, Senior Management Personnel & other employees, which includes:
   a) General provisions relating to Remuneration.
   b) Guidelines for:
      i) Fixed Pay;
      ii) Variable Pay;
      iii) Commission;
      iv) Minimum Remuneration;
      v) Provisions for excess remuneration.
   c) Separate criteria for remuneration to Company Secretary, Senior Management Personnel and other employees.
5) Remuneration to Non- Executive / Independent Director, with details regarding their:
   a) General provisions relating to Remuneration.
   b) Guidelines for:
      i) Sitting Fees;
      ii) Commission.
   c) Restriction on Stock options.

During the year, there is no change in the said policy.

12. Corporate Social Responsibility:

In compliance with the provisions of Section 135 of the Companies Act, 2013, the Company has laid down a CSR Policy. The composition of the Committee, contents of CSR Policy and report on CSR activities carried out during the financial year ended 31^{st} March, 2018 in the format prescribed under Rule 9 of the Companies (Accounts) Rules, 2014 is annexed herewith as Annexure A.

13. Vigil Mechanism:

In compliance with the provisions of Section 177(9) & (10) of the Companies Act, 2013 a Vigil Mechanism or Whistle Blower Policy for directors, employees and others stakeholders to report genuine concerns has been established. The same is also uploaded on the website of the Company.

14. Internal Control Systems:

The Company's internal control procedures which include internal financial controls, ensure compliance with various policies, practices and statutes in keeping with the organization's pace of growth and increasing complexity of operations. The internal auditor team carries out extensive audits throughout the year across all locations and across all functional areas and submits its reports to the Audit Committee.

15. Related Party Transactions:

Related party transactions that were entered into during the financial year were on arm's length basis and were in ordinary course of business.

There are no material related party transactions which are not in ordinary course of business or which are not on arm's length basis and hence there is no information to be provided as required under Section 134(3)(h) of the Companies Act, 2013 read with Rule 8(2) of the Companies (Accounts) Rules, 2014.

16. Fixed Deposits:

During the year under review, the Company has not accepted/renewed any deposits.

17. Loans, Guarantees or Investments:

Details of Loans granted, Guarantees given and Investments made during the year under review, covered under the provisions of Section 186 of the Companies Act, 2013 is annexed herewith as Annexure B.

18. Auditors:

(a) Statutory Auditors:

In accordance with the provisions of Section 139(4) read with Rule 6 of the Companies (Audit and Auditors) Rules, 2014, M/s. K. M. Swadia & Co., Chartered Accountants, Vadodara (FRN: 110740W), were appointed as the Statutory Auditors of the Company at the 72^{nd} Annual General Meeting ("AGM") held on 20^{th} September, 2017, for a period of three years to hold office upto the conclusion of the 75^{th} AGM.

The Auditor's Report for the financial year 2017-18 does not contain any qualification, reservation or adverse remark. The Auditor's Report is enclosed with the financial statements in this Annual Report.

(b) Secretarial Auditors:

M/s. Samdani Shah & Kabra, Practising Company Secretaries, Vadodara, have been appointed as Secretarial Auditor of the Company to conduct Secretarial Audit for the F.Y. 2018-19.

The Secretarial Audit Report of M/s. Samdani Shah & Kabra, Practising Company Secretaries for the financial year ended 31^{st} March, 2018, is annexed herewith as Annexure C.

The Secretarial Audit Report for the financial year 2017-18 does not contain any qualification, reservation or adverse remark.

During the year under review, the Company has complied with all the applicable provisions of the Secretarial Standards.

(c) Cost Auditors:

M/s. Santosh Jejurkar & Associates, Cost Accountant, Vadodara, have been appointed as Cost Auditor of the Company for conducting audit of the cost accounts maintained by the Company relating to Real Estate Division and Engineering business for the F.Y. 2018-19.

The Cost Audit Report for the Financial Year 2017-18 does not contain any qualification, reservation or adverse remark.

The Company maintains cost records as specified by the Central Government under sub-section (1) of Section 148 of the Companies Act, 2013 and accordingly such accounts & records are made and maintained.

(d) Internal Auditors:

The Board of Directors has appointed M/s. Maloo Bhatt & Co., Chartered Accountants as Internal Auditors of the Company for the Financial Year 2018-19.

The Company has in place a mechanism to identify, assess, monitor and mitigate various risks to key business objectives. Major risks identified by the businesses and functions are systematically addressed through mitigating actions on a continuing basis. These are discussed at the meetings of the Audit Committee and the Board of Directors of the Company.

19. Conservation of Energy, Technology Absorption, Foreign Exchange Earnings and Outgo:

The information required under section 134(3)(m) of the Companies Act, 2013 read with Rule 8(3) of the Companies (Accounts) Rules, 2014, is annexed herewith as Annexure D.

20. Particulars of Employees:

A statement showing the names and particulars of the employees falling within the purview of Rules 5(2) & 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 are provided in the Annual Report.

The Annual Report is being sent to the members of the Company excluding the aforesaid information. The said information is available for inspection at the Registered Office of the Company during working hours and the same will be furnished on request in writing to the members.

21. Extracts of Annual Return:

The extract of Annual Return required under Section 134(3)(a) of the Companies Act, 2013 read with Rule 12(1) of the Companies (Management and Administration) Rules, 2014, is placed on the Company's website. The web-link as required under Companies Act, 2013: http://www.shreno.com/investors.html

22. Material Changes:

There have been no material changes and commitments affecting the financial position of the Company since the close of Financial Year i.e. since 31st March, 2018. Further, it is hereby informed that there has been no change in the nature of business of the Company.

23. Changes in Share Capital:

During the year under review, the Board exercised its right and granted an early conversion option to the holders of the 1% Optionally Convertible Preference Shares of ₹ 400/- each (OCPS), to either convert their OCPS into Equity Shares of ₹ 100/- each in the ratio of 1:3 i.e. 1 Equity share of ₹ 100/- each for every 3 Fully paid OCPS of ₹ 400/- each or to redeem their OCPS at par i.e. at ₹ 400/- each. Consequently, 43,32,564 OCPS were converted into 14,44,146 equity shares of ₹ 100/- each and 1,71,588 OCPS were redeemed at par.

24. Disclosure under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013:

The Company has in place a Policy on Prevention of Sexual Harassment in line with the requirements of the Sexual Harassment of Women at the Workplace (Prevention, Prohibition & Redressal) Act, 2013.

Internal Complaints Committee (ICC) has been set up to redress complaints received regarding sexual harassment. All employees (permanent, contractual, temporary, trainees) are covered under this policy.

During the year, the Company had not received any complaint.

25. Directors' Responsibility Statement:

In terms of the provisions of Companies Act, 2013, the Directors state that:

(a) in preparation of the annual accounts for the financial year ended 31st March, 2018, the applicable accounting standards have been followed along with proper explanation relating to material departures;

(b) the directors had selected such accounting policies as listed in Note AA to the financial statements and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give true and fair view of the state of affairs of the Company at the end of the financial year as on 31st March, 2018 and of the profit of the Company for that period;

(c) the directors had taken proper and sufficient care for 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;

(d) the directors had prepared the annual accounts on a going concern basis; and

(e) the directors had laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and were operating effectively;

(f) 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.

On behalf of the Board of Directors,

Sd/-

Chirayu Amin
Chairman
DIN: 00242549

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