



*CONSISTENCY IN PERFORMANCE*

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# DUCON

INFRA TECHNOLOGIES LTD.

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## **ANNUAL REPORT 2019-2020**



## DUCON INFRA TECHNOLOGIES LIMITED

### CORPORATE INFORMATION

#### BOARD OF DIRECTORS

Arun Govil	Managing Director
Harish Shetty	Executive Director
Chandrasekhar Ganesan	Executive Director
Viren Shah (Resigned w.e.f. 13.08.2019)	Independent Director
Abhinav Anand	Independent Director
Ratna Jhaveri	Independent Director
Sudatta Subhankar (Appointed w.e.f. 20.02.2020)	Independent Director

#### Auditors

M/s. Hitesh Shah & Associates  
Chartered Accountants  
Mumbai

#### Company Secretary

CS Darshit Parikh

#### Registrar & Transfer Agents

##### Bigshare Services Pvt. Ltd.

1st Floor Bharat Tin Works Building,  
Opp. Vasant Oasis, Makwana Road,  
Marol, Andheri East,  
Mumbai- 400 059.

#### Principal Bankers

Bank of Baroda

#### Registered Office

Ducon House, Plot No A/4,  
Road No.1 MIDC, Wagle  
Industrial Estate,  
Thane – 400604

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## NOTICE

**NOTICE IS HEREBY GIVEN THAT THE ELEVENTH ANNUAL GENERAL MEETING OF THE MEMBERS OF DUCON INFRA TECHNOLOGIES LIMITED WILL BE HELD ON WEDNESDAY, SEPTEMBER 30, 2020 AT 10:00 A.M. INDIAN STANDARD TIME ("IST") SHALL BE HELD BY MEANS OF VIDEO CONFERENCING ("VC") / OTHER AUDIO VISUAL MEANS ("OAVM") ON ACCOUNT OF OUTBREAK OF COVID-19 (CORONAVIRUS) PANDEMIC AND IN ACCORDANCE WITH THE RELEVANT CIRCULARS ISSUED BY THE MINISTRY OF CORPORATE AFFAIRS, TO TRANSACT THE FOLLOWING BUSINESS:**

### ORDINARY BUSINESS

1. To consider and adopt the audited financial statement of the Company for the financial year ended March 31, 2020, and the reports of the Board of Directors and Auditors thereon; and in this regard, pass the following resolution(s) as an Ordinary Resolution(s):

**"RESOLVED THAT** the audited financial statement of the Company for the financial year ended March 31, 2020 and the reports of the Board of Directors and Auditors thereon laid before this meeting, be and are hereby considered and adopted."

2. To appoint a Director in place of Mr. Chandrasekhar Ganesan (Din: 07144708), who retires from the office of director by rotation and being eligible, offers himself for re-appointment.

### SPECIAL BUSINESS

3. **Alteration of Main Object Clause of the Company:**

To consider and if thought fit to pass, the following resolution as **Special Resolution**

**"RESOLVED THAT** pursuant to the provisions of sections 4, 13, 15 and other applicable provision, if any, of the Companies Act, 2013 ("the Act") read with the Companies (Management & Administration) Rules, 2014, including any modification(s) thereto or re-enactment(s) thereof from time to time and subject to approval of the Registrar of Companies, Maharashtra, Mumbai and all other relevant authorities governed by SEBI, if any, and subject to such term and conditions as may be imposed by them, the consent of the members be and is hereby accorded for the insertion of the below mentioned new Main Object Clause in addition to existing clauses, pertaining to designing and implementation of Network security measures, Data security measures, CCTV system surveillance industry and FGD and material handling work in clause III (A) 1 to 6 (Main Objects) of the Memorandum of Association of the Company. The following new clause be hereby added to the existing main clauses and the main object clauses be renumbered accordingly.

#### MAIN OBJECTS

##### III (A).

7. To carry on the business of providing and running services relating to Multimedia networks, Telecommunication networks, cable networks and Internet services, web hosting and development, e-commerce and Electronic Data Interchange (EDI), to run and maintain telecom services like basic / fixed line, cellular / mobile services, paging, videotext, voice mail and data systems, private switching network services, transmission network of all types, computer networks i.e. local area network, wide area network, Electronic Mail, Intelligent network or the combinations thereof and for execution of undertakings, Works, projects or enterprises in the Industry whether of a private or public character or any joint venture with any government or other authority in India or elsewhere and to carry on the business of manufacturers, merchants, dealers, distributors, importers, exporters, buyers, sellers, agents and stockiest, and to market, hire, lease, rent out, assemble, alter, install, service, design, research and improve, develop, exchange, maintain, repair, refurbish, store and otherwise deal in any manner in all types of telephone exchanges, telephone instruments - whether corded, cordless, mobile or of any other kind, tele - terminals, fax machines, telegraphs, recording instruments and devices, telephone message / answering machines and devices, dialing machines, trunk dialing barring devices, wireless sets and other wireless communication devices like radio pagers, cellular phones, satellite phones etc, telecom switching equipments of all kinds, telecom transmission equipments of all kinds, test equipments, instruments, apparatus, appliances and accessories and equipment and machinery for the manufacture thereof and to provide technical services in respect thereof or relating thereto. Designing and implementation of Network security measures, Data security measures, Data centres of all categories, CCTV system surveillance system, reinforcement of physical security through electronic system / automation, Development, Testing and implementation of various customized business application, Reselling of packaged software, turnkey software development and implementation, project execution, Packaged ERP implementation service, various type of process automation and integration to ERP system through Level - 3 HMI system implementation and consultancy services like Implemented system capability audit, System integration, Pre-implementation feasibility study and business case preparation, Project feasibility and estimation, Turnkey project execution, Manpower re-sourcing etc.

8. Design, engineering, manufacture, shop fabrication, preassembly, shop testing/ type testing at manufacturer's works, packing, transportation, unloading, handling and conservation of equipment at site, complete services of construction including erection, supervision, pre-commissioning, commissioning and performance testing of equipment under Bidder's scope of work of FGD System, Limestone handling, crushing, storage, conveying and Gypsum handling & storage and its associated auxiliaries for Limestone based FGD; Ammonia Unloading and Storage, Hydro Cyclones, Centrifuge, Dryers, Packaging, etc., for Ammonia based FGD; including all Electrical, Control & Instrumentation, Civil, Structural and Architecture works and material handling work in India and abroad.

**RESOLVED FURTHER THAT** the Board of Directors be and is hereby authorized to take all the requisite, incidental, consequential steps to implement the above resolution and to perform all such acts, deeds, matters and things as it may, in its absolute discretion, deem necessary, any question, query, or doubt that may arise in this regard, and to execute/publish all such notices, deeds, agreements, papers and writings as may be necessary and required for giving effect to this resolution."

#### **4. Alteration of Articles of Association of the Company**

To consider and if thought fit to pass, the following resolution as **Special Resolution**

Insertion of Point viii and ix under Head Share Capital and Variation of Rights with the following:

**"RESOLVED THAT** pursuant to provisions of Section 14 and other applicable provisions, if any, of the Companies Act, 2013 including any statutory modifications or re-enactments thereof for the time being in force, and subject to approvals, permissions and sanctions from the appropriate authority, if any, the Articles of Association of the Company be and are hereby altered in the manner set out herein below:

**RESOLVED FURTHER THAT** the existing Head Share Capital and Variation of Rights be and is hereby amended by insertion of new Clause viii and ix after the existing Clause vii as under:

viii. Subject to the provisions of the SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2018 and amendments thereof as may be applicable from time to time and with the consent of the Members of the Company at a General Meeting by way of Special Resolution, the Board of Directors of the Company or a Committee thereof duly authorised by the Board of Directors may issue and allot Warrants convertible into the Equity Shares on such rate, terms and conditions to the existing shareholders, general public, or on preferential basis to the promoters, directors, bodies corporate, banks, financial institutions, OCBs, NRIs or such other persons from time to time on receipt of at least 25% of the face value of the Warrants, as it may think fit. Board of directors of the Company shall be authorized to make provisions as to the allotment and issue of Warrants and in particular may determine to whom the same shall be offered whether at par or at premium subject to the provisions of the Companies Act, 2013 and all the applicable provisions of the SEBI Regulations.

ix. The Company may by special resolution authorise the Board to convert warrants into the equity shares at such rates (including premium), terms and conditions as may be determined by the Board and in accordance with the guidelines issued by the SEBI, Stock Exchange, Central Govt. or other authorities either on single trench or otherwise as per the discretion of the Board.

#### **5. A. Issuance of Equity Shares to Mr. Arun Govil, Promoter and Director of the Company, on a preferential Basis.**

To consider and if thought fit to pass, the following resolution as **Special Resolution**

**"RESOLVED THAT** pursuant to the provisions of Sections 23(1)(b), 42, 62(1)(c) and other applicable provisions, if any, of the Companies Act, 2013 (the "Act"), the Companies (Prospectus and Allotment of Securities) Rules, 2014, the Companies (Share Capital and Debentures) Rules, 2014 and other applicable rules made thereunder (including any statutory modification(s) or re-enactment(s) thereof for the time being in force), the provisions of the Memorandum of Association and Articles of Association of the Company, and in accordance with the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended (the "SEBI ICDR Regulations") and the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (the "SEBI Listing Regulations"), as amended from time to time, the listing agreements entered into by the Company with BSE Limited and National Stock Exchange of India Limited on which the equity shares of the Company having face value of Rs.10 each ("Equity Shares") are listed, the Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011 as amended (the "SEBI SAST Regulations") and subject to any other rules, regulations, guidelines, notifications, circulars and clarifications issued thereunder from time to time by the Ministry of Corporate Affairs, the Securities and Exchange Board of India ("SEBI"), the Reserve Bank of India ("RBI"), BSE Limited and National Stock Exchange of India Limited ("Stock Exchanges") and/or any other competent authorities (hereinafter referred to as "Applicable Regulatory Authorities"), wherever applicable and subject to such approvals, consents and permissions as may be necessary or required and subject to such conditions as may be applicable (including any alterations, modifications, corrections, changes and variations, if any, that may be stipulated while granting such approvals, permissions, sanctions and consents as the case may be required) by any other regulatory authorities which may be agreed to and/or accepted by the Board of Directors of the Company (hereinafter referred to as "Board" which term shall be deemed to include any duly constituted / to be constituted

Committee of Directors thereof to exercise its powers including powers conferred under this resolution) and subject to any other alterations, modifications, conditions, corrections, changes and variations that may be decided by the Board in its absolute discretion, the consent of the Members of the Company be and is hereby accorded to the Board to create, issue, offer and allot upto 20,72,567 Equity shares of face value of Re. 1 each (Rupee One Only) at an issue price of Rs. 5.00/- per Equity Share, including a premium of Rs. 4.00/- per Equity share aggregating to Rs. 1,03,62,835 (Rupees One Crore Three Lakhs Sixty-Two Thousand Eight hundred and Thirty-Five only), to Mr. Arun Govil, who is Promoter and Director of the Company, for cash consideration on a preferential basis ("Preferential Issue"), and on such terms and conditions as may be determined by the Board in accordance with the SEBI (ICDR) Regulations and other applicable laws.

**RESOLVED FURTHER THAT** in terms of the provisions of Chapter V of the SEBI ICDR Regulations, the relevant date for determining the issue price for the Preferential Issue of the Equity Shares is 31st August 2020, being the date 30 days prior to the date of this Annual General Meeting ("Relevant Date").

**RESOLVED FURTHER THAT** pursuant to the provision of the Companies Act 2013, the names of the Subscribers be recorded for the issue of invitation to subscribe to the Equity Shares and a private placement offer letter in Form No. PAS-4 together with an application form be issued to the Subscribers inviting the Subscribers to subscribe to the Equity Shares, as per the draft tabled at the Meeting and duly initialed by the Chairman for the purpose of identification and consent of the Company is hereby accorded to the issuance of the same to the Subscribers to the Equity shares.

**RESOLVED FURTHER THAT** the monies to be received by the Company from the Proposed Allottees towards application for subscribing to the Equity Shares pursuant to this Preferential Allotment shall be kept by the Company in a separate bank account opened by the Company and shall be utilised by the Company in accordance with Section 42 of the Companies Act."

**RESOLVED FURTHER THAT** the Board be and is hereby authorized to accept any modification(s) in the terms of issue of Equity Shares, subject to the provisions of the Act and the SEBI ICDR Regulations, without being required to seek any further consent or approval of the Members.

**"RESOLVED FURTHER THAT** the Equity Shares shall be allotted in dematerialized form within a period of 15 (fifteen) days from the date of passing of this special resolution by the Members, provided that where the allotment of Equity Shares is subject to receipt of any approval from the Applicable Regulatory Authorities, the allotment shall be completed within a period of 15 (fifteen) days from the date of receipt of last of such approvals."

**RESOLVED FURTHER THAT** for the purpose of giving effect to this Resolution, the Board be and is hereby authorized to do all such acts, deeds, matters and things as it may, in its absolute discretion, deem necessary, desirable or expedient, including without limitation, issuing clarifications, resolving all questions of doubt, effecting any modifications or changes to the foregoing (including modification to the terms of the issue), entering into contracts, arrangements, agreements, documents (including for appointment of agencies, intermediaries and advisors for the Preferential Issue) and to authorize all such persons as may be necessary, in connection therewith and incidental thereto as the Board in its absolute discretion shall deem fit without being required to seek any fresh approval of the Members and to settle all questions, difficulties or doubts that may arise in regard to the offer, issue and allotment of the Equity Shares and listing thereof with the Stock Exchange as appropriate and utilization of proceeds of the Preferential Issue, take all other steps which may be incidental, consequential, relevant or ancillary in this connection and to effect any modification to the foregoing and the decision of the Board shall be final and conclusive.

**RESOLVED FURTHER THAT** the Board be and is hereby authorized to delegate all or any of the powers herein conferred, as it may deem fit in its absolute direction, to any committee of the Board or any one or more Director(s)/ Company Secretary/any Officer(s) of the Company to give effect to the aforesaid resolution."

**B. Issue of Warrants convertible into Equity shares to Mr. Arun Govil, Promoter and Director of the Company on Preferential basis**

To consider and if thought fit to pass, the following resolution as **Special Resolution**

**"RESOLVED THAT** pursuant to the provisions of Sections 42, 62(1)(c) and other applicable provisions, if any, of the Companies Act, 2013 (the "Act"), the Companies (Prospectus and Allotment of Securities) Rules, 2014, the Companies (Share Capital and Debentures) Rules, 2014 and other applicable rules made thereunder (including any statutory modification(s) or re-enactment(s) thereof for the time being in force), the provisions of the Memorandum of Association and Articles of Association of the Company, the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended (the "SEBI ICDR Regulations") and the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (the "SEBI Listing Regulations"), as amended from time to time, the listing agreements entered into by the Company with BSE Limited and National Stock Exchange of India Limited on which the equity shares of the Company having face value of Rs.10 each ("Equity Shares") are listed, the Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011 as amended (the "SEBI SAST Regulations") and subject to any other rules, regulations, guidelines,

notifications, circulars and clarifications issued thereunder from time to time by the Ministry of Corporate Affairs, the Securities and Exchange Board of India ("SEBI"), the Reserve Bank of India ("RBI"), BSE Limited and National Stock Exchange of India Limited ("Stock Exchanges") and/or any other competent authorities (hereinafter referred to as "Applicable Regulatory Authorities"), wherever applicable and subject to such approvals, consents and permissions as may be necessary or required and subject to such conditions as may be applicable (including any alterations, modifications, corrections, changes and variations, if any, that may be stipulated while granting such approvals, permissions, sanctions and consents as the case may be required) by any other regulatory authorities which may be agreed to and/or accepted by the Board of Directors of the Company (hereinafter referred to as "Board" which term shall be deemed to include any duly constituted / to be constituted Committee of Directors thereof to exercise its powers including powers conferred under this resolution) and subject to any other alterations, modifications, conditions, corrections, changes and variations that may be decided by the Board in its absolute discretion, the consent of the Members of the Company be and is hereby accorded to the Board to create, offer, issue and allot at an appropriate time, in one or more tranches upto 10,25,816 warrants convertible into equity shares at a price of Rs. 5/- per warrant, each convertible into One (1) equity share of face value of Re. 1/- each at a premium of Rs. 4/- per share aggregating to Rs. 51,29,080/- (Rupees Fifty-One Lakhs Twenty- Nine Thousand Eighty only) to Mr. Arun Govil, who is Promoter and Director of the Company, on a preferential basis, for cash and in such form and manner and in accordance with the provisions of SEBI (ICDR) Regulations and SEBI Takeover Regulations or other applicable laws and on such terms and conditions as the Board may, in its absolute discretion think fit and without requiring any further approval or consent from the Members.

**RESOLVED FURTHER THAT** in terms of the provisions of Chapter V of the SEBI (ICDR) Regulations, the relevant date for the Preferential Issue of the Warrants convertible into Equity Shares is 31st August 2020, being the date 30 days prior to the date of this Annual General Meeting ("Relevant Date").

**RESOLVED FURTHER THAT** without prejudice to the generality of the above, the issue of Equity Warrants shall be subject to following terms:

- a) The proposed Warrants convertible into Equity Shares shall be issued and allotted by the Company within a period of Fifteen (15) days from the date of passing of this resolution provided that where the issue and allotment of the proposed Warrants convertible into Equity Shares is pending on account of pendency of any approval for such issue and allotment by any regulatory authority or the Central Government, the issue and allotment shall be completed within a period of Fifteen (15) days from the date receipt of last of such approvals;
- b) Each Warrants is convertible into One (1) Equity Share and the conversion can be exercised by warrant holder(s) at any time during the period of Eighteen (18) months from the date of allotment of Warrants convertible into Equity Shares, in one or more tranches, as the case may be and on such other terms and conditions as applicable;
- c) The Warrants convertible into Equity Shares proposed to be issued shall be subject to appropriate adjustment, if during the interim period, the Company makes any issue of equity shares by way of capitalization of profits or reserves, upon demerger / realignment, rights issue or undertakes consolidation / sub-division / re-classification of equity shares or such other similar events or circumstances requiring adjustments as permitted under SEBI (ICDR) Regulations and all other applicable regulations from time to time;
- d) An amount equivalent to 25% of the issue price will be payable at the time of subscription of Warrants convertible into Equity Shares, as prescribed by the SEBI (ICDR) Regulations, which would be adjusted by the Company and appropriated against the issue price of the Equity Shares. The balance of 75% of the issue price of the equity shares shall be payable by the warrant holder(s) at the time of exercising conversion of warrants.
- e) The warrant holder(s) shall be entitled to exercise the option of exercising any or all of the warrants convertible into equity shares in one or more tranches by way of a written notice which shall be given to the Company, specifying the number of warrants proposed to be converted along with the aggregate amount payable thereon, prior to or at the time of conversion. The Company shall accordingly, without any further approval from the Members of the Company, issue and allot the corresponding number of Equity Shares and perform such actions as required to credit the Equity Shares to the depository account of the warrant holder.;
- f) The Equity Shares to be so allotted on exercise of warrants convertible into equity shares shall be in dematerialized form and shall be subject to the provisions of the Memorandum and Articles of Association of the Company and shall rank paripassu in all respects including dividend, with the existing equity shares of the Company;
- g) In the event the warrant holder(s) does not exercise the warrants convertible into equity shares within Eighteen (18) months from the date of allotment of the warrants, then such warrants convertible into equity shares shall lapse and the amount paid shall stand forfeited by the Company;
- h) The Equity Shares arising from the exercise of conversion of the warrants will be listed on Stock Exchanges where the Equity



Shares of the Company are listed, subject to the receipt of necessary regulatory permissions and approvals as the case may be and shall inter alia be governed by the regulations and guidelines issued by SEBI or any other statutory authority;

i) The Warrants and Equity Shares issued pursuant to the exercise of the Warrants shall be locked-in as prescribed under the SEBI ICDR Regulations from time to time

**RESOLVED FURTHER THAT** for the purpose of giving effect to this Resolution, the Board be and is hereby authorized to do all such acts, deeds, matters and things as it may, in its absolute discretion, deem necessary, desirable or expedient, including without limitation, issuing clarifications, resolving all questions of doubt, effecting any modifications or changes to the foregoing (including modification to the terms of the issue), entering into contracts, arrangements, agreements, documents (including for appointment of agencies, intermediaries and advisors for the Issue) and to authorize all such persons as may be necessary, in connection therewith and incidental thereto as the Board in its absolute discretion shall deem fit without being required to seek any fresh approval of the Members and to settle all questions, difficulties or doubts that may arise in regard to the offer, issue and allotment of the Warrants convertible into Equity shares and allotment of Equity shares on conversion of warrants convertible into Equity shares and listing thereof with the Stock Exchanges as appropriate and utilization of proceeds of the issue, take all other steps which may be incidental, consequential, relevant or ancillary in this connection and to effect any modification to the foregoing and the decision of the Board shall be final and conclusive.

**RESOLVED FURTHER THAT** all action(s) taken by the Board or Committee(s) thereof, any Director(s)/Company Secretary or Officer(s) or any other authorized signatory/ies of the Company in connection with any matter(s) referred to or contemplated in the foregoing resolution be and are hereby approved, ratified and confirmed in all respects."

#### C. Conversion of Loan into Equity Share:

To consider and if thought fit to pass, the following resolution as **Special Resolution**

**"RESOLVED THAT** pursuant to the provisions of Sections 42, 62(1)(c) and other applicable provisions, if any, of the Companies Act, 2013 (the "Act"), the Companies (Prospectus and Allotment of Securities) Rules, 2014, the Companies (Share Capital and Debentures) Rules, 2014 and other applicable rules made thereunder (including any statutory modification(s) or re-enactment(s) thereof for the time being in force), the provisions of the Memorandum of Association and Articles of Association of the Company, the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended (the "SEBI ICDR Regulations") and the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (the "SEBI Listing Regulations"), as amended from time to time, the listing agreements entered into by the Company with BSE Limited and National Stock Exchange of India Limited on which the equity shares of the Company having face value of Rs.10 each ("Equity Shares") are listed, the Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011 as amended (the "SEBI SAST Regulations") and subject to any other rules, regulations, guidelines, notifications, circulars and clarifications issued thereunder from time to time by the Ministry of Corporate Affairs, the Securities and Exchange Board of India ("SEBI"), the Reserve Bank of India ("RBI"), BSE Limited and National Stock Exchange of India Limited ("Stock Exchanges") and/or any other competent authorities (hereinafter referred to as "Applicable Regulatory Authorities"), wherever applicable and subject to such approvals, consents and permissions as may be necessary or required and subject to such conditions as may be applicable (including any alterations, modifications, corrections, changes and variations, if any, that may be stipulated while granting such approvals, permissions, sanctions and consents as the case may be required) by any other regulatory authorities which may be agreed to and/or accepted by the Board of Directors of the Company (hereinafter referred to as "Board" which term shall be deemed to include any duly constituted / to be constituted Committee of Directors thereof to exercise its powers including powers conferred under this resolution) and subject to any other alterations, modifications, conditions, corrections, changes and variations that may be decided by the Board in its absolute discretion, the consent of the Members of the Company be and is hereby accorded to the Board to create, offer, issue and allot in one or more tranches up to 51,29,080 equity shares of Re. 1/- each at Rs. 5/- per share (including premium of Rs. 4/- per share) aggregating to Rs. 2,56,45,400 (Two Crore Fifty-Six Lakh Forty-Five Thousand and four Hundred Only) to Mr. Atul Kumar, Non-Promoter on a preferential basis upon the conversion of unsecured loan outstanding as on the date of the preferential allotment in accordance with the following conditions:

- i) the conversion right reserved as aforesaid may be exercised by Mr. Atul Kumar in accordance with the terms of the Loan Agreement;
- ii) on receipt of the Notice of Conversion, the Company shall, subject to the provisions of the Loan Agreement and subject to the applicable laws, allot and issue the requisite number of fully paid-up equity shares of the Company to Mr. Atul Kumar from the date of conversion and Mr. Atul Kumar shall accept the same in satisfaction of the part of the loans so converted;

- iii) the part of the loan so converted shall cease to carry interest, further interest, additional interest, repayment installment, liquidated damages, commission, fee, etc., as the case may be, from the date of conversion and the loan shall stand correspondingly reduced. Upon such conversion, the repayment installments of the loan payable after the date of conversion shall stand reduced by the amounts of the loan so converted;
- iv) The equity shares so allotted and issued to Mr. Atul Kumar shall rank pari passu with the existing equity shares of the Company in all respects."

**RESOLVED FURTHER THAT** for the purpose of giving effect to the aforesaid resolution, the Board / Securities Issue Committee of the Board / such other persons authorized by the Board from time to time be and are hereby severally authorized on behalf of the Company to take all actions and to do all such acts, deeds, matters and things (including sub-delegating its powers to such other authorized representatives) as it may, in its absolute discretion, deem necessary, proper or desirable for such purpose, including deciding the dates of allotment, deciding and / or finalizing other terms of issue and allotment in consonance with the applicable law, appointing intermediaries, advisors, consultants, bankers, other agencies, applying to depositories for admission of securities / lock-in of securities, giving credit for securities so allotted directly into the depository accounts of Mr. Atul Kumar, listing of the equity shares to be issued and allotted, and to modify, accept and give effect to any modifications to the terms and conditions of the offer, issue and allotment as may be required by the statutory, regulatory and other appropriate authorities including but not limited to GOI, SEBI, RBI, MCA, etc. and such other approvals and as may be agreed by the Board, and to settle all questions, difficulties or doubts that may arise in the proposed issue, pricing of the issue, allotment and listing of the equity shares arising there from, and to execute all such affidavits, agreements, applications, deeds, declarations, documents, forms, letters, returns, undertakings, writings, etc. in connection with the proposed issue as the Board may in its absolute discretion deem necessary or desirable without being required to seek any further consent or approval of the shareholders or otherwise with the intent that the shareholders shall be deemed to have given their approval thereto expressly by the authority of this resolution."

**RESOLVED FURTHER THAT** all action(s) taken by the Board or Committee(s) thereof, any Director(s)/Company Secretary or Officer(s) or any other authorised signatory/ies of the Company in connection with any matter(s) referred to or contemplated in the foregoing resolution be and are hereby approved, ratified and confirmed in all respects."

6. **Appointment of Mr. Sudatta Subhankar (Din no.: 08706538) as an Independent Director:**

To consider and if thought fit to pass, the following resolution as **Ordinary Resolution**

**"RESOLVED THAT** Mr. Sudatta Subhankar (Din no.: 08706538) who was appointed by the Board of Directors as an Additional Director of the Company with effect from February 20, 2020 and who holds office up to the date of this Annual General Meeting of the Company in terms of Section 161(1) of the Companies Act, 2013 ("Act") and Article 64 of the Articles of Association of the Company but who is eligible for appointment and in respect of whom the Company has received a notice in writing from a Member under Section 160(1) of the Act proposing his candidature for the office of Director of the Company, be and is hereby appointed as Director of the Company."

**RESOLVED FURTHER THAT** pursuant to the provisions of Sections 149, 152 and other applicable provisions, if any, of the Act, the Companies (Appointment and Qualifications of Directors) Rules, 2014, read with Schedule IV to the Act and Regulation 17 and other applicable regulations of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations"), as amended from time to time, the appointment of Mr. Sudatta Subhankar (Din no.: 08706538) who meets the criteria for independence as provided in Section 149(6) of the Act along with the rules framed thereunder and Regulation 16(1)(b) of SEBI Listing Regulations and who has submitted a declaration to that effect, and who is eligible for appointment as an Independent Director of the Company, not liable to retire by rotation, for a term of five years till the conclusion of the 16th Annual General meeting of the company to be held in the year 2025, be and is hereby approved."

**Registered Office**

Ducon House, Plot No. A/4,  
Road No. 1, MIDC,  
Wagle Industrial Estate,  
Thane-400604.

CIN No: **L72900MH2009PLC191412**

**Date:** September 03, 2020

**Place:** Thane

**By Order of the Board of Directors  
For Ducon Infratechnologies Limited**

**Chandrasekhar Ganesan**

Director

**DIN:** 07144708

**Harish Shetty**

Director

**DIN:** 07144684



**NOTES:**

1. Considering the present Covid-19 pandemic, the Ministry of Corporate Affairs ("MCA") has vide its circular dated May 5, 2020 read together with circulars dated April 8, 2020 and April 13, 2020 (collectively referred to as "MCA Circulars") permitted convening the Annual General Meeting ("AGM" / "Meeting") through Video Conferencing ("VC") or Other Audio Visual Means ("OAVM"), without the physical presence of the members at a common venue. In accordance with the MCA Circulars, provisions of the Companies Act, 2013 ('the Act') and the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations"), the AGM of the Company is being held through VC / OAVM. The deemed venue for the AGM shall be the Registered Office of the Company.
2. The Explanatory Statement pursuant to Section 102 of the Companies Act, 2013 ("Act") setting out material facts concerning the business under Item No. 3 to 6 of the Notice, is annexed hereto. The relevant details as required under Regulations 26(4) and 36(3) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations") and Secretarial Standard on General Meetings issued by the Institute of Company Secretaries of India, in respect of Directors seeking appointment/reappointment at the Annual General Meeting for Item no. 2 and 6 is furnished as annexure to the Notice.
3. Generally, a member entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and vote on a poll instead of himself and the proxy need not be a member of the Company. Since this AGM is being held through VC / OAVM pursuant to the MCA Circulars, physical attendance of members has been dispensed with. Accordingly, the facility for appointment of proxies by the members will not be available for the AGM and hence the Proxy Form and Attendance Slip are not annexed hereto.
4. At the 8th AGM held on September 29, 2017 the members approved appointment of M/s. Hitesh Shah & Associates, Chartered Accountants Firm (Firm Registration No.103716W) as Statutory Auditors of the Company to hold office from the conclusion of 8th AGM till the conclusion of the 13th AGM, subject to ratification of their appointment by Members at every AGM. The requirement to place the matter relating to appointment of auditors for ratification by Members at every AGM has been done away by the Companies (Amendment) Act, 2017 with effect from May 7, 2018. Accordingly, no resolution is being proposed for ratification of appointment of auditors at the 11th AGM.
5. As per Regulation 40 of SEBI Listing Regulations, as amended and as per SEBI in its press release dated December 03, 2018 had decided that securities of listed companies can be transferred only in dematerialized form with effect from April 01, 2019. In view of the above and to avail the benefits of dematerialization and ease portfolio management, Members are requested to consider dematerialize shares held by them in physical form.
6. Institutional / Corporate Shareholders (i.e. other than individuals / HUF, NRI, etc.) are required to send a scanned copy (PDF/JPG Format) of its Board or governing body Resolution/Authorization etc. authorizing its representative to attend the AGM through VC / OAVM on its behalf and to vote through remote e-voting. The said Resolution/Authorization shall be sent to the Company by email through its registered email address to investors@duconinfra.co.in with a copy marked to evoting@nsdl.co.in
7. Pursuant to the provisions of Section 91 of the Companies Act, 2013, the Register of Members and Share Transfer books of the Company will remain closed from Thursday, the 24th day of September, 2020 to Wednesday, the 30th day of September, 2020. (both days inclusive).
8. The Members holding the shares in physical form may obtain the nomination form from the Company's Registrar & Share transfer agent- Bigshare Services Pvt. Ltd. (BSPL) and are requested to consider converting their holdings to dematerialized form to eliminate all risks associated with physical shares and for ease of portfolio management. Members can contact the Company or BSPL for assistance in this regard.
9. Members desirous of getting any information in respect of the content of the annual report are requested to forward the queries to the Company at least 10 days prior to the annual general meeting so that the required information can be made available at the Company.
10. Members holding shares in physical form, in identical order of names, in more than one folio are requested to send to the Company or BSPL, the details of such folios together with the share certificates for consolidating their holdings in one folio. A consolidated share certificate will be issued to such Members after making requisite changes.
11. In case of joint holders attending the AGM, the Member whose name appears as the first holder in the order of names as per the Register of Members of the Company will be entitled to vote.
12. Pursuant to Rule 18(3) of the Companies (Management and Administration) Rules, 2014, the Members are requested to provide their e-mail id to the Company or Registrar and Share Transfer Agent in order to facilitate easy and faster dispatch of Notices of the general meetings and other communication by electronic mode from time to time.

13. Members are requested to intimate changes, if any, pertaining to their name, postal address, email address, telephone/ mobile numbers, Permanent Account Number (PAN), mandates, nominations, power of attorney, bank details such as, name of the bank and branch details, bank account number, MICR code, IFSC code, etc., to their DPs in case the shares are held by them in electronic form and to the Company's Registrars and Transfer Agents, BSPL in case the shares are held by them in physical form.
14. Members are requested to intimate changes, if any, pertaining to their name, postal address, email address, telephone/ mobile numbers, Permanent Account Number (PAN), mandates, nominations, power of attorney, bank details such as, name of the bank and branch details, bank account number, MICR code, IFSC code, etc., to their DPs in case the shares are held by them in electronic form and to the Company's Registrars and Transfer Agents, BSPL in case the shares are held by them in physical form.
15. Members who hold shares in dematerialized form are requested to log in with their DP ID and Client ID numbers for easy identification of attendance at the meeting.
16. The Equity Shares of the Company are mandated for trading in the compulsory demat mode. The ISIN Number allotted for the Company's shares is INE741L01018.
17. Annual Listing fees for the year 2020-2021 has been paid to all stock exchange wherein shares of the Company are listed.
18. As per the provisions of Section 72 of the Act, the facility for making nomination is available for the Members in respect of the shares held by them. Members who have not yet registered their nomination are requested to register the same by submitting Form No. SH-13. Members holding shares in physical form may submit the same to BSPL. Members holding shares in electronic form may submit the same to their respective depository participant.
19. **DISPATCH OF ANNUAL REPORT THROUGH ELECTRONIC MODE:**
  1. In compliance with the MCA Circulars and SEBI Circular dated May 12, 2020, Notice of the AGM along with the Annual Report 2019-20 is being sent only through electronic mode to those Members whose email addresses are registered with the Company/ Depositories. Members may note that the Notice and Annual Report 2019-20 will also be available on the Company's website [www.duconinfra.co.in](http://www.duconinfra.co.in), website of the Stock Exchanges, i.e., National Stock Exchange of India Limited at [www.nseindia.com](http://www.nseindia.com) and BSE Limited at [www.bseindia.com](http://www.bseindia.com).
  2. For receiving all communication (including Annual Report) from the Company electronically:
    - a) Members holding shares in physical mode and who have not registered / updated their email address with the Company are requested to register / update the same by writing to the Company's Registrar & Share transfer agent- Bigshare Services Pvt. Ltd. (BSPL) with details of folio number and attaching a self-attested copy of PAN card to the at [info@bigshareonline.com](mailto:info@bigshareonline.com)
    - b) Members holding shares in dematerialized mode are requested to register / update their email addresses with the relevant Depository Participant.
20. Members attending the AGM through VC / OAVM shall be counted for the purpose of reckoning the quorum under Section 103 of the Act.
21. Since the AGM will be held through VC/ OAVM, the route map of the venue of the Meeting is not annexed hereto.
22. Members of the Company under the category of Institutional Investors are encouraged to attend and vote at the AGM.
23. **Voting through electronic means:**
  - I. In compliance with the provisions of Section 108 of the Companies Act, 2013 and Rule 20 of the Companies (Management and Administration) Rules, 2014, as amended by the Companies (Management and Administration) Amendment Rules, 2015 and regulation 44 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations 2015 (Listing Regulations), and the Circulars issued by the Ministry of Corporate Affairs dated April 08, 2020, April 13, 2020 and May 05, 2020 the Company is pleased to provide members facility to exercise their right to vote on resolutions proposed to be considered at the Annual General Meeting (AGM) by electronic means and the business may be transacted through e-Voting Services as provided by National Securities Depository Limited (NSDL).
  - II. The remote e-voting period commences on Sunday, September 27, 2020 (9:00 a.m. IST) and ends on Tuesday, September 29, 2020 (5:00 p.m. IST). During this period, Members holding shares either in physical form or in dematerialized form, as on Wednesday, September 23, 2020 i.e. cut-off date, may cast their vote electronically. The e-voting module shall be disabled by NSDL for voting thereafter. Those Members, who will be present in the AGM through VC / OAVM facility and have not cast their vote on the Resolutions through remote e-voting and are otherwise not barred from doing so, shall be eligible to vote through e-voting system during the AGM.
  - III. The voting rights of Members shall be in proportion to their shares in the paid-up equity share capital of the Company as on

the cut-off date.

- IV. The Members who have cast their vote by remote e-voting prior to the AGM may also attend/participate in the AGM through VC / OAVM but shall not be entitled to cast their vote again.
- V. Any person, who acquires shares of the Company and becomes a Member of the Company after sending of the Notice and holding shares as of the cut-off date, may obtain the login ID and password by sending a request at [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in). However, if he/she is already registered with NSDL for remote e-voting then he/she can use his/her existing User ID and password for casting the vote.
- VI. The details of the process and manner for remote e-voting are explained herein below:

**A. How do I vote electronically using NSDL e-Voting system?**

The way to vote electronically on NSDL e-Voting system consists of “Two Steps” which are mentioned below:

Step 1 : Log-in to NSDL e-Voting system at <https://www.evoting.nsdl.com/>

Step 2 : Cast your vote electronically on NSDL e-Voting system.

**Details on Step 1 are mentioned below:**

How to Log-in to NSDL e-Voting website?

1. Visit the e-Voting website of NSDL. Open web browser by typing the following URL: <https://www.evoting.nsdl.com/> either on a Personal Computer or on a mobile.
2. Once the home page of e-Voting system is launched, click on the icon “Login” which is available under ‘Shareholders’ section.
3. A new screen will open. You will have to enter your User ID, your Password and a Verification Code as shown on the screen. Alternatively, if you are registered for NSDL services i.e. IDEAS, you can log-in at <https://eservices.nsdl.com/> with your existing IDEAS login. Once you log-in to NSDL eservices after using your log-in credentials, click on e-Voting and you can proceed to Step 2 i.e. Cast your vote electronically.

<b>Manner of holding shares i.e. Demat (NSDL or CDSL) or Physical</b>	<b>Your User ID is:</b>
a) For Members who hold shares in demat account with NSDL.	8 Character DP ID followed by 8 Digit Client ID For example if your DP ID is IN300*** and Client ID is 12***** then your user ID is IN300***12*****.
b) For Members who hold shares in demat account with CDSL.	16 Digit Beneficiary ID For example if your Beneficiary ID is 12***** then your user ID is 12*****.
c) For Members holding shares in Physical Form.	EVEN Number followed by Folio Number registered with the company For example if folio number is 001*** and EVEN is 101456 then user ID is 101456001***

4. Your User ID details are given below:
5. Your password details are given below:
  - a) If you are already registered for e-Voting, then you can use your existing password to login and cast your vote.
  - b) If you are using NSDL e-Voting system for the first time, you will need to retrieve the ‘initial password’ which was communicated to you. Once you retrieve your ‘initial password’, you need to enter the ‘initial password’ and the system will force you to change your password.
  - c) How to retrieve your ‘initial password’?
    - (i) If your email ID is registered in your demat account or with the company, your ‘initial password’ is communicated to you on your email ID. Trace the email sent to you from NSDL from your mailbox. Open the email and open the attachment i.e. a .pdf file. Open the .pdf file. The password to open the .pdf file is your 8 digit client ID for NSDL account, last 8 digits of client ID for CDSL account or folio number for shares held in physical form. The .pdf file contains your ‘User ID’ and your ‘initial password’.

- (ii) If your email ID is not registered, your 'initial password' is communicated to you on your postal address.
6. If you are unable to retrieve or have not received the "Initial password" or have forgotten your password:
    - a) Click on "Forgot User Details/Password?" (If you are holding shares in your demat account with NSDL or CDSL) option available on [www.evoting.nsdl.com](http://www.evoting.nsdl.com).
    - b) Physical User Reset Password? (If you are holding shares in physical mode) option available on [www.evoting.nsdl.com](http://www.evoting.nsdl.com).
    - c) If you are still unable to get the password by aforesaid two options, you can send a request at [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in) mentioning your demat account number/folio number, your PAN, your name and your registered address.
    - d) Members can also use the OTP (One Time Password) based login for casting the votes on the e-Voting system of NSDL.
  7. After entering your password, tick on Agree to "Terms and Conditions" by selecting on the check box.
  8. Now, you will have to click on "Login" button.
  9. After you click on the "Login" button, Home page of e-Voting will open.

**Details on Step 2 are given below:**

How to cast your vote electronically on NSDL e-Voting system?

1. After successful login at Step 1, you will be able to see the Home page of e-Voting. Click on e-Voting.  
Then, click on Active Voting Cycles.
2. After click on Active Voting Cycles, you will be able to see all the companies "EVEN" in which you are holding shares and whose voting cycle is in active status.
3. Select "EVEN" of company for which you wish to cast your vote.
4. Now you are ready for e-Voting as the Voting page opens.
5. Cast your vote by selecting appropriate options i.e. assent or dissent, verify/modify the number of shares for which you wish to cast your vote and click on "Submit" and also "Confirm" when prompted.
6. Upon confirmation, the message "Vote cast successfully" will be displayed.
7. You can also take the printout of the votes cast by you by clicking on the print option on the confirmation page.
8. Once you confirm your vote on the resolution, you will not be allowed to modify your vote.

**General Guidelines for shareholders**

1. Institutional shareholders (i.e. other than individuals, HUF, NRI, etc.) are required to send scanned copy (PDF/JPG format) of the relevant Board Resolution/Authority letter, etc., together with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer through e-mail to [csshrutishah@gmail.com](mailto:csshrutishah@gmail.com), with a copy marked to [investors@duconinfra.co.in](mailto:investors@duconinfra.co.in).
2. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential. Login to the e-voting website will be disabled upon five unsuccessful attempts to key in the correct password. In such an event, you will need to go through the "Forgot User Details/Password?" or "Physical User Reset Password?" option available on [www.evoting.nsdl.com](http://www.evoting.nsdl.com) to reset the password.
3. In case of any queries, you may refer the Frequently Asked Questions (FAQs) - Shareholders and remote e-voting user manual for members, available at the downloads Section of [www.evoting.nsdl.com](http://www.evoting.nsdl.com) or toll free no. 1800-222-990 or send a request at [investors@duconinfra.co.in](mailto:investors@duconinfra.co.in).

**Process for those shareholders whose email ids are not registered with the depositories for procuring user id and password and registration of e mail ids for e-voting for the resolutions set out in this notice:**

1. In case shares are held in physical mode please provide Folio No., Name of shareholder, scanned copy of the share certificate (front and back), PAN (self-attested scanned copy of PAN card), AADHAR (self-attested scanned copy of Aadhar Card) by email to [investors@duconinfra.co.in](mailto:investors@duconinfra.co.in).

In case shares are held in demat mode, please provide DPID-CLID (16 digit DPID + CLID or 16 digit beneficiary ID), Name, client

master or copy of Consolidated Account statement, PAN (self-attested scanned copy of PAN card), AADHAR (self-attested scanned copy of Aadhar Card) to investors@duconinfra.co.in.

#### THE INSTRUCTIONS FOR MEMBERS FOR e-VOTING ON THE DAY OF THE AGM ARE AS UNDER:-

1. The procedure for e-Voting on the day of the AGM is same as the instructions mentioned above for remote e-voting.

#### C. Other Instructions:

The remote e-voting period commences on Sunday, September 27, 2020 (9:00 am IST) and ends on Tuesday, September 29, 2020 (5:00 pm IST). During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date (record date) of Wednesday, September 23, 2020, may cast their vote by remote e-voting. The e-voting module shall be disabled by NSDL for voting thereafter. Those Members, who will be present in the AGM through VC / OAVM facility and have not cast their vote on the Resolutions through remote e-voting and are otherwise not barred from doing so, shall be eligible to vote through e-voting system during the AGM

- i. You can also update your mobile number and e-mail id in the user profile details of the folio which may be used for sending future communication(s).
- ii. Any person, who acquires shares of the Company and become member of the Company after dispatch of the Notice of AGM and holding shares as of the cut-off date i.e. September 23, 2020, may obtain the login ID and password by sending a request at [www.evoting@nsdl.co.in](mailto:www.evoting@nsdl.co.in). However, if you are already registered with NSDL for remote e-voting then you can use your existing user ID and password for casting your vote. If you forgot your password, you can reset your password by using "Forgot User Details/Password" option available on [www.evoting@nsdl.com](http://www.evoting@nsdl.com) or contact NSDL at the following toll free no. 1800-222-990.
- iii. The voting rights of Shareholders shall be in proportion to their shares of the paid up equity share capital of the Company as on, Wednesday, September 23, 2020.
- iv. A person, whose name is recorded in the register of members or in the register of beneficial owners maintained by the depositories as on the cut-off date only shall be entitled to avail the facility of remote e-voting as well as voting at the AGM through ballot paper.
- v. Ms. Shruti H. Shah, Practicing Company Secretary (FCS No. 8852) has been appointed as the Scrutinizer for providing facility to the members of the Company to scrutinize the voting and remote e-voting process in a fair and transparent manner and she has consented to act as a scrutinizer.
- vi. The Scrutinizer shall after the conclusion of voting at the general meeting, will first count the votes cast at the meeting and thereafter unblock the votes cast through remote e-voting in the presence of at least two witnesses not in the employment of the Company and shall make, not later than forty eight hours of the conclusion of the AGM, a consolidated scrutinizer's report of the total votes cast in favour or against, if any, to the Chairman or a person authorized by him in writing, who shall countersign the same and declare the result of the voting forthwith.
- vii. The results declared along with the Scrutinizer's Report shall be placed on the Company's website [www.duconinfra.co.in](http://www.duconinfra.co.in) and on the website of NSDL [www.evoting.nsdl.com](http://www.evoting.nsdl.com) within two days of the passing of the resolutions at the 11th AGM of the Company on September 30, 2020 and communicated to the BSE Limited and National Stock Exchange of India Limited, where the shares of the Company are listed.

Physical Holding	<p>Send a request to the Registrar and Transfer Agents of the Company, Bigshare Services Private Limited at <a href="mailto:info@bigshsreonline.com">info@bigshsreonline.com</a> providing Folio No., Name of shareholder, scanned copy of the share certificate (front and back), PAN (self-attested scanned copy of PAN card), AADHAR (self-attested scanned copy of Aadhar Card) for registering email address.</p> <p>Following additional details need to be provided in case of updating Bank Account Details:</p> <ol style="list-style-type: none"> <li>a) Name and Branch of the Bank in which you wish to receive the dividend,</li> <li>b) the Bank Account type,</li> <li>c) Bank Account Number allotted by their banks after implementation of Core Banking Solutions</li> <li>d) 9 digit MICR Code Number, and</li> <li>e) 11 digit IFSC Code</li> <li>f) a scanned copy of the cancelled cheque bearing the name of the first shareholder.</li> </ol>
Demat Holding	Please contact your Depository Participant (DP) and register your email address and bank account details in your demat account, as per the process advised by your DP.

**D. INSTRUCTIONS FOR MEMBERS FOR ATTENDING THE EGM/AGM THROUGH VC/OAVM ARE AS UNDER:**

1. Member will be provided with a facility to attend the AGM through VC/OAVM through the NSDL e-Voting system. Members may access the same at <https://www.evoting.nsdl.com> under shareholders/members login by using the remote e-voting credentials. The link for VC/OAVM will be available in shareholder/members login where the EVEN of Company will be displayed. Please note that the members who do not have the User ID and Password for e-Voting or have forgotten the User ID and Password may retrieve the same by following the remote e-Voting instructions mentioned in the notice to avoid last minute rush. Further members can also use the OTP based login for logging into the e-Voting system of NSDL.
2. Members are encouraged to join the Meeting through Laptops for better experience.
3. Further Members will be required to allow Camera and use Internet with a good speed to avoid any disturbance during the meeting.
4. Please note that Participants Connecting from Mobile Devices or Tablets or through Laptop connecting via Mobile Hotspot may experience Audio/Video loss due to Fluctuation in their respective network. It is therefore recommended to use Stable Wi-Fi or LAN Connection to mitigate any kind of aforesaid glitches.
5. Shareholders who would like to express their views/have questions may send their questions in advance mentioning their name demat account number/folio number, email id, mobile number at [investors@duconinfra.co.in](mailto:investors@duconinfra.co.in) from September 26, 2020 (9:00 a.m. IST) to September 28, 2020 (5:00 p.m. IST). The same will be replied by the company suitably. Those Members who have registered themselves as a speaker will only be allowed to express their views/ask questions during the AGM. The Company reserves the right to restrict the number of speakers depending on the availability of time for the AGM.
6. The Members can join the EGM/AGM in the VC/OAVM mode 15 minutes before and after the scheduled time of the commencement of the Meeting by following the procedure mentioned in the Notice. The facility of participation at the EGM/AGM through VC/OAVM will be made available for 1000 members on first come first served basis. This will not include large Shareholders (Shareholders holding 2% or more shareholding), Promoters, Institutional Investors, Directors, Key Managerial Personnel, the Chairpersons of the Audit Committee, Nomination and Remuneration Committee and Stakeholders Relationship Committee, Auditors etc. who are allowed to attend the EGM/AGM without restriction on account of first come first served basis.

**Other Instructions**

1. The Scrutinizer shall, immediately after the conclusion of voting at the AGM, first count the votes cast during the AGM, thereafter unblock the votes cast through remote e-voting and make, not later than 48 hours of conclusion of the AGM, a consolidated Scrutinizer's Report of the total votes cast in favour or against, if any, to the Chairman or a person authorised by him in writing, who shall countersign the same.
2. The result declared along with the Scrutinizer's Report shall be placed on the Company's website [www.duconinfra.co.in](http://www.duconinfra.co.in) and on the website of NSDL <https://www.evoting.nsdl.com> immediately. The Company shall simultaneously forward the results to National Stock Exchange of India Limited and BSE Limited, where the shares of the Company are listed.

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**Date:** September 03, 2020

**Place:** Thane

**Registered Office**

Ducon House, Plot No. A/4,  
Road No. 1, MIDC,  
Wagle Industrial Estate,  
Thane-400604.

CIN No: **L72900MH2009PLC191412**

**By Order of the Board of Directors**

For **Ducon Infratechnologies Limited**

**Chandrasekhar Ganesan**

Director

**DIN:** 07144708

**Harish Shetty**

Director

**DIN:** 07144684



**EXPLANATORY STATEMENT**

The following Explanatory Statement, as required under Section 102 of the Companies Act, 2013, set out all material facts relating to the business under Item No. 3, 4, 5(A, B, C) and 6 of the accompanying Notice dated September 03, 2020.

**ITEM NO. 3**

Considering the present scenario and for smooth functioning and expansion of the Company, new business objects need to be included apart from the existing business objects. Considering the future business plans, one new objects are added to existing Memorandum of Association of the Company

Currently, the Company is engaged into the business of Information Technology Infrastructure and Air Pollution control system.

In order to make the main object clause of the Memorandum of Association comprehensive and concise, it is proposed to insert the new object clause 7 and 8 in the Memorandum of Association, after the existing Main Object clause III (A) 6, as stated in the resolution. The approval of the members of the company is required, by way of special resolution pursuant to section 13 of the Companies Act, 2013; accordingly the Board recommended the relevant resolution for the approval of members.

A copy of Memorandum of Association of the Company as on date and also indicating the proposed amendments is available for inspection at the Registered Office of the Company during normal business hours on working days.

None of the Directors, Key Managerial Personnel and the relatives of the Directors are directly concerned or interested, financial or otherwise, in the resolution set out at item no. 3

**ITEM NO. 4**

New Clause No. viii and ix proposed to be inserted after the existing clause vii under Head Share Capital and Variation of Rights of Articles of Association, is proposed to be amended suitably to reflect and to incorporate the provisions relating to the issuance of warrants convertible into the Equity Shares of the Company and to make provisions for paripassu rights of the new equity shares to participate in the dividend in the year of allotment with the existing share capital of the Company for which it is required to seek approval of members by way of Special Resolution.

A draft copy of the Memorandum and Articles of Association of the Company after making proposed amendments have been kept at the Registered Office for inspection.

Your Directors recommend passing the necessary Resolutions as set out in item No. 4 of the notice.

None of the directors of the Company is, in any way concerned or interested in these resolutions except, as a member of the Company.

**ITEM NO. 5 (A, B and C)**

In view of the future outlook of the Company and its proposed plan to expand into new areas of business, the Company requires additional funding to inter alia augment its long term resources including for servicing and/or repayment of indebtedness, capital expenditure, business purposes and for general corporate purposes as per Company's growth and business related plans from time to time.

In accordance with the above plan, the Board, pursuant to its resolution dated 31st August 2020, has approved the proposed Preferential Issue of Equity Shares and warrants to Mr. Arun Govil, Promoter and Director of the Company at a price of Rs. 5/- per Equity Share ("Issue Price"), and consequently, recommends the resolution as set out above to be passed by the Members through a special resolution. The issue price for the issue of the shares on a preferential basis under the applicable provisions of the SEBI ICDR Regulations is Rs. 3.62 per Equity Share.

Further, The Board had arranged Rs. 2,56,45,400 as a loan from Mr. Atul Kumar and the same has been included as unsecured loan in the Company's books of accounts as on date. He has now requested that this unsecured loan be converted into equity shares. Based on the said request, the Board resolved to issue, offer and allot upto 51,29,080 equity shares (Fifty-One lakhs Twenty-Nine thousand Eighty Only) of Re. 1/- each at Rs. 5/- per share (including a premium of Rs. 4/- per share) to Mr. Atul Kumar on preferential basis, by conversion of his unsecured loans into equity shares. Accordingly it is proposed to offer, issue, and allot in one or more tranches up to 51,29,080 equity shares of face value of Re. 1/- each to Mr. Atul Kumar, Non Promoter on a preferential basis in or

more tranches in accordance with the existing applicable Regulations of SEBI and other regulatory authorities as applicable viz. in accordance with Chapter V of SEBI (ICDR) Regulations, 2018 on a preferential basis.

Further, The Board had arranged Rs. 2,56,45,400 as a loan from Mr. Atul Kumar and the same has been included as unsecured loan in the Company's books of accounts as on date. He has now requested that this unsecured loan be converted into equity shares. Based on the said request, the Board resolved to issue, offer and allot upto 2,56,45,404 equity shares of Re. 1/- each at Rs. 4.10 per share (including a premium of Rs. 3.10 per share) to Mr. Atul Kumar on preferential basis, by conversion of his unsecured loans into equity shares. Accordingly it is proposed to offer, issue, and allot in one or more tranches up to 51,29,080 equity shares of Re. 1/- each to Mr. Atul Kumar, Non Promoter on a preferential basis in or more tranches in accordance with the existing applicable Regulations of SEBI and other regulatory authorities as applicable viz. in accordance with Chapter V of SEBI (ICDR) Regulations, 2018 on a preferential basis.

Disclosure under Rule 13(2) of the Companies (Share Capital and Debentures) Rules, 2014 and Chapter V of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended (the 'SEBI ICDR Regulations') are as under:

#### **1. Object of the issue**

The object of this preferential issue is to utilize the proceeds of the Preferential Issue of Equity Shares to fund its new businesses, meet long term working capital, general corporate purpose and such other purpose as the Board may decide from time to time.

#### **2. Type and Number of Securities to be issued**

The Board of Directors at its meeting held on 03rd September 2020 had, subject to the approval of the Members and such other approvals as may be required, approved the issuance and allotment of up to 20,72,567 Equity Shares at a price of Rs. 5/- per Equity Share, aggregating to Rs. 1,03,62,835 (Rupees One Crore Three Lakhs sixty-Two Thousand Eight Hundred and Thirty-five only) for cash consideration, 51,29,080 Equity Shares at a price of Rs. 5/- per Equity Share, aggregating to Rs. 2,56,45,400 (Rupees Two Crore Fifty-Six Lakhs Forty-five Thousand and Four Hundred only) on conversion of unsecured loan and 10,25,816 Equity Warrants at a price of Rs. 5/- convertible into 10,25,816 Equity Shares of the face value of Re.1/- each at a premium of Rs. 4 per share aggregating to Rs. 51,29,080 (Rupees Fifty-One Lakh Twenty-Nine Thousand and Eighty only) on a preferential basis.

#### **3. Price at which the allotment is proposed**

The Equity Shares to be issued and allotted both for cash consideration and on conversion of unsecured loan will be of the face value of Re.1/-each and will be issued at Rs. 5/- per share (including a premium of Rs. 4/- per share). The Equity Warrants will be issued at a price of Rs. 5/- convertible into 10,25,816 Equity Shares of the face value of Re.1/- each at a premium of Rs. 4/- per share.

#### **4. Basis on which the price has been arrived**

The issue price is determined in accordance with the Regulations as applicable for Preferential Issue as contained in Chapter V of the SEBI (ICDR) Regulations, 2018 as amended till date. The Equity Shares of the Company are listed on BSE Limited ("BSE") and National Stock Exchange of India Limited ("NSE") (together referred to as the "Stock Exchanges"). The Equity Shares are frequently traded in terms of the SEBI ICDR Regulations on the Stock Exchanges and NSE, being the Stock Exchange with higher trading volumes for the said period, has been considered for determining the issue price in accordance with the SEBI ICDR Regulations.

#### **5. Relevant Date with reference to which the price has been arrived**

The "Relevant Date" in accordance with SEBI ICDR Regulations would be August 31, 2020 being the date 30 days prior to the date of passing of the Special Resolution by the Members of the Company for the proposed preferential issue of Equity Shares and Warrants convertible into Equity Shares. The class or classes of persons to whom the allotment is proposed to be made

As stated earlier, it is proposed to allot 20,72,567 equity shares to Mr. Arun Govil, Promoter and director of the Company on a preferential basis through cash, 10,25,816 Warrants convertible into Equity Shares to Mr. Arun Govil, promoter and director on a preferential basis through cash and 51,29,080 equity shares of Re. 1/- each at Rs.5/- per share (including a premium of Rs. 4/- per share) to Mr. Atul Kumar, Non promoter on preferential basis, by conversion of his unsecured loans into equity shares.

**6. Intent of the Promoters, directors or key managerial personnel of the Company to subscribe to the Preferential Issue; contribution being made by the Promoters or Directors either as part of the Preferential Issue or separately in furtherance of the objects**

The Equity Shares and warrants shall be issued to Mr. Arun Govil, Promoter and Director of the Company. Mr. Arun Govil has indicated its intention to subscribe to the Preferential Issue. None of the other Directors or Key Managerial Personnel of the Company intend to subscribe to any of the Equity Shares or warrants proposed to be issued under the Preferential Issue or otherwise contribute to the Preferential Issue or separately in furtherance of the objects specified herein above.

**7. Names of the proposed allottees and the percentage of post-preferential offer capital that may be held by them**

The details of the proposed allottees and the percentage of post preferential offer capital that will be held by them shall be:

Sl. No	Name of the Applicant	Post – Preferential Holding – after allotment of Equity Shares		Post Preferential Holding after conversion of warrants	
		Number	%age	Number	%age
1	Mr Arun Govil	6,05,15,136	54.09	6,15,40,952	54.51
2	Mr Atul Kumar	51,29,080	4.58	51,29,080	4.54

**8. Proposed time within which the allotment shall be completed**

As required under the SEBI ICDR Regulations, the Equity Shares shall be allotted by the Company within a period of 15 days from the date of passing of this Resolution, provided that where the allotment of the proposed Equity Shares is pending on account of receipt of any approval or permission from any regulatory or statutory authority, the allotment shall be completed within a period of 15 days from the date of receipt of last of such approvals or permissions.

**9. The change in control if any, of the Company that would occur consequent to preferential offer**

There shall be no change in control of the Company pursuant to the issue of Equity Shares.

**10. Number of persons to whom allotment on preferential basis have already been made during the year, in terms of number of securities as well as price**

No allotment(s) has been made on a preferential basis from the beginning of the year to the date of issue of this notice.

**11. The justification for the allotment proposed to be made for consideration other than cash together with valuation report of the registered valuer.**

A report of registered valuer is not required for the Preferential Allotment, under the provisions of second proviso to Rule 13(1) of the Companies (Share Capital and Debentures) Rules, 2014.

**12. Identity of the natural persons who are the ultimate beneficial owners of the shares proposed to be allotted and/or who ultimately control;**

Not applicable since both the allottees Mr. Arun Govil and Mr. Atul Kumar are individuals,

### 13. Shareholding Pattern before and after preferential issue of the capital would be as follows:

The pre issue and post issue shareholding pattern of the Company –

Sr. No.	Category	*Pre Issue		Post Issue of Equity Shares		Post Conversion of Warrants#	
		No. of Shares Held	% of Share Holding	No. of Shares Held	% of Share Holding	No. of Shares Held	% of Share Holding
A	Promoters holding –						
	1. Indian	-	-	-	-	-	-
	Individual	-	-	-	-	-	-
	Body Corporate	-	-	-	-	-	-
	<b>Sub Total</b>	-	-	-	-	-	-
2.	Foreign Promoters	58442569	55.83	60515136	54.09	61540952	54.51
	<b>Sub Total (A)</b>	<b>58442569</b>	<b>55.83</b>	<b>60515136</b>	<b>54.09</b>	<b>61540952</b>	<b>54.51</b>
B	Non-Promoters Holding–						
	1. Institutional investors	7980	0.01	7980	0.01	7980	0.01
	2. Non-Institution						
	Corporate Bodies	674637	0.64	674637	0.60	674637	0.60
	Directors	-	-	-	-	-	-
	Indian Public	42181494	40.3	42181494	37.70	42181494	37.36
	Others(Including NRIs)	3368437	3.22	8497517	7.60	8497517	7.52
	<b>Sub Total (B)</b>	<b>46232548</b>	<b>44.17</b>	<b>51361628</b>	<b>45.91</b>	<b>51361628</b>	<b>45.49</b>
	<b>GRAND TOTAL (A+B)</b>	<b>104675117</b>	<b>100.00</b>	<b>11,18,76,764</b>	<b>100.00</b>	<b>112902580</b>	<b>100.00</b>

Note- \*Pre-Shareholding pattern as on 30th June, 2020.

# assuming full conversion of warrants

### 14. Lock-in Period

The Equity Shares will be subject to applicable lock-in and transfer restrictions stipulated under Regulations 167 and 168 of the SEBI ICDR Regulations.

### 15. Disclosures specified in Schedule VI of SEBI (ICDR) Regulations, 2018, if the issuer or any of its promoters or directors is a willful defaulter:

The Company and none of, its Directors or Promoter have been declared as willful defaulter as defined under the SEBI ICDR Regulations. None of its Directors or Promoter is a fugitive economic offender as defined under the SEBI ICDR Regulations.

### 16. Undertakings:

The Company hereby undertakes that:

- It would re-compute the price of the securities specified above in terms of the provisions of SEBI (ICDR) Regulations, where it is so required;
- If the amount payable, if any, on account of the re-computation of price is not paid within the time stipulated in SEBI (ICDR) Regulations the above warrants/shares shall continue to be locked-in till the time such amount is paid by the allottees.

In accordance with the SEBI ICDR Regulations,

- all the Equity Shares held by the proposed allottees in the Company are in dematerialized form only;
- No person belonging to the promoters / promoter group have sold/transferred any Equity Shares of the Company during the 6 (Six) months preceding the Relevant Date
- No person belonging to the promoters / promoter group has previously subscribed to any warrants of the Company but failed to exercise them; and

- (iv) valuation requirement is not applicable as the securities are proposed to be issued for cash consideration. The issue of warrants and resultant Equity Shares shall be made in accordance with the provisions of the Memorandum and Articles of Association of the Company and shall be made in a dematerialized format only.

#### 17. Auditors' Certificate

The certificate from Hitesh Shah & Associates, Chartered Accountants, being the Statutory Auditors of the Company certifying that the Preferential Issue is being made in accordance with the requirements contained in the SEBI ICDR Regulations shall be made available for inspection by the Members during the meeting.

#### 18. Other disclosures

In accordance with the provisions of Sections 23, 42 and 62 of the Act read with applicable rules thereto and relevant provisions of the SEBI ICDR Regulations, approval of the Members for issue and allotment of the said Equity Shares and Warrants to Mr. Arun Govil and the issue of Equity Shares to Mr Atul Kumar is being sought by way of a special resolution as set out in the said item of the Notice. Issue of the Equity Shares pursuant to the Preferential Issue would be within the Authorized Share Capital of the Company.

The Board of Directors believes that the proposed Preferential Issue is in the best interest of the Company and its Members and, therefore, recommends the Special Resolution at Item No.5 of the accompanying Notice for approval by the Members of the Company.

Mr. Arun Govil may be deemed to be interested in the resolution to the extent of warrants/shares are proposed to be allotted to him. Except him, none of the Directors, Key Managerial Personnel of the Company or their respective relatives, is concerned or interested in the above said resolution; however they may be deemed to be concerned to the extent of change in the percentage of their voting rights in the post equity shareholding in the Company, if any.

#### ITEM NO. 6

Pursuant to the provisions of Section 149 of Companies Act, 2013(The Act), which came into effect from April 1, 2014, the Independent Directors are not liable to retire by rotation.

Mr. Sudatta Subhankar, Non-executive Director of the Company, has given a declaration to the board that she meets the criteria of independence as provided under Section 149(6) of the Act. In the opinion of the board, the director fulfills the conditions specified in the Act and rules framed thereunder for appointment as an Independent Director. The Nomination and Remuneration committee and the Board of Directors of the Company has recommended the appointment of Mr. Sudatta Subhankar, as an Independent, Non-Executive Director of the Company till the conclusion of the 16th Annual General Meeting of the Company to be held in the year 2025.

In compliance with the provision of Section 149 of the act, the appointment of Mr. Sudatta Subhankar, as an independent director is now being placed before the members for their approval.

A brief profile of Mr. Sudatta Subhankar, nature of his expertise in specific functional areas and names of companies in which she hold Directorship and membership/chairmanship of Board Committee's as stipulated under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 with the Stock Exchanges in India, is annexed hereto.

The Board recommends the resolution at item No. 6 for approval by member.

None of the Directors, Key Managerial Personnel and their relatives are concerned or interested in item No. 6 of the Notice except Mr. Sudatta Subhankar.

**By Order of the Board of Directors**  
For **Ducon Infratechnologies Limited**

<b>Chandrasekhar Ganesan</b>	<b>Harish Shetty</b>
Director	Director
<b>DIN: 07144708</b>	<b>DIN: 07144684</b>

**Date:** September 03, 2020  
**Place:** Thane

#### Registered Office

Ducon House, Plot No. A/4,  
Road No. 1, MIDC,  
Wagle Industrial Estate,  
Thane-400604.

CIN No: **L72900MH2009PLC191412**

**Details of Directors appointment/re-appointment/retiring by rotation, as required to be provided pursuant to the provisions of (i) Regulation 36(3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and (ii) Secretarial Standard on General Meetings ("SS-2"), issued by the Institute of Company Secretaries of India and approved by the Central Government are provided herein below:**

Particulars	Mr. Chandrasekhar Ganesan	Mr. Sudatta Subhankar
Director Identification Number (DIN)	07144708	08706538
Date of Birth	01/02/1960	14/05/1991
Date of First Appointment on Board	20/01/2016	20/02/2020
Experience in functional Area	Began career with Philips India Ltd and served for 9 ¼ years in Industrial Projects & Automation division and later served for 15 ½ years with Sanmar Engineering Services in Industrial Projects division. Mr. Ganesan has extensively travelled and possess deep knowledge of coal, cement, power, tyre, steel, oil & petrochemical industries and successfully implemented several mutlimillion dollar packages in Collaboration with Pebco USA & Chronos Richordson UK in these assignments.	Mr. Sudatta Subhankar has done BBA and LLB (Hons.) and has vast experience in Corporate Law and allied laws
Qualification	Engineer	BBA and LLB (Hons.)
Directorship in other Companies (Public Limited Companies)		Please refer Corporate Governance Report section of the Annual Report 2019-2020
Membership of Committees of other public limited companies (Audit Committee and Shareholder's/Investor's Grievance Committee only)		
No. of Shares held in the Company		
The number of Meetings of the Board attended during the F.Y. 2019-20		
Remuneration Paid		
Disclosure of relationship with other Directors, Manager and other Key Managerial Personnel of the Company	There are no inter-se relationships between the Directors mentioned above, and Manager and other Key Managerial Personnel of the Company.	There are no inter-se relationships between the Directors mentioned above, and Manager and other Key Managerial Personnel of the Company.

**By Order of the Board of Directors**  
For **Ducon Infratechnologies Limited**

**Date:** September 03, 2020

**Place:** Thane

**Registered Office**

Ducon House, Plot No. A/4,  
Road No. 1, MIDC,  
Wagle Industrial Estate,  
Thane-400604.

CIN No: **L72900MH2009PLC191412**

**Chandrasekhar Ganesan**

Director

**DIN:** 07144708

**Harish Shetty**

Director

**DIN:** 07144684



**DIRECTORS' REPORT**

Your Directors are pleased to present the **Eleventh** Annual Report of your Company for the period ended March 31, 2020.

**1. Financial Highlights**

(₹ In lakhs)

Particulars	Year ended 31/03/2020	Year ended 31/03/2019
Gross Income	38155.87	39511.73
Profit Before Interest and Depreciation	1238.68	1905.95
Finance Charges	1078.07	1015.2
Profit before Depreciation	160.61	890.75
Provision for Depreciation	50.40	71.03
Net Profit Before Tax	110.21	819.72
Provision for Tax	24.45	186.3
Net Profit After Tax	85.75	633.41
Other Comprehensive Income	1.27	(0.24)
Total Comprehensive Income after Tax	84.49	633.17
Balance of Profit brought forward	1859.69	1226.52
Income Tax Earlier Year	-	92.4
Balance available for appropriation	1944.19	1859.69

**2. Management Analysis and Discussions****Discussion on financial performance with respect to operational performance**

During the year, your Company earned total revenues of Rs.38155.87 lacs compared with Rs. 39511.73 lacs during the previous year, reflecting a reduction of 3% over the previous year. The profit before tax stood at Rs. 110.21 lacs as compared to Rs. 819.71 lacs in the previous year. The Company has made a provision of tax totaling to Rs.36.79 lacs and the profit after tax stood at Rs. 85.75 lacs for the current year. The Operating Profit (earnings before depreciation and interest and tax) decreased from Rs. 1907.61 lacs to Rs.1238.68 lacs.

This reversal in the growth of earnings comes amid an unprecedented economic slowdown coupled with Government mandated economic shutdown thanks to the Covid-19 pandemic. However, with the Government's focus to spend on infrastructure projects, the Company hopes to build on opportunities for positive growth along the EPC sector. Also, with the deadline for installation of FGD hovering around, the Company hopes to earn substantial business from its core segment.

**COVID-19**

In the last month of FY 2020, the COVID-19 pandemic developed rapidly into a global crisis, forcing governments to enforce lock-downs of all economic activity. For the Company, the focus immediately shifted to ensuring the health and well-being of all employees, and on minimizing disruption to services for all our customers globally.

As of March 31, 2020, work from home was enabled to close to 90 percent of the employees to work remotely and securely. This ensured that the Engineering work continued unabated even though the project execution had to be suspended temporarily. This response has reinforced customer confidence and many of them have expressed their appreciation and gratitude for keeping their businesses running under most challenging conditions.

Although there are uncertainties due to the pandemic and reversal of the positive momentum gained in the last quarter of FY 2020, the strong balance sheet position, best-in-class profitability and inherent resilience of the business model position the Company well to navigate the challenges ahead and gain market share.

**Review of Operations****ENGINEERING, PROCUREMENT AND CONSTRUCTION - EPC**

## AIR POLLUTION CONTROL SYSTEMS - FGD

**Flue-gas desulfurization (FGD)** is a set of technologies used to remove sulfur dioxide (SO<sub>2</sub>) from exhaust flue gases of fossil-fuel power plants, and from the emissions of other sulfur oxide emitting processes. This process is carried out during combustion in fossil fuel power plants such as coal and oil fired combustion units. When coal or oil is burned to produce energy, about 95 percent or more of the sulfur is generally converted to sulfur dioxide (SO<sub>2</sub>) under standard temperature conditions.

### The Technology

FGD can be characterized into wet & spray dry scrubbing, wet sulfuric acid process, SNOX flue gas desulfurization and dry sorbent injection system based on methods of desulfurization. Most FGD systems employ two stages: one for fly ash removal and the other for SO<sub>2</sub> removal. In wet scrubbing systems, the flue gas normally passes first through a fly ash removal device, either an electrostatic precipitator or a baghouse, and then into the SO<sub>2</sub>-absorber. However, in dry injection or spray drying operations, the SO<sub>2</sub> is first reacted with the lime, and then the flue gas passes through a particulate control device. Another important design consideration associated with wet FGD systems is that the flue gas exiting the absorber is saturated with water and still contains some SO<sub>2</sub>. These gases are highly corrosive to any downstream equipment such as fans, ducts, and stacks. Two methods that may minimize corrosion are: (1) reheating the gases to above their dew point, or (2) using materials of construction and designs that allow equipment to withstand the corrosive conditions. Both alternatives are expensive. Engineers determine which method to use on a site-by-site basis. Wet FGD systems are widely used in comparison to dry FGD and are expected to maintain dominance over the forecast period owing to high efficiency and low maintenance.

### Applications

Application segments of flue gas desulfurization market include new FGD systems and reagents & replacements. Increasing electricity demand in emerging economies such as China and India owing to rapid industrialization and urbanization is expected to increase the number of coal-fired power plants. This, in addition to increasing prevalence of airborne diseases, implementation of environmental laws and regulations, and growing concerns over environmental pollution is expected to boost the demand for new FGD systems in the market. The demand for reagents & replacements was primarily for repair of parts such as pump impellers, nozzles, valves and filter belts among others in established FGD systems. The increasing use of reagents such as limestone, dibasic acid, and sodium hydroxide is further expected to boost the growth of reagents & replacements application segment in the market. Increasing demand for FGD systems from chemicals, power generation, cement manufacturing, iron & steel, and many other industries is also expected to fuel the FGD market, globally.

### Geography

Flue gas desulfurization market has witnessed a significant growth in recent years due to stringent government policies relating to emissions of harmful gases in the environment. The global flue gas desulphurization (FGD) market is forecast to grow from \$9.6 billion in 2018 to \$12 billion by 2024, exhibiting a CAGR of over 4% during 2019-2024, owing to the enforcement of various federal laws and regulations that mandate SOx emitting industries to install air quality control equipment in their plants.

Regionally, Asia-Pacific is expected to exhibit the fastest growth in the global flue gas desulphurization market during the forecast period, on the back of the increasing demand for FGD systems from the growing industrial sectors such as cement and metal smelting in countries like China and India. Moreover, alarming pollution levels and stringent laws introduced by the governments to curb pollution in the region are also anticipated to aid the Asia-Pacific FGD market growth in coming years.

### Key Players

Some of the major companies in global flue gas desulfurization market include Alstom S.A., Babcock & Wilcox, Siemens Energy, Thermax, Ducon Technologies Inc., Hamon Research-Cottrell, Mitsubishi Heavy Industries, and Marsulex Environmental Technologies. Other companies include China Boqi, Chiyoda Corporation, Hitachi Power Systems America Ltd., Marsulex Environmental Technologies and Lonjing Environment Technology Co. Ltd.

### FGD in India

India satisfies most of her power requirement through thermal power. Thermal power generation constitutes about 56.5 per cent of the total installed capacity followed by renewable energy which is 21.2 per cent. Going forward, around 30 GW of coal-based capacity is expected to be added over the next five years largely led by under-construction projects of state and central entities according to a Research by CRISIL.

Indian coal is high in ash, but is low in sulphur. Indian coal contains sulphur in the range of 0.25 per cent to 0.5 per cent. This range of sulphur content coal produces SO<sub>2</sub> in the range of 1,500-2,000 microgram per cubic metre of flue gas (mg/Nm<sup>3</sup>). However, coal

is also imported from Indonesia, Australia and South Africa for fuelling thermal power plants. This imported coal is high in sulphur content while being low in ash.

The government has focused on reduction of emissions from coal-based thermal power plants in accordance with the Intended Nationally Determined Contributions (INDCs) submitted to the United Nations Framework Convention on Climate Change (UNFCCC) that has committed to curb emission intensity of its economy by 30-35 per cent from the 2005 level by 2030. Accordingly, the Ministry of Environment, Forest and Climate Change (MoEFCC), has issued notification no: S.O.3305(E) titled 'Environmental (Protection) Amendment rules, 2015 dated 7.12.2015 with the objective of reducing emissions of suspended particulate matter (SPM), SO<sub>x</sub>, NO<sub>x</sub> and mercury at thermal power plants (TPPs). With the MoEFCC order, it has become compulsory to install Flue Gas Desulphurisation (FGD) system in the existing and upcoming thermal power plants to curb SO<sub>x</sub> emissions.

As per the implementation plan prepared by Central Electricity Authority (CEA), the existing TPPs are required to comply with the new emission standards by the year 2022.

### **Ducon and FGD**

Globally, Ducon has supplied wet FGD systems on over 20,000 MW of combined power plant capacity. Ducon FGD systems can achieve over 99% sulfur dioxide removal efficiency. Ducon Flue Gas Desulfurization systems can also recover up to 90% of oxidized mercury in the flue gas.

Depending upon the reagent utilized, Ducon can select a packed tower, a spray tower or a Ventri-Rod Absorber (VRA™) (a proprietary Enviroengineering unit) for the wet FGD application. For Dry Flue Gas Desulfurization systems, Ducon uses its proprietary two-fluid nozzle DRX-25 to atomize feed slurry in the spray reactor. Ducon can also provide a Circulating Reactor Dry FGD System suitable for applications of upto 3% sulfur coal and by utilizing dry lime, it can provide upto 97% SO<sub>2</sub> removal efficiency. Ducon provides either bag house filter or Electrostatic Precipitator for duct collection downstream. Ducon works with reputable vendors to provide Gas-to-Gas heat exchangers, fans, controls, and reagent handling & feeding systems.

Ducon has the capability to provide a complete global turnkey installations including effluent treatment systems.

### **Milestone Projects**

With many firsts in its stride, Ducon is rightly regarded as the pioneers of FGD in India.

- ☐ Ducon has installed India's first Sea water FGD system with 100% of flue gas, for 2 X 250 MW Dahanu Thermal Power Station for Reliance Energy Ltd. This unit consistently ranks among the cleanest as well as the most reliable power generating station in India. This project also disproved the notion that energy production and environmental protection are mutually exclusive.
- ☐ Ducon is also credited with providing India's first Wet limestone FGD system on coal fired power plant with production of saleable Gypsum for 2 x 600 MW Udipi Thermal Power Station, Karnataka. Today this unit has become benchmark installation for those desirous of installing FGD systems in India.
- ☐ India's first ever Dual Alkali Scrubber for Sterlite Copper, Toothukudi, Tamilnadu is provided by Ducon
- ☐ India's first ever FGD system for Glass Furnace at Saint Gobain Glass, Sriperumbudur, Tamilnadu is installed by Ducon

### **DRY BULK MATERIAL HANDLING SYSTEM**

The correct storage, extraction and the selection of suitable transportation systems is becoming increasingly important for power plant owners. This is particularly of great significance wherever a high service life, few to no interruptions, high throughputs and the lowest possible power consumptions are in demand.

Ducon with its technology specializes in the Design, supply, installation of complete turnkey facilities for Bulk Material Handling and Pneumatic Conveying Systems. Ducon supplies systems to unload, store, reclaim, weigh and sometimes process materials of all kinds of Power, Cement, Steel, Alumina, Chemical and Petrochemical industries.

Where there is a product to move, Ducon has the product to move it.

- Pneumatic Conveying Systems (Lean and Dense Phase)
- Mechanical conveying systems
- Discharge systems for Silos and Hoppers
- Process of Bulk materials (Crushing and Grinding)

- Big bag filling and discharge systems
- Transshipment systems (Rail Wagon and Tanker Loading and Unloading system)

### **Ash handling systems for Power Generation Industry**

The industry's main applications are the removal of ash from boiler and filter systems. Course ash / Fly ash collected at Economizer / Air Pre Heater / Duct Hoppers / ESP hoppers is pneumatically conveyed to intermediate silos and to remote silos. Ducon has the capability and technology to design the most efficient dense phase conveying system with capacity as high as 300 TPH and conveying distance in excess of 1500m.

### **DU-PUMP system**

Ducon offers pressure pneumatic conveying system for conveying of various powdery material like Cement, Clinker dust, Sand, Coal, Alumina, Bentonite, Fly ash etc. DU-PUMP systems can operate at higher air to solid ratios and it has many advantages like positive pressure system, low velocity, less erosion of pipes and bends.

### **DU-SLIDE conveyors**

DU-SLIDE Conveyors are used to convey the material from one point to another via air. It is ideal for materials such as Fly Ash, Cement, Hydrated Lime, Alumina, Barites and Flour etc. The aeration of the material causes it to act like a fluid and gently slide along the gradual slope of the slide.

### **DU-SILO Fluidizer**

Ducon provides material extraction systems for flat bottom and conical bottom silos for using reverse fluidized cones and open-top-slide conveyors. The centre cone is fluidized constantly whereas the radial side conveyors on silo bottom are operated sequentially for systematic extraction of material from silo.

As an EPC company, Ducon has executed multiple Dry Bulk Material Handling systems over the last One decade. Ducon is also credited with First ever Pipe Conveyor in Aluminium Industry at Hindalco Industries Limited – Mahan Aluminium, Singrauli, Madhya Pradesh and Aditya Aluminium, Lapanga, Orissa.

### **RURAL AND URBAN ELECTRIFICATION PROJECTS**

In December 2014, Ministry of Power launched the Deen Dayal Gram Jyoti Yojana (DDUGJY) which subsumed RGGVY. The main object of the scheme was to ensure 100% rural electrification on targeted manner. It also involved improving sub-transmission and distribution infrastructure in rural areas.

In 2015, the Central Government launched the Integrated Power Distribution Scheme (IPDS) with the objective to provide 24/7 power for all. One of the flagship programmes of the Ministry of Power, IPDS aims at strengthening of sub-transmission network, and also the metering, IT application, Customer care services and the completion of the ongoing works of Restructured Accelerated Power Development and completion of the Reforms Program (RAPDRP).

The new Saubhagya Scheme (Pradhan Mantri Sahaj Bijli Har Ghar Yojana) seeks to ensure universal household electrification, that is, in both rural and urban areas. Under this scheme, the identified poor households will get free electricity connections.

Ducon is executing Rural Electrification under DDUGJY scheme and Urban Electrification under IPDS scheme. This is the new segment which Ducon has diversified into. The projects involve, Construction of new 33 / 11KVA sub-stations, Augmentation of 33/11KVA sub-stations, New 33 KV lines, New 11 KV lines, Metering, etc. Your company plans to expand the volume of this segment in future.

### **DIGITAL AND INFORMATION TECHNOLOGY**

The year witnessed moderate growth in Global demand of IT products reflecting broad pricing pressures, government spending constraints from continued fiscal challenges, data center consolidation enabled by virtualization, accelerating cloud adoption and a shift toward lower-cost hardware products. Information Technology prompted and shaped industrial growth and transformed the lifestyle of the citizens. The year under review continues to be the tough one. In India although the sentiment continues to be positive, demand on the ground has not picked across product categories. From an IT products standpoint, the market remains sluggish. Projects, essentially driven out of investment in infrastructure by government and corporates, have slowed down and only old projects are being executed. Your Company has demonstrated its high adversity quotient and its capacity for implementing differentiated strategic solutions.

Your company remains committed to bring technological expertise and experience in areas of industrial, infrastructure and digital space. Your company's IT segment currently only deals with network and hardware solutions, marketing initiatives, distribution, volume procurement and end to end technical support. Your company has also decided to selectively focus on areas in online ecommerce in India and abroad. The proposed move to services and platforms in the IT business is expected to see the Company gain traction in this segment in future.

With growing dependence on IT, thanks to the Internet and mobility, uptime of devices be it PCs, Tablets or Smartphones, and enterprise assets like networking devices, servers and storage which support them, has become critical for running business applications and maintaining operational efficiencies. User organizations have therefore time and again necessarily refurbished their IT hardware from a plethora of vendors ending up with products from multiple brands. To complicate matters further, rapid strides in technology have successfully shortened product life cycles and put tremendous strain on parts availability for maintenance of assets beyond service life. Managing the uptime of heterogeneous IT hardware is therefore a huge challenge for user companies. Your company is looking to tap this into a big opportunity and offer single window SLA bound AMC service for heterogeneous hardware, which spans PCs, peripherals, and enterprise assets. Your Company's investment and engagement over the years has enabled it to develop a strong foothold catering to Enterprise & Infrastructure projects.

### **Strengths**

The strengths have enabled your Company to successfully articulate its various differentiated value propositions in the markets in which it operates. The inherent strength of your Company derives from its absolute belief in sound, sustainable business practices and an ability to continuously address the diverse needs of its customers. The strategic objective of the company is to build a sustainable organization that remains relevant to the agenda of the clients, while generating profitable growth for the investors. In order to do this, the company will apply the priorities of 'renew' and 'new' to our own business and cascade it to everything we do.

The Company provides the complete solutions in its EPC and IT segments. The strength of your Company is its core technology FGD, for which it is known for and of course the EPC segment of Bulk Material Handling. With many successful installations in place, your company has the requisite expertise, dedicated group of talented Engineers and other professionals who drive its business and relationships with its business partners and manage its support functions. Having catered to the needs of the large corporates in India, your company has been receiving repeat orders over the years and expects it only to move upwards. The company expands existing client relationships by providing them with a broad set of end-to-end service offerings and increase the size, nature and number of projects they do with them. The strategy is to engage with these clients on regular basis.

Further, using the Lean strategies, your company has been able to identify the areas of improvements, re-design the workflows, and eliminate the unnecessary elements. The impact is seen in the operational efficiency and reflected in the financials of your company. We believe our strong brand, robust quality process and our access to skilled talent base at lower costs of providing services places to us in a unique position to take advantage of the opportunities available.

### **Quality**

You company continues to strive towards operational and delivery excellences with a renewed focus on the path of business excellence. Customer Satisfaction and excellence in quality are key elements for succeeding in this competitive market. Your company has a full-fledged QA / QC department headed by an Engineering professional with the rank of Assistant General Manager. Pre-defined SOPs are followed in every stage of execution of projects. In order to be able to respond quickly to the customers, your Company continues with various internal initiatives to implement result oriented quality management models, compete effectively, improve organizational flexibility and efficiency, streamline internal processes across all its entities globally and institutionalize a culture of continuous improvement.

A strong emphasis is based on quality in every aspect of the company's activities. Several initiatives have been taken to implement result oriented quality management models. In line with this philosophy we have designed our quality management program and have defined several key parameters for measurement of quality levels to ensure improvement in the quality of the deliverables.

In order to be able to respond quickly to the customers, your Company continues with various internal initiatives to compete effectively, improve organizational flexibility and efficiency, streamline internal processes and institutionalize a culture of continuous improvement. The system comprises well defined organization structure, pre-identified authority levels and

documented policy guidelines and manuals for delegation of authority.

Review of key business processes like business planning, reporting and communication has been done to make them more effective in meeting business objectives. Moving forward, your company shall continue to further strengthen its processes by adopting best-in-class standards.

### **Opportunities and threats**

#### **Opportunities**

Our diversification strategy continues to provide us with new growth opportunities. With our experience and expertise, we believe that we are strategically placed in our business segments. Similarly the management decision of having suitable business tie up will help us to capture maximum opportunities in the recently revived FGD segment. Looking towards the future, your Company will remain focused on agility, innovation and operational excellence. Focusing on strategic verticals and geographies will also lead to an increase in the list of potential customer base.

#### **Threats:**

Competition is the main threat to most EPC companies and in IT sector, considering the aggressive pricing by the new entrants, changes in technology and markets. The focus of the Traditional IT service providers is slowly moving towards industry focused business solutions and digital-business enablement. Changes in government policy or regulations / legislation etc also brings challenges and treats to the smooth functioning of the Company. As companies recognize the critical role of technology as an enabler to their business, the number of in-house technology centers of large enterprises as well as the number of new entrants in the market increases.

Since the EPC sector is exposed to high attrition rate due to more opportunities available in market for the employee, retaining existing talent pool and attracting new talented manpower is a major risk to the Company. The Company has initiated various measures to enhance the retention of employees during the year which includes, employee engagement surveys, transparent Performance Management System, ESOP etc to maintain employee-friendly culture in the organization.

#### **Risks and Concerns**

Important factors that could influence the Company's operations include change in government regulations, tax laws, increased competition, economic and political developments. The Company's objectives and expectations may be forward looking within the meaning of applicable laws and regulations. The competition from large international and Indian companies is increasing in the domestic market space. Actual results may differ materially from those expressed.

The productive life of resources is shrinking and the regulatory requirement in the areas of Air Pollution Control is tightening, thereby increasing the level of investment needed to meet the market requirements. These, while provide huge growth opportunities to your Company, also exposes it to increased competition. In the EPC industry, the ability to execute projects, build and maintain client partnerships and to achieve forecasted operating and financial results are significantly influenced by the organization's success in hiring, training and retaining highly skilled Engineering professionals. The market continues to be highly competitive for attracting and retaining Engineering and IT professionals & this is compounded by the ever changing constraints around talent mobility primarily on account of regulatory requirements and also the evolving value propositions for a range of clients across geographies.

#### **Internal control systems and their adequacy**

The Company's well-defined organizational structure, documented policy guidelines, defined authority matrix and internal controls ensure efficiency of operations, compliance with internal policies and applicable laws and regulations as well as protection of resources.

Your Company has an effective internal control and risk mitigation system, which are constantly assessed and strengthened with new/revised standards operating procedures. The Company has the robust Management Information System, which is an integral part of the control mechanism. The Company has a well-defined delegation of power with authority limits for approving revenue as well as expenditure and processing payments. The Company's internal control system is commensurate with its size, scale and complexities of its operations. The Company has made the employees responsible for establishing expectations and seeking feedback at every role that is assigned. The employees have been enabled to influence their network of peers to co-own goals. This has helped enable cross functional collaboration and interlock. Employees can give and receive help on their goals by making them public and also express their likelihood of reaching their goals. The company has put in place adequate systems of internal



control commensurate with its size and the nature of its business. These systems provide a reasonable assurance in respect of financial and operational information, compliance with both applicable statutes, & corporate policies and safeguarding of the assets of the company.

Ducon Infratechnologies Limited has an audit committee, the details of which have been provided in the corporate governance report. The Audit Committee of the Board of Directors actively reviews the adequacy and effectiveness of the internal control systems and suggest improvements to strengthen the same.

### **3. Dividend**

With a view to plough back the profits of the Company and keeping in mind the expansion of business activities, the Board of Directors consider it prudent and recommend not declaring any dividend for the year ended March 31, 2020.

### **4. Transfer of Unclaimed Dividend to Investor Education and Protection Fund:**

The Provisions of Sec.125 (2) of the Companies Act, 2013 do not apply as there was no dividend declared and paid last year.

### **5. Transfer to reserves**

The Company has not transferred any amount to reserves.

### **6. Material changes and commitments, if any, affecting the financial position of the company which have occurred between the end of the financial year of the company to which the financial statements relate and the date of the report**

There were no material changes and commitments, affecting the financial position of the Company which has occurred between the end of the financial year of the Company and the date of the Directors' report.

Mr. Viren Shah, resigned from the post of Non-Executive & Independent Director of the Company w.e.f. 13.08.2019 and simultaneously from the post of Chairman of Nomination & Remuneration Committee, Stakeholders Relationship Committee and Risk Management Committee and as a member of Audit Committee.

Mr. Sudatta Subhankar, was appointed as an Additional, Independent Director of the Company w.e.f. 20.02.2020 and simultaneously as a Chairman of Nomination & Remuneration Committee and Risk Management Committee, and as a member of Stakeholders Relationship Committee and Audit Committee.

### **7. 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**

There are no significant and material orders passed by the Regulators or courts or tribunals impacting the going concern status and company's operations in future.

There was no change in the nature of business of the Company.

### **8. Details of Holding/Subsidiary/Joint Ventures/Associate Companies:**

The Company has a wholly-owned subsidiary at USA named "Ducon Combustion Equipment Inc." as on 31.03.2020. The same was incorporated on 04th December, 2017 at Newyork, USA with the objects to sell diversified combustion and power products.

### **9. Explanation or comments on Qualifications, reservations or adverse remarks made by Auditors and the Practicing Company Secretary in their Reports:**

The Auditors' Report to the members on the Accounts of the Company for the financial year ended 31st March, 2020 does not contain any qualifications, reservations or adverse remarks. The Secretarial Audit Report, however contains the following observation from Secretarial Auditor-

Note 1:

The Company had received notice from National Stock Exchange of India Limited (NSE) and BSE Limited (BSE) dated February 03, 2020, for non-compliance with the provisions of Regulation 17(1), 18(1), 19(1)/19(2) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, pertaining to composition of Board, Audit Committee and Nomination and Remuneration Committee. The Company had paid penalty of Rs. 5,20,380 each at NSE and BSE on February 18, 2020, and had taken adequate steps by appointing Mr. Sudatta Subhankar, as Non-Executive, Independent Director of the Company w.e.f. 20.02.2020 and simultaneously as Chairman of Nomination & Remuneration Committee, and member of Stakeholders Relationship Committee and Audit Committee and complied with Regulation 17(1), 18(1), 19(1)/19(2) of SEBI (Listing Obligations and Disclosure

Requirements) Regulations, 2015.

Note:2

The Company has an unspent amount of CSR as per the provisions of Companies Act, 2013, however the Board has informed that the CSR Committee had detailed discussions with number of NGO's partners to actively support and channelize the activities/projects/programs to be undertaken by the Company in line with CSR objectives. Due to paucity of time, the CSR Committee resolved to not to make any recommendation to the Board for the financial year 2019-2020 and accordingly, the Board resolved not to incur any CSR expenditure towards Corporate Social Responsibility for the F.Y.2019-2020.

A responsibility statement of the CSR Committee that the implementation and monitoring of CSR Policy, is in compliance with CSR objectives and Policy of the Company.

#### **Board's Response –**

Note:1

The Company had paid penalty of Rs. 5,20,380 each at NSE and BSE on February 18,2020, and had taken adequate steps by appointing Mr. Sudatta Subhankar, as Non-Executive, Independent Director of the Company w.e.f. 20.02.2020 and simultaneously as Chairman of Nomination & Remuneration Committee, and member of Stakeholders Relationship Committee and Audit Committee and complied with Regulation 17(1), 18(1), 19(1)/19(2) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

Note:2

The Company had during the year under review taken steps to comply with the provisions of Companies Act, 2013 and rules framed thereunder pertaining to CSR and initiatives had been taken for project identification for spending the amount for CSR Activities.

CSR Committee had detailed discussions with number of NGO's partners to actively support and channelize the activities/projects/programs to be undertaken by the Company in line with CSR objectives. However, even after meeting number of NGO partners, the Committee could not identify any suitable NGO partner for this purpose and required more time to meet other NGO partners to achieve its CSR objectives.

Due to paucity of time, the CSR Committee resolved to not to make any recommendation to the Board for the financial year 2019-2020, for the CSR activities to be undertaken by the Company and the amount of expenditure to be incurred on CSR activities, due to non-identification of suitable NGO partner to undertake CSR activities of the Company and has decided to carry forward the unspent amount to next Financial Year.

### **10. Directors and Key Managerial Personnel**

During the year, the non-executive directors of the Company had no pecuniary relationship or transactions with the Company, other than sitting fees, commission and reimbursement of expenses, if any, incurred by them for the purpose of attending meetings of the Company.

Mr. Harish Shetty and Mr. Chandrasekhar Ganesan, Executive Directors of the Company retire by rotation and being eligible, has offered themselves for re-appointment. The Board recommends the resolutions for your approval for the above appointment.

Mr. Viren Shah, resigned from the post of Non-Executive & Independent Director of the Company w.e.f. 13.08.2019 and simultaneously from the post of Chairman of Nomination & Remuneration Committee, Stakeholders Relationship Committee and Risk Management Committee and as a member of Audit Committee.

Mr. Sudatta Subhankar, was appointed as an Additional, Independent Director of the Company w.e.f. 20.02.2020 upto ensuing Annual General Meeting and is proposed to be appointed for a term of 5 years, subject to the approval of members at the AGM, and simultaneously as a Chairman of Nomination & Remuneration Committee and Risk Management Committee, and as a member of Stakeholders Relationship Committee and Audit Committee.

The above appointments/re-appointments by the Board of Directors is based on the recommendation of the Nomination and Remuneration Committee. The resolutions for aforementioned appointment/re-appointments together with requisite disclosures are set out in the Notice of the ensuing 10th AGM. The Board recommends all the resolutions for your approval.

Pursuant to the provisions of Section 203 of the Act, there has been no change in the key managerial personnel during the year.

## 11. Auditors

Pursuant to the provisions of Section 139 of the Act and the rules framed thereunder, M/s. Hitesh Shah & Associates, Chartered Accountants, (ICAI Firm Registration No. 107416W) had been appointed as the statutory auditors of the Company, for a term of five consecutive years, at the AGM held in the year 2017. The Companies (Amendment) Act, 2017 has waived the requirement for ratification of the appointment of auditor by the shareholders at every Annual General Meeting with effect from May 07, 2018. Hence, the approval of the members is not being sought for the re-appointment of the Auditors in line with the resolution passed for their appointment at the 8th AGM held on September 29, 2017.

Auditors have confirmed that they are not disqualified to act as Auditors and are eligible to hold office as Auditors of your Company. They have also confirmed that they hold a valid peer review certificate as prescribed under Listing Regulations.

### Auditors Report

The Auditors' Report does not contain any qualification. Notes to Accounts and Auditors remarks in their report are self-explanatory and do not call for any further comments. The Auditors' in their report to the members, have stated three "Emphasis of matter" and the response of your Directors on them are as follows:-

Note: 1

The management is of the opinion keeping in view their long term business synergy and potential, it has been decided to value such investments at cost as on the year ended March 31, 2020.

Note: 2 & 3

The Management wish to highlight that due to the COVID-19 induced restrictions on physical movement and strict timelines, it may have impact on the future developments of the Company and due to lockdown, the entire audit team of Auditors could not visit the office of the Company for undertaking the required audit procedures as prescribed under ICAI issued Standards on Auditing, including but not limited to:

- Inspection, Observation, examination and verification of the original documents of invoices, legal agreements, bank accounts statements / loan accounts statements and files.
- Physical verification of Cash, including adequate internal controls thereof.
- Physical Verification of Property, Plant and Equipment, Inventories as on March 31, 2020.
- Any other processes which required physical presence of the audit team.

## 12. Corporate Governance

Your Company has always practiced sound corporate governance and takes necessary actions at appropriate times for meeting stakeholders' expectations while continuing to comply with the mandatory provisions of corporate governance.

As required under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the report on Management Discussion and Analysis, Corporate Governance as well as the Statutory Auditors' Certificate regarding compliance of conditions of Corporate Governance forms part of the Annual Report.

## 13. Code of Conduct For Directors And Senior Management

The Directors and members of Senior Management have affirmed compliance with the Code of Conduct for Directors and Senior Management of the Company. The copies of Code of Conduct as applicable to the Executive Directors (including Senior Management of the Company) and Non-Executive Directors are uploaded on the website of the Company – [www.duconinfra.co.in](http://www.duconinfra.co.in).

## 14. Familiarization Program for Independent Directors

The Company has practice of conducting familiarization program of the independent directors as detailed in the Corporate Governance Report which forms part of the Annual Report.

## 15. Particulars of the Employees

The information as required under Section 197 of the Act and rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 made there-under is not applicable as none of the employees are in receipt of remuneration which exceeds the limits specified under the said rules.

## 16. Documents Placed on the Website

The following documents have been placed on the website in compliance with the Act

- Financial statements of the Company along with relevant documents.
- Details of Vigil mechanism for directors and employees to report genuine concerns as per proviso to Section 177(10).
- The terms and conditions of appointment of independent directors as per Schedule IV to the act.
- Latest Announcements
- Annual Reports
- Shareholding Pattern
- Code of Conduct
- Corporate Governance
- Nomination and Remuneration Policy
- Materiality Policy under Regulation 30 of SEBI (LODR) Regulations, 2015

## 17. Human Resource Management (Material developments in Human resources/Industrial Relations front, including number of people employed)

Your Company's core strength is its people. To bring in more business focus and total ownership, your Company's business organizational structure has been redesigned. This is expected to allow better growth and reward opportunities for talent, while simultaneously delivering better value to shareholders. Your Company has HR policy that elaborates on each aspect of human resource management including recruitment, employee development & training, staff welfare, administration services & recreation events. The Company offers a growth environment along with monetary benefits in line with industry standards. The Company has a number of employee initiatives to attract, retain and develop talent in the organization.

Your Company encourages regular training and development program. Continuous training is imparted in advanced technologies, managerial and soft skills for the employees to enhance their skill-sets in alignment with their respective roles. The major thrust continues in the effort to bring about measurable change in training coverage and effectiveness, increasing the Leadership and Development opportunities for every staff member.

Company's people centric focus providing an open work environment fostering continuous improvement and development helped several employees realize their career aspirations during the year. Ducon has continually adopted structures that help attract best external talent and promote internal talent to higher roles and responsibilities.

Employee Retention is a key focus area. The Company has initiated various measures to enhance the retention of employees during the year which includes, employee engagement surveys, transparent Performance Management System, and connect to maintain employee-friendly culture in the organization.

## 18. Fixed Deposits

Your Company has not accepted any fixed deposits and, as such, no amount of principal or interest was outstanding as on the date of the Balance Sheet.

## 19. Directors Responsibility Statement

Pursuant to the provisions of clause (c) of sub-section (3) of Section 134 of the Companies Act, 2013 the Directors based on the information and representations received from the operating management confirm that:

- a. In the preparation of the annual accounts, the applicable accounting standards had been followed along with no material departures;
- b. 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 of the Company for that period;
- c. The Directors had taken proper and sufficient care, to the best of their knowledge and ability, 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 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.

## 20. Share Capital

The paid up Equity Share Capital as on 31st March, 2020 is Rs. 10,46,75,117 divided into 10,46,75,117 Equity shares of Re.1/- each which is same as at the previous year end.

## 21. Shares

- a. Buyback of Securities: The Company has not brought back any of the securities during the year under review.
- b. Sweat Equity: The Company has not issued any sweat equity shares during the year under review.
- c. Employee Stock Option Plan: The Company had passed Resolution for providing Stock Options to the employees of the Company through postal ballot. However the same is yet to be implemented for which necessary approvals have been taken from regulatory authorities and Exchanges.

## 22. Board Evaluation

Pursuant to the provisions of the Companies Act, 2013, the Board has carried out an annual performance evaluation of its own performance, the directors individually as well as the evaluation of the working of its Audit, Nomination & Remuneration Committee.

## 23. Number of Meetings of the Board

During the year Eight Board Meetings were held. The details of the Board and various Committee meetings are given in the Corporate Governance Report.

## 24. Declaration by an Independent Director(s)

A declaration has been received by an Independent Director(s) that they meet the criteria of independence as provided in sub-section (6) of Section 149 of the Companies Act, 2013 and SEBI (Listing Obligation & Disclosure Requirements) Regulations, 2015. Further, there has been no change in the circumstances which may affect their status as independent director during the year.

## 25. Remuneration Policy

The Board has, on the recommendation of the Nomination & Remuneration Committee framed a policy for selection and appointment of Directors, Senior Management and their remuneration.

### Nomination remuneration and compensation committee policy (NRC Committee)

The NRC Committee of the Company shall be formed by the Board of Directors of the Company out of its Board members. The NRC Committee shall consist of minimum three non-executive directors out of which two shall be independent directors. The chairperson of the company may be appointed as a member of the NRC Committee but shall not chair the NRC Committee. The Chairman of the NRC Committee shall be an independent director. No member of the NRC Committee shall have a relationship that may interfere with his independence from management and the Company or with the exercise of his duties as a NRC committee member. The NRC Committee may invite such of the executives of the Company, as it considers appropriate (and particularly the Managing Director) to be present at the meetings of the NRC committee, but on occasions it may also meet without the presence of any executives of the company. The Company Secretary shall act as the secretary to the NRC Committee.

## 26. Composition of Audit Committee

The Audit Committee which comprises of three directors namely, Mr. Harish Shetty, \*Mr. Viren Shah, \*\*Mr. Sudatta Subhankar and Ms. Ratna Jhaveri.

Note: \*Mr. Viren Shah, resigned from the post of Non-Executive & Independent Director of the Company w.e.f. 13.08.2019 and simultaneously from the post of Chairman of Nomination & Remuneration Committee, Stakeholders Relationship Committee and

Risk Management Committee and as a member of Audit Committee.

\*\* Mr. Sudatta Subhankar, was appointed as an Additional, Independent Director of the Company w.e.f. 20.02.2020 and simultaneously as a Chairman of Nomination & Remuneration Committee and Risk Management Committee, and as a member of Stakeholders Relationship Committee and Audit Committee.

## **27. Risk Management**

Risks are events, situations or circumstances which may lead to negative consequences on the Company's businesses. Risk management is a structured approach to manage uncertainty. As a formal roll-out, all business divisions and corporate functions will embrace Risk Management Policy and Guidelines, and make use of these in their decision making. Key business risks and their mitigation are considered in the annual/strategic business plans and in periodic management reviews. The risk management process in our multi-business, multi-site operations, over the period of time will become embedded into the Company's business systems and processes, such that our responses to risks remain current and dynamic.

The Risk Management is overseen by the Audit Committee of the Company on a continuous basis. The Committee oversees Company's process and policies for determining risk tolerance and review management's measurement and comparison of overall risk tolerance to established levels. Major risks identified by the businesses and functions are systematically addressed through mitigating actions on a continuous basis. For details, please refer to the Management Discussion and Analysis report which form part of the Board Report.

## **28. Vigil Mechanism**

Your Company has established a mechanism called 'Vigil Mechanism' for directors and employees to report the unethical behavior, actual or suspected, fraud or violation of the Company's code of conduct or ethics policy and provides safeguards against victimization of employees who avail the mechanism. The Vigil Mechanism Policy has been uploaded on the website of the Company at [www.duconinfra.co.in](http://www.duconinfra.co.in).

## **29. Corporate Social Responsibility**

The Company has constituted a Corporate Social Responsibility Committee as per Section 135(1) of the Companies Act, 2013. The composition of CSR Committee and terms of reference are provided in Corporate Governance Report. The CSR policy is uploaded on the Company's website at [www.duconinfra.co.in](http://www.duconinfra.co.in). The CSR Report for the Financial Year 2019-2020 is annexed to this report as Annexure-V.

## **30. Credit Rating**

Your Directors have pleasure to inform that Acuite had carried out a credit rating assessment of the Company both for short term and long term bank facilities in compliance with norms implemented by Reserve Bank of India for all banking facilities which enables the Company to access banking services at low costs. Acuite Ratings has assigned D; Stable rating to our Company for Long Term Bank facilities for a total amount of Rs 57.00 Crore. Care has also assigned D rating for the Short term bank facilities of the Company up to Rs. 55.00 Crore.

## **31. Particulars of Remuneration**

The information required under Section 197 of the Act and the Rules made there-under, in respect of employees of the Company, is given under Annexure IV.

## **32. Internal Audit & Controls**

The Company has in place proper and adequate internal control systems commensurate with the nature of its business, and size and complexity of its operations. Internal Auditors findings are discussed with the process owners and suitable corrective actions taken as per the directions of Audit Committee on an ongoing basis to improve efficiency in operations. During the year, the Company continued to implement their suggestions and recommendations to improve the control environment. Their scope of work includes review of processes for safeguarding the assets of the Company, review of operational efficiency, effectiveness of systems and processes, and assessing the internal control strengths in all areas.

## **33. Extract of Annual Return**

As required pursuant to section 92(3) of the Companies Act, 2013 and rule 12(1) of the Companies (Management and



Administration) Rules, 2014, an extract of annual return in MGT-9 as a part of this Annual Report as Annexure-I. The same is also available on the website of the company at the web link: <http://duconinfra.co.in/investors/>

#### 34. Secretarial Audit Report

Pursuant to Section 204 of the Companies Act, 2013, the Company had appointed, Mr. Gaurang Shah, Practicing Company Secretary as its Secretarial Auditor to conduct the Secretarial Audit of the Company for the F.Y 2019-2020. The Company provides all the assistance and facilities to the Secretarial Auditor for conducting their audit. Report of Secretarial Auditors for the F.Y 2019-2020 in Form MR-3 is annexed to this report as Annexure-II.

#### 35. Particulars of Loans, Guarantees or Investments

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

#### 36. Particulars of contracts or arrangements with related parties

The particulars of every contract or arrangements entered into by the Company with related parties referred to in sub-section (1) of Section 188 of the Companies Act, 2013 including certain arm's length transactions under third proviso thereto have been disclosed in Form No. AOC-2 as Annexure-III.

#### 37. Obligation of Company under the Sexual harassment of women at workplace (Prevention, Prohibition and Redressal) Act, 2013

In order to prevent sexual harassment of women at work place, a new act The Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 has been notified. Your Company has adopted a policy for prevention of Sexual Harassment of Women at workplace and has set up Committee for implementation of said policy. During the year Company has not received any complaint of harassment.

#### 38. Conservation of Energy, Technology Absorption, Research & Development and Foreign Exchange Earnings and Outgo

Information pursuant to Section 134(3)(m) of the Companies Act 2013 read with Rule 8(3) the Companies (Accounts) Rules, 2014 forming part of Directors' Report for the year ended 31st March, 2020 is as under:

**Conservation of Energy:** The Company's operations involve low energy consumption. However efforts to conserve and optimize the use of energy through improved operational methods and other means will continue.

**Technology Absorption:** The Technology available and utilized is continuously being upgraded to improve overall performance and productivity.

**Research & Development:** Your Company believes that research & development is a continuous process for sustained corporate excellence. Our research & development activities help us in product and service improvement, effective time management and are focused to provide unique benefits to our customers. Such methods do not involve any specific cost burden to the Company.

**Foreign Exchange Earnings** : Rs. Nil (previous year Nil)

**Foreign Exchange Outgo** : Rs. Nil (previous year Nil)

#### 39. Acknowledgements

Your Directors thank the Company's Investors, Clients, Vendors, Bankers, Business and various governmental as well as regulatory agencies for their continued support and confidence in the management.

Your Directors wish to place on record their deep sense of appreciation of the dedicated and sincere services rendered by employees at all levels during the year. Your Company's consistent growth was made possible by their hard work, solidarity, cooperation and support.

For and on behalf of the Board of Directors

**Chandrashekhar Ganesan**

Director

**Din no.: 07144708**

**Harish Shetty**

Director

**Din no.: 07144684**

**Date:** September 03, 2020

**Place:** Thane

## Annexure I

### FORM NO. MGT 9

#### EXTRACT OF ANNUAL RETURN

**As on financial year ended on 31.03.2020**

**Pursuant to Section 92 (3) of the Companies Act, 2013 and rule 12(1) of the Company  
(Management & Administration) Rules, 2014.**

#### I. REGISTRATION & OTHER DETAILS:

1.	CIN	L72900MH2009PLC191412
2.	Registration Date	02/04/2009
3.	Name of the Company	DUCON INFRA TECHNOLOGIES LIMITED
4.	Category/Sub-category of the Company	COMPANY LIMITED BY SHARES/ INDIAN NON-GOVERNMENT COMPANY
5.	Address of the Registered office & contact details	DUCON HOUSE, PLOT NO. A/4, ROAD NO. 1, MIDC, WAGLE INDUSTRIAL ESTATE, THANE 400604.
6.	Whether listed company	YES
7.	Name, Address & contact details of the Registrar & Transfer Agent, if any.	BIGSHARE SERVICES PRIVATE LIMITED, 1ST FLOOR, BHARAT TIN WORKS BUILDING, OPP. VASANT OASIS, MAKWANA ROAD, ANDHERI – EAST, MUMBAI – 400059 Email Id: rajeshm@bigshareonline.com Tel No.: 022-62638200/206
8.	E-mail Id	cs@duconinfra.co.in
9.	Telephone number	022-41122115

#### II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY (All the business activities contributing 10 % or more of the total turnover of the company shall be stated)

Sr. No.	Name and Description of main products / services	NIC Code of the Product/service	% to total turnover of the company
1	Computer Systems & Information Technology Products	6202	50.00%
2	Installation of industrial machinery and equipment	3320	50.00%

#### III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES [No. of Companies for which information is being filled]

Sr. No.	Name and Description of main products / services	CIN/GLN	Holding / Subsidiary / Associate
1	Ducon Combustion Equipment Inc.	5244185	Subsidiary Company

IV. **SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)**

## A) Category-wise Share Holding

Category of Shareholders	No. of Shares held at the beginning of the year [As on 31-March-2019]				No. of Shares held at the end of the year[As on 31-March-2020]				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
<b>A. Promoters</b>									
<b>(1) Indian</b>									
a) Individual / HUF	0	0	0	0	0	0	0	0	0
b) Central Govt	0	0	0	0	0	0	0	0	0
c) State Govt(s)	0	0	0	0	0	0	0	0	0
d) Bodies Corp.	0	0	0	0	0	0	0	0	0
e) Banks / FI	0	0	0	0	0	0	0	0	0
f) Any other	0	0	0	0	0	0	0	0	0
<b>Sub Total (A)</b>	0	0	0	0	0	0	0	0	0
<b>(2) Foreign</b>									
a) Individuals (Non-Resident Individuals/ Foreign Individuals)	73442569	0	73442569	70.16	58442569	0	58442569	55.83	(14.33)
b) Bodies Corporate	0	0	0	0	0	0	0	0	0
c) Institutions	0	0	0	0	0	0	0	0	0
d) Any Other (Specify)	0	0	0	0	0	0	0	0	0
<b>Sub Total A2</b>	73442569	0	73442569	70.16	58442569	0	58442569	55.83	(14.33)
<b>Total Shareholding of Promoter Group A(1+2)</b>	73442569	0	73442569	70.16	58442569	0	58442569	55.83	(14.33)
<b>B. Public Shareholding</b>									
<b>1. Institutions</b>									
a) Mutual Funds	0	0	0	0	0	0	0	0	0
b) Banks / FI	7980	0	7980	0.01	8280	0	8280	0.01	0
c) Central Govt	0	0	0	0	0	0	0	0	0
d) State Govt(s)	0	0	0	0	0	0	0	0	0
e) Venture Capital Funds	0	0	0	0	0	0	0	0	0
f) Insurance Companies	0	0	0	0	0	0	0	0	0
g) FIIs	0	0	0	0	0	0	0	0	0
h) Foreign Venture Capital Funds	0	0	0	0	0	0	0	0	0

Category of Shareholders	No. of Shares held at the beginning of the year [As on 31-March-2019]				No. of Shares held at the end of the year[As on 31-March-2020]				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
j) Others (specify)	0	0	0	0	0	0	0	0	0
<b>Sub-total (B) (1):-</b>	7980	0	7980	0.01	8280	0	8280	0.01	0
<b>2. Non-Institutions</b>									
a) Bodies Corp.									
i) Indian	1601010	0	1601010	1.53	686828	0	686828	0.66	(0.87)
ii) Overseas	0	0	0	0	0	0	0	0	0
b) Individuals									
i) Individual shareholders holding nominal share capital up to Rs. 1 lakh	18134730	302690	18437420	17.61	31864694	296390	32161084	30.72	13.11
ii) Individual shareholders holding nominal share capital in excess of Rs 1 lakh	8257335	0	8257335	7.89	10067145	0	10067145	9.62	1.73
c) Others (specify)	2928803	0	2928803	2.79	3305171	0	3305171	3.16	0.37
Non Resident Indians	1422068	0	1422068	1.36	1627248	0	1627248	1.55	0.19
Overseas Corporate Bodies	0	0	0	0	0	0	0	0	0
Foreign Nationals	0	0	0	0	0	0	0	0	0
Clearing Members	397544	0	397544	0.38	440826	0	440826	0.42	0.04
Trusts	500	0	500	0	500	0	500	0	0
Foreign Bodies - D R	0	0	0	0	0	0	0	0	0
Partnership Firm	200	0	200	0	200	0	200	0	0
Corporate Body NBFC	3750	0	3750	0	3840	0	3840	0.00	0
(HUF)	1104741	0	1104741	1.06	1236597	0	1236597	1.18	0.12
<b>Sub-total (B)(2):-</b>	30921878	302690	31224568	29.83	45927878	296390	46224268	44.16	14.33
Total Public Shareholding (B)=(B)(1)+(B)(2)	30929858	302690	31232548	29.84	45936158	296390	46232548	44.17	14.33
<b>C. Shares held by Custodian for GDRs &amp; ADRs</b>	0	0	0	0	0	0	0	0	0
<b>Grand Total (A+B+C)</b>	104372427	302690	104675117	100.00	104378727	296390	104675117	100.00	0.00

Note: Percentage in bracket represents negative percentage.

**B) Shareholding of Promoter -**

Sr. No.	Shareholder's Name	Shareholding at the beginning of the year 01.04.2019			Shareholding at the end of the year 31.03.2020			% change in shareholding during the year
		No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	
1	#Arun Govil	73442569	70.16%	6.81%	58442569	55.83	0.00	(14.33%)

#Mr. Arun Govil's 1,50,00,000 shares were invoked from June 20, 2019 to November 07, 2019 and his shareholding as on the date of Directors Report is 5,84,42,569 shares i.e. 55.83% of the total share capital of the Company.

**C) Change in Promoters' Shareholding: (please specify, if there is no change)**

Sr. No.	Name of Promoter	Particulars	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
			No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1	#Arun Govil	At the beginning of the year	73442569	70.16	73442569	70.16
		Decrease	15000000	14.33	15000000	14.33
		At the end of the year	58442569	55.83	58442569	55.83

#Mr. Arun Govil's 1,50,00,000 shares were invoked from June 20, 2019 to November 07, 2019 and his shareholding as on the date of Directors Report is 5,84,42,569 shares i.e. 55.83% of the total share capital of the Company.

**D) Shareholding Pattern of top ten Shareholders: -**

(Other than Directors, Promoters and Holders of GDRs and ADRs):

Sr. No.	Name of top ten shareholder	Shareholding at the beginning of the year as on 01.04.2019		Change in share-Holding during the year		Shareholding at the end of the year as on 31.03.2020	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1.	Sharad Desai	60000	0.06	800000	0.76	860000	0.82
2.	Kamal Visaria	435899	0.42	0	0.00	435899	0.42
3.	Mahaveer B N	239999	0.23	0	0.00	322074	0.31
4.	Darshan Subhash Karandikar	292793	0.28	(292793)	(0.28)	0	0.00
5.	Prafulchandra Jamnadas Thakkar	244297	0.23	47926	0.05	292223	0.28
6.	Yogesh Chandrakant Asher	279736	0.27	7319	0.00	287055	0.27
7.	Vishal Chapper	283873	0.27	(7500)	(0.01)	276373	0.26
8.	Arvind Yashwant Desai	180971	0.17	100899	0.10	281870	0.27
9.	Rajshree Kishore Kajaria	278006	0.27	0	0.00	278006	0.27
10.	Ajith P Mathew	271183	0.26	0	0.00	271183	0.26
11.	Gurudev Singh Pallah	366780	0.35	0	0.00	454198	0.43

The above details are given as on 31st March, 2020. The Company is listed and 99.72% shareholding is in dematerialized form. Hence, it is not feasible to track movement of shares on daily basis. The aforesaid holdings by top ten shareholders are due to market operations.

#### E) Shareholding of Directors and Key Managerial Personnel:

Sr. No.	Name of the shareholder	Shareholding at the beginning of the year as on 01.04.2019		Change in share-Holding during the year		Shareholding at the end of the year as on 31.03.2020	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1.	Mr. Arun Govil (Managing Director)	73442569	70.16	(15000000)	(14.33)	58442569	55.83
2.	Mr. Harish Shetty (Director)	0	0	0	0	0	0
3.	Mr. Chandrasekhar Ganesan (Director)	0	0	0	0	0	0
4.	*Mr. Viren Shah (Director)	0	0	0	0	0	0
5.	Mr Abhinav Anand (Director)	0	0	0	0	0	0
6.	Ms. Ratna Jhaveri (Director)	0	0	0	0	0	0
7.	**Mr. Sudatta Subhankar (Director)	0	0	0	0	0	0

Note-\* Mr. Viren Shah, resigned from the post of Non-Executive & Independent Director of the Company w.e.f. 13.08.2019 and simultaneously from the post of Chairman of Nomination & Remuneration Committee, Stakeholders Relationship Committee and Risk Management Committee and as a member of Audit Committee.

\*\* Mr. Sudatta Subhankar, was appointed as an Additional, Independent Director of the Company w.e.f. 20.02.2020 and simultaneously as a Chairman of Nomination & Remuneration Committee, and as a member of Stakeholders Relationship Committee and Audit Committee and Risk Management Committee.

#### F) **INDEBTEDNESS** - Indebtedness of the Company including interest outstanding/accrued but not due for payment.

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
<b>Indebtedness at the beginning of the financial year</b>				
i) Principal Amount	573611946	521112422	-	1094724368
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	-	-
Total (i+ii+iii)	573611946	521112422	-	1094724368
<b>Change in Indebtedness during the financial year</b>				
* Addition	-	137059561	-	137059561
* Reduction	4006609	-	-	4006609
Net Change	(4006609)	137059561	-	133052952
<b>Indebtedness at the end of the financial year</b>				
i) Principal Amount	569605337	658171983	-	1227777320
ii) Interest due but not paid				
iii) Interest accrued but not due				
<b>Total (i+ii+iii)</b>	<b>569605337</b>	<b>658171983</b>	<b>-</b>	<b>1227777320</b>



**XI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL -****A. Remuneration to Managing Director, Whole-time Directors and/or Manager:**

Sr. No.	Particulars of Remuneration	Total Amount
		<b>Mr. Arun Govil</b>
1	<b>Gross salary</b>	2,40,000
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	-
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	-
	(c) Profits in lieu of salary under section 17(3) Income- tax Act, 1961	-
2	<b>Stock Option</b>	-
3	<b>Sweat Equity</b>	-
4	<b>Commission</b> - as % of profit - others, specify...	-
5	<b>Others, please specify</b>	-
	<b>Total (A)</b>	2,40,000
	<b>Ceiling as per the Act</b>	-

**B. Remuneration to other directors- sitting fees**

The details of sitting fees/remuneration paid to the Directors for the year 2019-2020 are as under:

Sr. No.	Name of the Director	Sitting Fees for attending Meeting (Rs.)	Salary & Perquisites (Rs.)	Commission (Rs.)	Total (Rs.)
1	*Mr. Viren Shah	Nil	Nil	Nil	Nil
2	Mr. Abhinav Anand	30000	0	0	30000
3	Ms. Ratna Jhaveri	30000	0	0	30000
4	**Mr. Sudatta Subhankar	Nil	Nil	Nil	Nil

During the year 2019-2020, the Company paid sitting fees of Rs. 60000/- to its Non-Executive Directors for attending meetings of the Board and Meeting of Committees of the Board for the F.Y. 2019-2020. The Company also reimburses the out-of-pocket expenses incurred by the Directors for attending the Meetings.

Note-\* Mr. Viren Shah, resigned from the post of Non-Executive & Independent Director of the Company w.e.f. 13.08.2019 and simultaneously from the post of Chairman of Nomination & Remuneration Committee, Stakeholders Relationship Committee and Risk Management Committee and as a member of Audit Committee.

\*\* Mr. Sudatta Subhankar, was appointed as an Additional, Non-executive, Independent Director of the Company w.e.f. 20.02.2020 and simultaneously as a Chairman of Nomination & Remuneration Committee and Risk Management Committee, and as a member of Stakeholders Relationship Committee and Audit Committee.

C. Remuneration to Key Managerial Personnel other than MD/Manager/WTD

Sr. No.	Particulars of Remuneration	Key Managerial Personnel			
		CEO	CS	CFO#	Total
1	Gross salary				
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	0	900028	2880000	3780028
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	0	0	0	0
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	0	0	0	0
2	Stock Option	0	0	0	0
3	Sweat Equity	0	0	0	0
4	Commission - as % of profit others, specify...	0	0	0	0
5	Others, please specify	0	0	0	0
	Total	0	900028	2880000	3780028

# Mr. Harish Shetty is CFO of the Company. His salary is shown in para XIA of the form as salary of CFO.

XII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES: NIL

**Annexure II to the Directors' Reports****Form No. MR-3**

[Pursuant to Section 204(1) of the Companies Act, 2013 and rule No. 9 of the Companies (Appointment and Remuneration Personnel) Rules, 2014]

**SECRETARIAL AUDIT REPORT FOR THE FINANCIAL YEAR ENDED 31st MARCH, 2020**

To,  
The Members,  
**DUCON INFRATECHNOLOGIES LIMITED**  
CIN: L72900MH2009PLC191412  
Ducon House, Plot No. A/4,  
Road No. 1, MIDC,  
Wagle Industrial Estate,  
Thane-400604.

I have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **DUCON INFRATECHNOLOGIES LIMITED** (hereinafter called the Company). Secretarial Audit was conducted in a manner that provided me a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon.

Based on my verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information and representation pertaining to compliance provided by the Company, its officers, agents and authorized representatives during the conduct of Secretarial Audit, I hereby report that in my opinion, the Company has, during the audit period covering the financial year ended on 31st March, 2020 generally complied with the statutory provisions listed hereunder and based on the management representation, that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

I have examined the books, papers, minutes book, forms and returns filed and other records maintained by the Company for the financial year ended on 31st March, 2020 according to the provisions of:

- (i) The Companies Act, 2013 ('the Act') and the rules made thereunder and the Companies Act, 1956 to the extent applicable;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- (iv) Foreign Exchange Management Act, 1999, and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings; wherever applicable
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-
  - (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
  - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
  - (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 and amendments from time to time;
  - (d) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999- Not applicable as the Company has not issued any shares ESOP measure during the financial year under review;
  - (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008- Not applicable as the

Company has not issued any debt securities;

- (f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act, 2013 and dealing with client- Not applicable as the Company is not registered as Registrar to Issue and Share Transfer Agents during the financial year under review.
- (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009- Not applicable as the Company has not delisted or propose to delist its equity shares from any stock exchange during the financial year under review;
- (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018 - Not applicable as the Company has not brought back/ propose to buyback any of its securities during the financial year under review;

I have also examined compliance with the applicable clauses of the following:

- (i) Secretarial Standards (SS – 1 & SS – 2) issued by the Institute of Company Secretaries of India approved by the Central Government, effective from July 1, 2015.
- (ii) The SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 entered into by the Company with BSE Limited and National Stock Exchange of India Limited;

(vi) As informed by the Company, no industry specific Acts, Rules are applicable to the Company.

We have not examined compliance by the Company with applicable financial laws, like direct and indirect tax laws, since the same have been subject to review by statutory financial audit and other designated professionals.

During the period under review and as per the explanations and representations made by the management and subject to clarifications given to me, the Company has generally complied with the provisions of the Act, Rules, Regulations, Guidelines, etc., mentioned above subject to the following observation:

*The Company had received notice from National Stock Exchange of India Limited (NSE) and BSE Limited (BSE) dated February 03, 2020, for non- compliance with the provisions of Regulation 17(1), 18(1), 19(1)/19(2) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, pertaining to composition of Board, Audit Committee and Nomination and Remuneration Committee for the quarter ended on December 31, 2019. The Company had paid penalty of Rs. 5,20,380 each at NSE and BSE on February 18,2020, and had taken adequate steps by appointing Mr. Sudatta Subhankar, as Non-Executive, Independent Director of the Company w.e.f. 20.02.2020 and simultaneously as Chairman of Nomination & Remuneration Committee, and member of Stakeholders Relationship Committee and Audit Committee and complied with Regulation 17(1), 18(1), 19(1)/19(2) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.*

*The Company has an unspent amount of CSR as per the provisions of Companies Act, 2013, however the Board has informed that the CSR Committee had detailed discussions with number of NGO's partners to actively support and channelize the activities/projects/programs to be undertaken by the Company in line with CSR objectives. However, even after meeting number of NGO partners, the Committee could not identify any suitable NGO partner for this purpose and required more time to meet other NGO partners to achieve its CSR objectives.*

*Due to paucity of time, the CSR Committee resolved to not to make any recommendation to the Board for the financial year 2019-2020, for the CSR activities to be undertaken by the Company and the amount of expenditure to be incurred on CSR activities, due to non-identification of suitable NGO partner to undertake CSR activities of the Company and has decided to carry forward the unspent amount to next Financial Year.*

*Accordingly, the Board resolved not to incur any CSR expenditure towards Corporate Social Responsibility for the F.Y. 2019-2020.*

*A responsibility statement of the CSR Committee that the implementation and monitoring of CSR Policy, is in compliance with CSR objectives and Policy of the Company.*

I further report that:

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and

Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

Adequate notice was given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance. Decisions at the Board Meetings, as represented by the management were taken unanimously.

I further report that as represented by the Company and relied upon by me, there are reasonably adequate systems and processes commensurate with its size and operations, to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

As informed, the Company has reasonably responded to notices for demands, claims, penalties etc. levied by various statutory regulatory authorities and initiated actions for corrective measures, wherever necessary. There was no prosecution initiated and no fines paid (except for the additional fees paid by the Company for delay in filing of the necessary e-Forms with the Ministry of Corporate Affairs, wherever required) except penalty amount paid of Rs. 5,20,380 each at National Stock Exchange of India Limited (NSE) and BSE Limited (BSE), on February 18, 2020, for non-compliance with the provisions of Regulation 17(1), 18(1), 19(1)/19(2) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, pertaining to composition of Board, Audit Committee and Nomination and Remuneration Committee. The Company had taken adequate steps by appointing Mr. Sudatta Subhankar, as Non-Executive, Independent Director of the Company w.e.f. 20.02.2020 and simultaneously as Chairman of Nomination & Remuneration Committee and Risk Management Committee, and member of Stakeholders Relationship Committee and Audit Committee and had complied with Regulation 17(1), 18(1), 19(1)/19(2) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

I further report that during the audit period, there are no specific events/actions having a major bearing on the Company's affairs in pursuance of the laws, rules, regulations, guidelines, standards, etc, referred to above.

This Report is to be read with our letter of even date which is annexed as Annexure A and forms an integral part of this report.

Gaurang Shah  
Practicing Company Secretary  
ACS No: 32581  
C P No.: 11953  
UDIN: A032581B000415579

**Date:** September 03, 2020

**Place:** Mumbai

To,

The Members,

**DUCON INFRATECHNOLOGIES LIMITED**

CIN: L72900MH2009PLC191412

Ducon House, Plot No. A/4,

Road No. 1, MIDC,

Wagle Industrial Estate,

Thane-400604.

Our report of even date is to be read along with this letter.

1. Maintenance of Secretarial Records is the responsibility of the management of the Company. Our responsibility is to express an opinion on these secretarial records based on our audit.
2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the contents of the Secretarial Records. The verification was done on test basis to ensure that correct facts are reflected in the Secretarial Records. We believe that the processes and practices, we followed provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.
4. Whenever required, we have obtained Management Representation about the compliance of laws, rules and regulations and happening of events etc.
5. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to verification of procedures on the test basis.
6. The Secretarial Audit Report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

Gaurang Shah  
Practicing Company Secretary  
ACS No: 32581  
C P No.: 11953  
UDIN: A032581B000415579

**Date:** September 03, 2020

**Place:** Mumbai



**Annexure III to the Directors' Reports****FORM NO. AOC -2**

**(Pursuant to clause (h) of sub-section (3) of section 134 of the Act and Rule 8(2)  
of the Companies (Accounts) Rules, 2014.**

Form for Disclosure of particulars of contracts/arrangements entered into by the company with related parties referred to in sub section (1) of section 188 of the Companies Act, 2013 including certain arm's length transaction under third proviso thereto.

1. Details of contracts or arrangements or transactions not at Arm's length basis.

There were no contracts or arrangements or transactions entered in to during the year ended March 31, 2020, which were not at arm's length basis.

2. Details of contracts or arrangements or transactions at Arm's length basis.

There are no material contracts or arrangements or transactions at arm's length basis for the year ended March 31, 2020.

**For Ducon Infratechnologies Limited**

**Harish Shetty**  
(Director)

**Din no.: 07144684**

**Chandrasekhar Ganeshan**  
(Director)

**Din no.: 07144708**

**Date:** September 03, 2020

**Place:** Thane

## **ANNEXURE IV to the Directors' Reports**

### **PARTICULARS OF REMUNERATION**

(1) The information required under Section 197 of the Act and the Rules made there-under, in respect of employees of the Company, is follows:-

- (a) The ratio of the remuneration of each director to the median remuneration of the employees of the Company for the financial year;**

Executive Directors	Ratio to Median Remuneration
Arun Govil	38.09
Harish Shetty	476.13
Chandrasekhar Ganesan	476.13

- (b) The percentage increase in remuneration of each Director, Chief Executive Officer, Chief Financial Officer, Company Secretary or Manager, if any, in the financial year;**

Name of Person	% Increase in remuneration
Arun Govil	Nil
Harish Shetty	Nil
Chandrasekhar Ganesan	Nil

- (c) The percentage increase in the median remuneration of employees in the financial year: NIL**

Note: Percentage in bracket represents negative percentage.

- (d) The number of permanent employees on the rolls of company: 46**

- (e) The explanation on the relationship between average increase in remuneration and company performance;**

There is no increase in the remuneration during the year. This is due to contraction in the business and implementation of cost control measures. In order to ensure that remuneration reflects company performance, the performance pay is linked to organization performance.

- (f) Comparison of the remuneration of the Key Managerial Personnel against the performance of the Company:**

Particulars	(` in Lakhs)
Remuneration of Key Managerial Personnel (KMP) during financial year 2019-2020 (aggregated)	69.00
Revenue from operations	38093.46
Remuneration (as % of revenue)	0.18%
Profit before tax (PBT)	110.21
Remuneration (as % of PBT)	62.61%

- (g) variations in the market capitalization of the Company, price earnings ratio as at the closing date of the current financial year and previous financial year and percentage increase over decrease in the market quotations of the shares of the Company in comparison to the rate at which the Company came out with the last public offer in case of listed companies, and in case of unlisted companies, the variations in the net worth of the Company as at the close of the current financial year and previous financial year;**

		As at	As at	
Particulars	Unit	31 <sup>st</sup> March, 2020	31 <sup>st</sup> March, 2019	Variation %
Closing rate of share at BSE	₹	2.42	12.06	(79.93)%
Closing rate of share at NSE	₹	2.45	12.1	(79.75)%
EPS( consolidated)	₹	0.08	0.60	(86.67)%
Market capitalization	₹/Lakhs			
BSE		2533.14	12561	79.83%
NSE		2564.54	12561	79.58%
Price Earnings Ratio	Ratio			
BSE		30.25	20	51.25%
NSE		30.63	20	53.15%

- (h) **Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration**

The average increase in salaries of employees other than managerial personnel in 2018-19 was 13 %. Percentage increase in the managerial remuneration for the year was NIL.

- (i) **Comparison of each remuneration of the Key Managerial Personnel against the performance of the Company**

Particulars	Chief Executive Officer	Chief Financial Officer	Company Secretary
	Rs. /Lac	Rs./Lac	Rs./Lac
<b>Remuneration</b>	NIL	NIL	9.00
<b>Revenue from operations</b>	NIL	NIL	38,093.46
<b>Remuneration (as % of revenue)</b>	NIL	NIL	0.024%
<b>Profit before Tax (PBT)</b>	NIL	NIL	110.21
<b>Remuneration (as % of PBT)</b>	NIL	NIL	8.17%

- (j) **The key parameters for any variable component of remuneration availed by the directors;**

No Variable Component in the Remuneration availed by Directors

- (k) **The ratio of the remuneration of the highest paid director to that of the employees who are not directors but receive remuneration in excess of the highest paid director during the year;**

**Not applicable.**

- (l) **Affirmation that the remuneration is as per the remuneration policy of the Company**

The Company's remuneration policy is driven by the success and performance of the individual employees and the Company. Through its compensation package, the Company endeavours to attract, retain, develop and motivate a high performance staff. The Company follows a compensation mix of fixed pay, benefits and performance based variable pay. Individual performance pay is determined by business performance and the performance of the individuals measured through the annual appraisal process. The Company affirms remuneration is as per the

remuneration policy of the Company.

- (2) The statement to the board's report shall include a statement showing the name of every employee of the Company-

who-

- (i) if employed throughout the financial year, was in receipt of remuneration for that year which, in the aggregate, was not less than one crore and two lakh rupees;- **Not Applicable to the Company**
- (ii) if employed for a part of the financial year, was in receipt of remuneration for any part of that year, at a rate which, in the aggregate, was not less than eight lakh and fifty thousand rupees per month;- **Not Applicable to the Company**
- (iii) if employed throughout the financial year or part thereof, was in receipt of remuneration in that year which, in the aggregate, or as the case may be, at a rate which, in the aggregate, is in excess of that drawn by the managing director or whole-time director or manager and holds by himself or along with his spouse and dependent children, not less than two percent of the equity shares of the company- **Not Applicable to the Company.**

**For Ducon Infratechnologies Limited**

**Harish Shetty**  
(Director)

**Din no.: 07144684**

**Chandrasekhar Ganeshan**  
(Director)

**Din no.: 07144708**

**Date:** September 03, 2020

**Place:** Thane

**Annexure V****REPORT ON CSR ACTIVITIES FOR FINANCIAL YEAR 2019-2020**

1. A brief outline of the Company's CSR policy, including overview of projects or programs proposed to be undertaken and a reference to the web-link to the CSR policy or projects or programs:

The object of CSR Policy of the Company is to continue to contribute towards social welfare projects focusing on providing education, vocational training, promoting health care facilities to economically weaker and underprivileged section of the Society and to do such other activities as may be permissible under Section 135 of the Companies Act, 2013('the Act') and the Companies (Corporate Social Responsibility Policy) Rules, 2014 ('the Rules'). The Company's CSR policy is available on website of the company [www.duconinfra.co.in](http://www.duconinfra.co.in)

2. The Composition of the CSR Committee:

The Corporate Social Responsibility (CSR) committee consists of Non-Executive Director with the Chairman being an Independent Director. The committee is chaired by Mr. Abhinav Anand. The following are the members of the committee:-

<b>Name of the Director</b>	<b>Category</b>
Mr. Abhinav Anand	Non-Executive & Independent Director
Mr. Harish Shetty	Executive Director
Mr. Chandrasekhar Ganesan	Executive Director

3. Average net profit of the company for last three financial years: Rs. 6,42,94,333.33
4. Prescribed CSR Expenditure (two per cent of the amount as in item 3 above): Rs. 12,85,886.67
5. Details of CSR spent during the financial year 2019-20.
  - (a) Total amount spent in the financial year: Rs. NIL
  - (b) Amount unspent, if any:- 12,85,886.67
  - (c) Manner in which the amount spent during the financial year is detailed below:- N.A

6. In case the Company has failed to spend the two percent of the average net profit of the last three financial years or any part thereof, the Company shall provide the reasons for not spending the amount in its Board Report:

The Company has an unspent amount of CSR as per the provisions of Companies Act, 2013, however the Board has informed that the CSR Committee had detailed discussions with number of NGO's partners to actively support and channelize the activities/projects/programs to be undertaken by the Company in line with CSR objectives. However, even after meeting number of NGO partners, the Committee could not identify any suitable NGO partner for this purpose and required more time to meet other NGO partners to achieve its CSR objectives.

Due to paucity of time, the CSR Committee resolved to not to make any recommendation to the Board for the financial year 2019-2020, for the CSR activities to be undertaken by the Company and the amount of expenditure to be incurred on CSR activities, due to non-identification of suitable NGO partner to undertake CSR activities of the Company and has decided to carry forward the unspent amount to next Financial Year.

Accordingly, the Board resolved not to incur any CSR expenditure towards Corporate Social Responsibility for the F.Y.2019-2020.

A responsibility statement of the CSR Committee that the implementation and monitoring of CSR Policy, is in compliance with CSR objectives and Policy of the Company

7. A responsibility statement of the CSR committee that the implementation and monitoring of CSR Policy, is in compliance with CSR objectives and Policy of the Company:

The CSR Committee hereby confirms that the implementation and monitoring of CSR Policy will be in compliance with CSR objectives and policy of the Company.

**For Ducon Infratechnologies Limited**

**Harish Shetty**

(Director)

**Din no.: 07144684**

**Chandrasekhar Ganesan**

(Director)

**Din no.: 07144708**

**Date:** September 03, 2020

**Place:** Thane

## CORPORATE GOVERNANCE REPORT

The Directors present the Company's Report on Corporate Governance for the year ended March 31, 2020.

### 1. COMPANY'S PHILOSOPHY ON CODE OF GOVERNANCE

The Company believes in adopting the 'best practices' that are followed in the area of Corporate Governance and has consistently endeavored to practice good Corporate Governance. The Company's philosophy on corporate governance is to conduct its business in a manner, which is ethical and transparent with all stakeholders in the Company, including shareholders, vendors, creditors and employees. The Company emphasizes the need for full transparency and accountability in all its transactions, in order to protect the interests of its stakeholders.

Ducon firmly believes that all its operations and actions must serve the underlying goal of long term value creation for its shareholders and its investors. Our corporate governance framework ensures that we make timely disclosures and share accurate information regarding our financials and performance, as well as disclosures related to the leadership and governance of Ducon Infratechnologies Limited ('the Company').

Pursuant to Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations") the Company had executed fresh Listing Agreements with the Stock Exchanges. The Company is in compliances of the remaining part of regulation 17 to 27 read with Schedule V and clauses (b) to (i) of sub-regulation (2) of regulation 46 of SEBI Listing Regulations, as applicable, with regard to corporate governance. The policies and the code are reviewed periodically to ensure their continuing relevance, effectiveness and responsiveness to the needs of our stakeholders.

### 2. BOARD OF DIRECTORS

Ducon Governance structure broadly comprises the Board of Directors and the Committees of the Board at the apex level and the Management structure at the operational level. This layered structure brings about a harmonious blend in governance as the Board sets the overall corporate objectives and gives direction and freedom to the Management to achieve these corporate objectives within a given framework, thereby bringing about an enabling environment for value creation through sustainable profitable growth.

#### BOARD MEETING AND PROCEDURES

The detailed Agenda, setting out the business to be transacted at the Meeting(s), supported by notes is sent to each Director at least seven days before the date of the Board Meeting(s) and of the Committee Meeting(s).

In some instances, documents are tabled at the meetings and the presentations are also made by the respective executives on the matters related to them at the Board or Committee Meetings. The information as mentioned in Part A of Schedule II of the Listing Regulations, has been placed before the Board for its consideration. The Directors are also provided the facility of video /tele conferencing to enable them to participate effectively in the Meeting(s), as and when required.

Eight Board Meetings were held during the year 2019-2020. The Board Meetings were held at the Registered Office of the Company.

The dates on which the Board Meetings were held are as follows:

May 30, 2019, August 05, 2019, August 14, 2019, August 31, 2019, November 06, 2019, November 14, 2019, February 14, 2020 and February 20, 2020.

The maximum gap between any two meetings was not more than one hundred and twenty days. As mandated by proviso under Regulation 17A (1) of the Listing Regulations as of March 31, 2020, none of the Independent Directors of the Company served as an Independent Director in more than seven listed entities and as per Regulation 26 of Listing Regulations none of Directors is a member of more than ten Committees or acting as Chairperson of more than five Committees across all listed companies in which he/she is a Director. None of the Directors on the Board holds directorships in more than ten public companies. The necessary disclosures regarding Committee positions have been made by the Directors. None of the Directors are related to each other.

#### Role of Board of Directors

The primary role of the Board is that of trusteeship to protect and enhance shareholder value through strategic direction of the



Company. As trustees, the Board has fiduciary responsibility to ensure that the Company has clear goals aligned to shareholder value and its growth. The Board exercises its duties with care, skill and diligence and exercises independent judgment. It sets strategic goals and seeks accountability for their fulfillment. It also directs and exercises appropriate control to ensure that the Company is managed in a manner that fulfills stakeholders' aspirations and societal expectations.

The Independent Directors have made disclosures confirming that there are no material, financial and/or commercial transactions between Independent Directors and the Company which could have potential conflict of interest with the Company at large.

Independent Directors are non-executive directors as defined under Regulation 16(1)(b) of the SEBI Listing Regulations read with Section 149(6) of the Act. The maximum tenure of independent directors is in compliance with the Act. All the Independent Directors have confirmed that they meet the criteria as mentioned under Regulation 16(1)(b) of the SEBI Listing Regulations read with Section 149(6) of the Act.

The Non-Executive Directors with their diverse knowledge, experience and expertise bring in their independent judgment in the deliberations and decisions of the Board.

Directors of the Company are provided with well-structured and comprehensive agenda papers in advance. All material information is incorporated in the Agenda for facilitating meaningful and focused discussion in the meeting. Minutes of the Board Meetings/Committee Meetings are circulated to the Directors well in advance and confirmed at the subsequent meeting.

The Company has an Executive Chairman and the number of Independent Directors are half of the total number of Directors. The Company, therefore meets with the requirements of Regulation 17 (1) (a) & (b) of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

As required under Section 149(3) of the Companies Act, 2013, Ms. Ratna Jhaveri, has been appointed as an Independent Woman Director on the Board.

#### Composition and category

The present strength of Board of Directors is Six. The Board of Directors of your Company presently comprise of an Executive Chairman, Two Executive Directors, Three Non-Executive and Independent Directors. The Independent Directors with their diverse knowledge, experience and expertise bring in their independent judgment in the deliberations and decisions of the Board.

The following table gives details of composition of the Board of Directors and also the number of other Board of Directors of which they are a member/Chairman are as under:

Name of Director	Category of Directorship	Attendance at last AGM	No. of Board Meetings Attended	No. of other Directorships	Memberships in Audit / Stakeholders Relationship Committee	Chairmanships in Audit / Stakeholders Relationship Committee	Category of directorship and Names of listed entities where person is a director
Mr. Arun Govil DIN: 01914619	Managing Director	No	2	0	0	0	Nil
Mr. Harish Shetty DIN: 07144684	Executive Director	Yes	8	0	1	0	Nil
Mr. Chandrasekhar Ganesan DIN: 07144708	Executive Director	Yes	8	0	1	0	Nil
Mr. Abhinav Anand DIN: 07732241	Non- Executive & Independent Director	No	8	1	3	0	Non-Executive Independent Director 1. Aryaman Financial Services Limited

Name of Director	Category of Directorship	Attendance at last AGM	No. of Board Meetings Attended	No. of other Directorships	Memberships in Audit / Stakeholders Relationship Committee	Chairmanships in Audit / Stakeholders Relationship Committee	Category of directorship and Names of listed entities where person is a director
Ms. Ratna Jhaveri DIN:07732263	Non- Executive & Independent Director	No	8	0	2	2	Nil
**Mr. Sudatta Subhankar DIN:08706538	Non- Executive & Independent Director	No	0	0	2	0	Nil
*Mr. Viren Shah DIN: 02886221	Non- Executive & Independent Director	No	2	1	2	0	Non-Executive Independent Director 1. Dynacons Systems & Solutions Limited

Note: #Memberships/Chairmanships in Audit Committee and Shareholders'/Investors' Grievance Committee of Indian public limited companies have been considered. Other directorships exclude his/her Directorships in the Company, directorships of private limited companies, foreign companies and companies registered under Section 8 of the Act.

The Number of Directorships and the positions held on Board, Committees by the Directors are in conformity with the limits on the number of Directorships and Board committee positions as laid down in the Act and Securities and Exchange Board of India (Listing Obligations & Disclosure Requirements) Regulations, 2015. During the year 2019-2020, information as mentioned in Part A of Schedule II of the SEBI Listing Regulations, has been placed before the Board for its consideration.

\* Mr. Viren Shah, resigned from the post of Non-Executive & Independent Director of the Company w.e.f. 13.08.2019 and simultaneously from the post of Chairman of Nomination & Remuneration Committee, Risk Management Committee and Stakeholders Relationship Committee and as a member of the Audit Committee.

\*\* Mr. Sudatta Subhankar, was appointed as Additional, Non-Executive & Independent Director of the Company w.e.f. 20.02.2020 and simultaneously as the Chairman of Nomination & Remuneration Committee and Risk Management Committee, and as a member of Stakeholders Relationship Committee, and Audit Committee.

\$Mr. Abhinav Anand was inducted as a member of Audit Committee of the Company w.e.f. 14.02.2020.

#Ms. Ratna Jhaveri who was already a member of Audit Committee was appointed as the Chairperson of Audit Committee and was inducted as member and Chairperson of Stakeholders Relationship Committee of the Company w.e.f. 14.02.2020.

Particulars of Director seeking appointment/re-appointment at the Annual general meeting have been given in the annexure to the Notice.

Pursuant to Regulation 34(3) read with Schedule V Part (C) (2) (h) of Listing Regulations the Board of Directors has identified the following requisite skills/expertise and competencies for the effective functioning of the Company which are currently available with the Board.

Sr. No.	Name of the Director & Designation	Core skills/expertise/competencies
1	Mr. Arun Govil Managing Director	Chairman of Ducon Group USA. Ducon Group is involved in energy, environment, electronics & infrastructure fields globally. He has single handedly built the Ducon Group from a one man outfit to a global Company in 34 years. He is a dynamic explorer of new vistas of enterprising life and is able to always maintain his own focus with positive attitude regardless of set backs in life.
2	Harish Shetty Executive Director & Chief Financial Officer	Having more than 2 decades of experience in accounts, finance and Taxation. Headed the accounts and finance functions of companies across manufacturing, service and EPC sectors. He has thorough knowledge of handling multistate operations and ensuring statutory compliance.

Sr. No.	Name of the Director & Designation	Core skills/expertise/competencies
3	Mr. Chandrasekhar Ganesan Executive Director	Began career with Philips India Ltd and served for 9 ¼ years in Industrial Projects & Automation division and later served for 15 ½ years with Sanmar Engineering Services in Industrial Projects division. Mr. Ganesan has extensively travelled and possesses deep knowledge of coal, cement, power, tyre, steel, oil & petrochemical industries and successfully implemented several multimillion dollar packages in Collaboration with Pebco USA & Chronos Richardson UK in these assignments.
4	\$Mr. Abhinav Anand Non- Executive & Independent Director	Mr. Abhinav Anand is a Qualified LLB and having experience in various areas of Corporate Law, Trademark, Contract Law, Constitutional Law
5	#Ms. Ratna Jhaveri Non- Executive & Independent Director	Post Graduate in finance and having experience in Accounts, Audit and Taxation. Wide experience in the financial service and insurance industry.
6	**Mr. Sudatta Subhankar Non- Executive & Independent Director	Mr. Sudatta Subhankar has done BBA and LLB(Hons.) and has vast experience in Corporate Law and allied laws
7	*Mr. Viren Shah Non- Executive & Independent Director	Mr. Shah has 27 years of wide experience across a variety of industries & expertise in Systems Analysis, Design & Administration. He is a Post Graduate in Computer and Systems management & holds a Certificate in Oracle/ SQL & RDBMS Concepts.

Note-\* Mr. Viren Shah, resigned from the post of Non-Executive & Independent Director of the Company w.e.f. 13.08.2019 and simultaneously from the post of Chairman of Nomination & Remuneration Committee, Stakeholders Relationship Committee and Risk Management Committee and as a member of Audit Committee

\*\* Mr. Sudatta Subhankar, was appointed as Additional, Non-Executive & Independent Director of the Company w.e.f. 20.02.2020 and simultaneously as the Chairman of Nomination & Remuneration Committee and Risk Management Committee, and as a member of Stakeholders Relationship Committee, and Audit Committee

\$Mr. Abhinav Anand was inducted as a member of Audit Committee of the Company w.e.f. 14.02.2020.

#Ms. Ratna Jhaveri who was already a member of Audit Committee was appointed as the Chairperson of Audit Committee and was inducted as member and Chairperson of Stakeholders Relationship Committee of the Company w.e.f. 14.02.2020.

Pursuant to Clause C(2)(i) of Schedule V read with Regulation 34(3) of Listing Regulations, in the opinion of the Board all the independent directors fulfill the conditions as specified in the Listing Regulations and are independent of the management.

### 3. AUDIT COMMITTEE

The Audit Committee acts as a link between the statutory and internal auditors and the Board of Directors. Its purpose is to assist the Board in fulfilling its oversight responsibilities of monitoring financial reporting processes, reviewing the Company's established systems and processes for internal financial controls, governance and reviewing the Company's statutory and internal audit activities.

The Company complies with the provisions of Section 177 of the Companies Act, 2013, as well as with the provisions of Regulation 18 read with Part C of the Schedule II of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, pertaining to the Audit Committee and its functioning. The members of the Audit Committee and their attendance at committee meetings are as under:

Name of the Director	Category	No of Meetings Held	No. of Meetings attended
*Mr. Viren Shah	Non-Executive & Independent Director	1	1
#Ms. Ratna Jhaveri	Non-Executive & Independent Director	5	5
Mr. Harish Shetty	Executive Director	5	5
**Mr. Sudatta Subhankar	Non-Executive & Independent Director	0	0
\$Mr. Abhinav Anand	Non-Executive & Independent Director	0	0

**Note-**\* Mr. Viren Shah, resigned from the post of Non-Executive & Independent Director of the Company w.e.f. 13.08.2019 and simultaneously from the post of Chairman of Nomination & Remuneration Committee, Stakeholders Relationship Committee and Risk Management Committee and as a member of Audit Committee

\*\* Mr. Sudatta Subhankar, was appointed as Additional, Non-Executive & Independent Director of the Company w.e.f. 20.02.2020 and simultaneously as the Chairman of Nomination & Remuneration Committee and Risk Management Committee, and as a member of Stakeholders Relationship Committee, and Audit Committee

\$Mr. Abhinav Anand was inducted as a member of Audit Committee of the Company w.e.f. 14.02.2020.

#Ms. Ratna Jhaveri who was already a member of Audit Committee was appointed as the Chairperson of Audit Committee w.e.f. 14.02.2020.

The Audit Committee acts as a link between the statutory and internal auditors and the Board of Directors. Its purpose is to assist the Board in fulfilling its oversight responsibilities of monitoring financial reporting processes, reviewing the Company's established systems and processes for internal financial controls, governance and reviewing the Company's statutory and internal audit activities.

The Committee is presently chaired by #Ms. Ratna Jhaveri. All the members of the Committee except Harish Shetty are Independent Directors having knowledge of Finance, Accounts and Company Law.

The Audit Committee met **Five** times during the financial year 2019-2020 on the following date:

May 30, 2019, August 14, 2019, August 31, 2019, November 14, 2019 and February 14, 2020.

The maximum gap between any two meetings was not more than one hundred and twenty days. The necessary quorum was present for all the meetings.

The terms of reference of the Audit Committee includes:-

- Recommending the appointment and removal of statutory auditor, fixation of audit fee and also approval for payment for any other services.
- Reviewing with management the quarterly / annual financial statements before submission to the Board focusing primarily on the following:
  - ☐ Any change in accounting policies and practices.
  - ☐ Compliance with accounting standards.
  - ☐ Major accounting entries based on exercise of judgement by management
  - ☐ Matters required to be included in the Director's Responsibility Statement.
  - ☐ Significant adjustment arising out of audit.
  - ☐ Qualification in draft audit report.

- Reviewing the finding of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity of a failure of internal control systems of a material nature and reporting the matter to the Board.
- To ensure proper disclosure in the Quarterly, Half yearly and Annual Financial Statements.
- To review the functioning of the Whistle Blower Mechanism
- 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.
- Scrutiny of inter-corporate loans and investments.
- Discussion with statutory auditors before the audit commences nature and scope of audit as well as have post audit discussion to ascertain any area of concern.
- Any related party transaction, i.e., transaction of the management, their subsidiaries or relatives, etc., that may have potential conflict with the interest of Company at large.
- Approval or any subsequent modification of transactions of the Company with related parties and granting omnibus approval to related party transactions which are in the ordinary course of business and on an arm's length basis and to review and approve such transactions.
- Reviewing with the management, statutory and internal auditors, the adequacy of internal control systems.
- Reviewing the adequacy of internal audit function, 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.
- Discussion with internal auditors any significant findings and follow up thereon.
- Valuation of undertakings or assets of the Company, wherever it is necessary.
- Evaluation of internal financial controls and risk management systems. Reviewing the Company's financial and risk management policies.
- 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 & background etc. of the candidate.
- Review and monitor the Auditor's independence, performance and effectiveness of audit process.

#### 4. NOMINATION AND REMUNERATION COMMITTEE

##### **Brief description of terms of reference**

The Nomination and Remuneration committee of the Company is constituted in line with the provisions of Regulation 19 with Part D of the Schedule II of SEBI Listing Regulations, read with Section 178 of the Act.

- To review the performance of the Chairman and Managing Director and the Directors after considering the Company's performance and to review overall compensation policy, service agreements, performance incentive and other employment conditions of Executive Director(s).
- To approve the annual Remuneration of the Directors and Employees of the Company.
- Recommend to the Board the setup and composition of the Board and its committees.
- To review overall compensation policy, service agreements, performance incentive and other employment conditions of Executive Director(s).
- Recommend to the Board the appointment/re-appointment of Directors and Key Managerial Personnel.
- Support the Board and Independent Directors in evaluation of the performance of the Board, its Committees and individual Directors.
- Oversee familiarization programs for Directors.

The Nomination and Remuneration committee consists of Non-Executive Directors with the Chairman being Mr. Sudatta Subhankar, an Independent Director. The members of Committee are \$Mr. Abhinav Anand, \*Mr. Viren Shah \*\*Mr. Sudatta Subhankar and Ms. Ratna Jhaveri.

The Nomination and Remuneration committee met twice during the year. Company Secretary of the Company acted as the Secretary to the Committee.

The terms of reference of the NRC, is uploaded on the Company's web site at <http://duconinfra.co.in/wp-content/uploads/2016/08/Nomination-Remuneration-Policy.pdf>

Note-\* Mr. Viren Shah, resigned from the post of Non-Executive & Independent Director of the Company w.e.f. 13.08.2019 and simultaneously from the post of Chairman of Nomination & Remuneration Committee, Stakeholders Relationship Committee and Risk Management Committee and as a member of Audit Committee.

\*\* Mr. Sudatta Subhankar, was appointed as Additional, Non-Executive & Independent Director of the Company w.e.f. 20.02.2020 and simultaneously as the Chairman of Nomination & Remuneration Committee and Risk Management Committee, and as a member of Stakeholders Relationship Committee, and Audit Committee.

\$Mr. Abhinav Anand was inducted as a member of Audit Committee of the Company w.e.f. 14.02.2020.

### Remuneration Policy

The Remuneration of the Executive Director is decided by the Remuneration Committee based on criteria such as industry benchmarks, the company's performance vis-à-vis the industry performance, track record of the Executive Directors.

Remuneration of employees largely consists of basic remuneration and performance incentives. The Company while deciding the remuneration package takes into consideration the employment scenario, remuneration package of the industry and the remuneration package of other Industries. The annual variable pay of Senior Managers is linked to the performance of the Company and their individual performance for the relevant year measured against specific Key Result Areas, which are aligned to the Company's objectives.

The members of the Nomination and Remuneration Committee and their attendance at committee meetings are as under:

Name of the Director	Category	No. of Meetings attended
Mr. Viren Shah	Non-Executive & Independent Director	1
Ms. Ratna Jhaveri	Non-Executive & Independent Director	2
Mr. Abhinav Anand	Non-Executive & Independent Director	2
Mr. Sudatta Subhankar	Non-Executive & Independent Director	0

### Details of Remuneration to the Executive Director for the year ended March 31, 2020

Name of Director	Position	Salary
Mr. Arun Govil	Managing Director	Rs. 2,40,000
Mr. Harish Shetty	Executive Director and Chief Financial Officer	Rs. 28,80,000
Mr. Chandrasekhar Ganesan	Executive Director	Rs. 28,80,000

The Company has not issued any Stock options to the Directors. Independent Directors of the Company have disclosed that they do not hold any Equity Shares of the Company. There has been no pecuniary relationship or transactions of the Non-Executive Directors vis-à-vis the Company during the year under review.

## 5. STAKEHOLDERS RELATIONSHIP COMMITTEE:

The stakeholders' relationship committee is constituted in line with the provisions of Regulation 20 of SEBI Listing Regulations read with Section 178(5) of the Companies Act, 2013.

### Functions

The Shareholders Relationship Committee is chaired by #Ms. Ratna Jhaveri. Mr. Darshit Parikh, Company Secretary of the Company



is the Compliance Officer of the Company. The composition of the committee and details of the meetings attended by the Directors are given below:

Name of the Director	Category	No. of Meetings attended
#Ms. Ratna Jhaveri	Non-Executive & Independent Director	0
*Mr. Viren Shah	Non-Executive & Independent Director	1
Mr. Abhinav Anand	Non-Executive & Independent Director	2
**Mr. Sudatta Subhankar	Non-Executive & Independent Director	0
Mr. Chandrasekhar Ganesan	Non-Executive & Independent Director	2

Note-\* Mr. Viren Shah, resigned from the post of Non-Executive & Independent Director of the Company w.e.f. 13.08.2019 and simultaneously from the post of Chairman of Nomination & Remuneration Committee, Stakeholders Relationship Committee and Risk Management Committee and as a member of Audit Committee.

\*\* Mr. Sudatta Subhankar, was appointed as Additional, Non-Executive & Independent Director of the Company w.e.f. 20.02.2020 and simultaneously as the Chairman of Nomination & Remuneration Committee and Risk Management Committee, and as a member of Stakeholders Relationship Committee, and Audit Committee.

#Ms. Ratna Jhaveri was inducted as member and Chairperson of Stakeholders Relationship Committee of the Company w.e.f. 14.02.2020.

The committee meets at frequent intervals, to approve inter-alia, transfer/ transmission of Equity shares, non-receipt of annual Report, attending to complaints of investors routed by SEBI/Stock Exchanges and reviews the status of investors' grievances and redressed mechanism and recommend measures to improve the level of investor services. Details of share transfer / transmission approved by the committee are placed at the Board meetings from time to time.

#### The Committee in particular looks into:

1. To oversee and review redressal of shareholder and investor grievances, on matters relating to issue, transfer/transmission of securities, non-receipt of annual report, non-receipt of dividends/interests.
2. To review the measures taken for effective exercise of voting rights by shareholders.
3. To review the adherence to the service standards adopted by the Company in respect of various services being rendered by the Registrar & Share Transfer Agent.
4. To review 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 issue duplicate share/debenture certificate(s) reported lost, defaced or destroyed as per the laid down procedure and to resolve the grievances of security holders of the Company, if any.
6. Attending to complaints of security holders routed by SEBI (SCORES)/Stock Exchanges/RBI or any other Regulatory Authorities.
7. Taking decision on waiver of requirement of obtaining the Succession Certificate/Probate of Will on case to case basis within the parameters set out by the Board of Directors.
8. To monitor transfer of the amounts/shares transferable to Investor Education and Protection Fund.
9. To list the securities of the Company on Stock Exchanges.
10. Any other matters that can facilitate better investor services and relations.

During the year under review, 2 queries/complaint were received from shareholders/investors of which Nil complaints were not replied/unresolved as on 31.03.2020. The numbers of pending share transfers as on March 31, 2020 were Nil.

## 6. CORPORATE SOCIAL RESPONSIBILITY COMMITTEE

The Corporate Social Responsibility (CSR) Committee has been constituted in line with the provisions of Section 135 of the Act and

the rules made thereunder.

### Terms of reference

The terms of reference of the CSR Committee broadly comprises of:

1. Formulating and recommending to the Board of Directors the CSR Policy and monitoring the same from time to time.
2. The Committee will review and evaluate the sustainability agenda, suggest modifications, discuss and recommend action plan to take the CSR activities forward.
3. CSR Committee will monitor the spend on CSR activities by the Company as well as ensure that the Company spends at least the minimum sum as may be prescribed from time to time pursuant to the Act and Companies (Corporate Social Responsibility Policy) Rules, 2014 or such higher sum as may be decided by the Board of Directors of the Company..
4. Any other matter as may be necessary for implementation of CSR Policy.

The Corporate Social Responsibility (CSR) committee consists of Non-Executive Director with the Chairman being an Independent Director. The members of Committee were Mr. Abhinav Anand, Mr. Harish Shetty and Mr. Chandrasekhar Ganesan. The committee is chaired by Mr. Abhinav Anand. The committee met twice during the year.

Name of the Director	Category	No. of Meetings attended
Mr. Abhinav Anand	Non-Executive & Independent Director	2
Mr. Harish Shetty	Executive Director	2
Mr. Chandrasekhar Ganesan	Executive Director	2

## 7. RISK MANAGEMENT COMMITTEE

The risk management committee of the Company is constituted in line with the provisions of Regulation 21 of SEBI Listing Regulations. Business Risk Evaluation and Management is an ongoing process within the Organization. The Company has a robust risk management framework to identify, monitor and minimize risks as also identify business opportunities.

The Risk Management committee consists of Non-Executive Directors with the Chairman being an Independent Director. The members of Committee were Mr. Abhinav Anand, \*Mr. Viren Shah, \*\*Mr. Sudatta Subhankar and Ms. Ratna Jhaveri. The committee is chaired by \*\*Mr. Sudatta Subhankar.

The objectives and scope of the Risk Management Committee broadly comprises:

- Oversight of risk management performed by the executive management;
- Reviewing risks and evaluate treatment including initiating mitigation actions and ownership as per a pre-defined cycle;
- Defining framework for identification, assessment, monitoring, mitigation and reporting of risks.
- Such other matters as may be delegated by Board from time to time.

Within its overall scope as aforesaid, the Committee shall review risks trends, exposure, potential impact analysis and mitigation plan.

Note-\* Mr. Viren Shah, resigned from the post of Non-Executive & Independent Director of the Company w.e.f. 13.08.2019 and simultaneously from the post of Chairman of Nomination & Remuneration Committee, Stakeholders Relationship Committee and Risk Management Committee and as a member of Audit Committee

\*\* Mr. Sudatta Subhankar, was appointed as Additional, Non-Executive & Independent Director of the Company w.e.f. 20.02.2020 and simultaneously as the Chairman of Risk Management Committee

## 8. INDEPENDENT DIRECTORS' MEETING

During the year under review, as required under Schedule IV to the Companies Act, 2013 and SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015, the Independent Directors met on March 12, 2020, inter alia, to discuss:

- Evaluation of performance of Non Independent Directors and the Board of Directors as a whole;
- Evaluation of performance of the Chairman of the Company, taking into account the views of the Executive and Non-Executive Directors
- Evaluation of the quality, content and timelines of flow of information between the Management and the Board that is necessary for the Board to effectively and reasonably perform its duties.

## 9. FAMILIARIZATION PROGRAMME OF INDEPENDENT DIRECTORS

The Independent directors of Ducon Infratechnologies Limited are eminent personalities having wide experience in the field of business, finance, education, industry, commerce and administration. Their presence on the Board has been advantageous and fruitful in taking business decisions.

Independent Directors are appointed as per policy of the Company, with management expertise and wide range of experience. The Directors appointed by the Board are given induction and orientation with respect to the Company's vision, strategic direction, core values, including ethics, corporate governance practices, financial matters and business operations by having one-to-one meetings.

The new Board members are also requested to access the necessary documents / brochures, Annual Reports and internal policies available at our website [www.duconinfra.co.in](http://www.duconinfra.co.in) to enable them to familiarize with the Company's procedures and practices.

Updates on relevant statutory changes encompassing important laws are regularly intimated to the Independent Directors. Their presence on the Board has been advantageous and fruitful in taking Business decisions.

Pursuant to Regulation 25(7) of the Listing Regulations, the Company has put in place a system to familiarize its Independent Directors about the Company, its financial products, the industry and business model of the Company and its subsidiary. Pursuant to Regulation 46 of Listing Regulations the details of Familiarization Programme is uploaded on the Company's website.

## 10. POLICY FOR REMUNERATION OF NON – EXECUTIVE DIRECTORS

The Non-Executive Directors shall be entitled to receive remuneration by way of sitting fees, reimbursement of expenses for participation in the Board / Committee meetings and commission as detailed hereunder:

- A Non-Executive Director shall be entitled to receive sitting fees for each meeting of the Board or Committee of the Board attended by him, of such sum as may be approved by the Board of Directors within the overall limits prescribed under the Companies Act, 2013 and The Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014;
- All the remuneration of the Non- Executive / Independent Directors (excluding remuneration for attending meetings as prescribed under Section 197 (5) of the Companies Act, 2013) shall be subject to ceiling/ limits as provided under Companies Act, 2013 and rules made there under or any other enactment for the time being in force. The amount of such remuneration shall be such as may be recommended by the Nomination and Remuneration Committee and approved by the Board of Directors or shareholders, as the case may be.
- An Independent Director shall not be eligible to get Stock Options and also shall not be eligible to participate in any share based payment schemes of the Company.
- Any remuneration paid to Non- Executive / Independent Directors for services rendered which are of professional in nature shall not be considered as part of the remuneration if the following conditions are satisfied:
  - i) The Services are rendered by such Director in his capacity as the professional; and
  - ii) In the opinion of the Committee, the director possesses the requisite qualification for the practice of that profession.

### Sitting fees

For the year 2019-2020, the Company paid sitting fees of Rs. 60,000/- to its Non-Executive Directors for attending meetings of the Board and Meeting of Committees of the Board. The Company also reimburses the out-of-pocket expenses incurred by the Directors for attending the Meetings.

The details of sitting fees paid to the Directors for the year 2019-2020 are as under:

Sr. No.	Name of the Director	Sitting Fees for attending Meeting (Rs.)	Salary & Perquisites (Rs.)	Commission (Rs.)	Total (Rs.)
1	\$Mr. Abhinav Anand	30000	0	0	30000
2	#Ms. Ratna Jhaveri	30000	0	0	30000
3	*Mr. Viren Shah	0	0	0	0
4	**Mr. Sudatta Subhankar	0	0	0	0

Note-\* Mr. Viren Shah, resigned from the post of Non-Executive & Independent Director of the Company w.e.f. 13.08.2019 and simultaneously from the post of Chairman of Nomination & Remuneration Committee, Stakeholders Relationship Committee and Risk Management Committee and as a member of Audit Committee.

\*\* Mr. Sudatta Subhankar, was appointed as Additional, Non-Executive & Independent Director of the Company w.e.f. 20.02.2020 and simultaneously as the Chairman of Nomination & Remuneration Committee and Risk Management Committee, and as a member of Stakeholders Relationship Committee, and Audit Committee.

\$Mr. Abhinav Anand was inducted as a member of Audit Committee of the Company w.e.f. 14.02.2020.

#Ms. Ratna Jhaveri who was already a member of Audit Committee was appointed as the Chairperson of Audit Committee and was inducted as member and Chairperson of Stakeholders Relationship Committee of the Company w.e.f. 14.02.2020.

## 11. PERFORMANCE EVALUATION

Pursuant to the provisions of the Companies Act, 2013 and of Securities And Exchange Board of India (Listing Obligations And Disclosure Requirements) Regulations, 2015 the Board has carried out the annual performance evaluation of its own performance, the Directors individually as well as the evaluation of the working of its Audit, Nomination and Remuneration Committees, after taking into consideration various things like inputs received from the Directors, functions of Board's such as adequacy of the composition of the Board and its Committees, Board culture, execution and performance of specific duties, obligations and governance.

The performance evaluation of the Independent Directors was carried out by the entire Board. The performance evaluation of the Chairman and the Non-Independent Directors was carried out by the Independent Directors who also reviewed the performance of the Secretarial Department. The Directors expressed their satisfaction with the evaluation process.

Criteria for Performance Evaluation of Independent Directors includes:

1. Attendance and Participation.
2. Maintaining confidentiality.
3. Acting in good faith and in the interest of the company as a whole.
4. Exercising duties with due diligence and reasonable care.
5. Complying with legislations and regulations in letter and spirit.
6. Openness to ideas, perspectives and opinions and ability to challenge old practices and throwing up new ideas for discussion.
7. Capacity to effectively examine financial and other information on operations of the company and the ability to make positive contribution thereon.

The performance evaluation of the Independent Directors was carried out by the entire Board. The performance evaluation of the Chairman and the Non Independent Directors was carried out by the Independent Directors who also reviewed the performance of the Secretarial Department. The Directors expressed their satisfaction with the evaluation process.

## 12. REPORT ON CORPORATE GOVERNANCE

The quarterly compliance report has been submitted to the Stock Exchanges where the Companies equity shares are listed in the requisite format duly signed by the Compliance Officer.

### 13. GENERAL BODY MEETINGS

The last Three Annual General Meetings of the Company were held as under:-

- **10th AGM** : September 28, 2019 at 11.00 A.M. at Coral Hall (in basement) Hotel Satkar Grande Wifi Park, Opposite Aplaab Company, Wagle Estate, Thane (W) 400604

Number of Special Resolution passed: 1

Appointment of Mr. Arun Govil (Din: 01914619) as a Managing Director.

Details of special resolution proposed to be conducted through postal ballot:

None of the businesses proposed to be transacted at the ensuing AGM requires passing of a special resolution through postal ballot.

- **9th AGM** : September 29, 2018 at 10.30 A.M. at Coral Hall (in basement) Hotel Satkar Grande Wifi Park, Opposite Aplaab Company, Wagle Estate, Thane (W) 400604

Number of Special Resolution passed: Nil

None of the businesses proposed to be transacted at the ensuing AGM requires passing of a special resolution through postal ballot.

- **8th AGM** : September 29, 2017 at 10.30 A.M. at Coral Hall (in basement) Hotel Satkar Grande Wifi Park, Opposite Aplaab Company, Wagle Estate, Thane (W) 400604

Number of Special Resolutions passed: 1

#### 1. Authority to Borrow funds.

Postal ballot: The Postal Ballot notice was issued on 07.06.2017 and the details are as follows:

Details of special resolution proposed to be conducted through postal ballot:

Number of Special Resolution passed: 4

1. Approval of Employee Stock Option Plan 2017 (ESOP 2017)
2. Approval of grant of options to the Employees under ESOP 2017
3. Appointment of Statutory Auditors to fill casual vacancy
4. Amendment of Articles of Association of the Company.

- NCLT Convened Meeting of the Equity Shareholders: August 31, 2017 at 10:00 A.M. at Hotel Satkar Grande Wifi Park, Opposite Aplaab Company, Wagle Estate, Thane (w) 400604.

Number of Special Resolution passed: 1

Details of Special Resolution are as follows:

Approval of Scheme of Arrangement between Ducon Technologies (India) Private Limited and Ducon Infratechnologies Limited (Formerly known as Dynacons Technologies Limited) and their respective shareholders and creditors.

### 14. CODE OF CONDUCT

The Board of Directors has laid down Code of conduct for all Board Members and Senior Management of the Company. The copies of Code of Conduct as applicable to the Executive Directors (including Senior Management of the Company) and Non-Executive Directors are uploaded on the website of the Company – [www.duconinfra.co.in](http://www.duconinfra.co.in). The Annual Report of the Company contains a certificate by the Chief Executive Officer and Managing Director, on the compliance declarations received from the members of the Board and Senior Management.

## 15. SHARE CAPITAL AUDIT

The Share Capital Audit as required under Regulation 76 of SEBI (Depositories and Participants) Regulations, 2018 read with SEBI Circular No. D&CC/FITTC/Cir-16/2002 dated December 31, 2002, a Qualified Practicing Company Secretary carries out Capital Audit to reconcile the total admitted equity capital with National Securities Depository Limited (NSDL) and the Central Depository Services (India) Limited (CDSL) and the total issued and listed equity capital. This audit is carried out every quarter and the report thereon is submitted to the Stock Exchanges and to the Board of Directors.

## 16. VIGIL MECHANISM / WHISTLE BLOWER POLICY

In staying true to our values of Strength, Performance and Passion and in line with our vision of being one of the most respected companies in India, the Company is committed to the high standards of Corporate Governance and stakeholder responsibility.

Pursuant to Section 177 of the Companies Act, 2013 and under Regulation 22 of SEBI Listing Regulations, the Company has adopted Vigil Mechanism (Whistle Blower Policy) for the directors and employees of the company to deal with instances of fraud and mismanagement, unethical behaviour, violation of code of conduct and personnel policies of the Company, if any and to ensure that strict confidentiality is maintained whilst dealing with concerns and also that no discrimination will be meted out to any person for a genuinely raised concern.

The mechanism provides for adequate safeguards against victimization of Directors and employees to avail of the mechanism and also provide for direct access to the Chairman of the Audit Committee in exceptional cases. This neither releases employees from their duty of confidentiality in the course of their work nor can it be used as a route for raising malicious or unfounded allegations about a personal situation.

## 17. DISCLOSURES

### a) Related party Transactions:

There are no material related party transactions during the year that have conflict with the interest of the Company. Transactions entered into with related parties during the financial year were in the ordinary course of business and at arm's length basis and were approved by the Audit Committee. The Board's approved policy for related party transactions is uploaded on the website of the Company at <http://duconinfra.co.in/wp-content/uploads/2016/08/Policy-on-Related-Party-Transactions.pdf>

None of the Directors has any pecuniary relationships or transactions vis-à-vis the Company save and except the payment of sitting fees and commission to Independent Directors. The details of the transactions with Related Party are provided in the notes to the Financial Statements.

### b) Disclosure of Accounting Treatment:

The financial statements of the Company have been prepared in accordance with the Generally Accepted Accounting Principles in India (Indian GAAP) to comply with the Accounting Standards notified under Section 133 of the Companies Act, 2013. The financial statements have been prepared on accrual basis under the historic cost convention. The accounting policies adopted in the preparation of the financial statements are consistent with those followed in the previous year. Disclosures on transactions with related parties, as required under the Indian Accounting Standard 24, have been incorporated in the Notes to the Accounts. The statement of RPTs is placed before the Audit Committee and the Board on quarterly basis. Omnibus approval was obtained for the transactions of repetitive nature.

### c) Management Discussion and Analysis Report:

The Management Discussion and Analysis Report have been provided in the Directors' Report to the Shareholders.

### d) Details of non-compliance by the Company, penalties, restrictions imposed on the Company by Stock Exchange or SEBI or any statutory authority on any matter related to capital markets, during the last three years

The Company had received notice from National Stock Exchange of India Limited (NSE) and BSE Limited (BSE) dated February 03, 2020, for non-compliance with the provisions of Regulation 17(1), 18(1), 19(1)/19(2) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, pertaining to composition of Board, Audit Committee and Nomination and

Remuneration Committee. The Company had paid penalty of Rs. 5,20,380 each at NSE and BSE on February 18,2020, and had taken adequate steps by appointing Mr. Sudatta Subhankar, as Non-Executive, Independent Director of the Company w.e.f. 20.02.2020 and simultaneously as Chairman of Nomination & Remuneration Committee, and member of Stakeholders Relationship Committee and Audit Committee and complied with Regulation 17(1), 18(1), 19(1)/19(2) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

- e) A qualified Practicing Company Secretary carried out a Reconciliation of Share Capital Audit, the total admitted capital with National Securities Depository Limited (NSDL) and Central Depository Services (India) Ltd. (CDSL) and the total issued and listed capital. The audit confirms that the total issued/paid up capital is in agreement with the total number of shares in physical form and the total number of dematerialized shares held with NSDL and CDSL.
- f) The Company has established a mechanism called "Whistle Blower Policy" for employees to report to the management instances of unethical behavior, actual or suspected, fraud or violation of the Company's code of conduct or ethics policy. No person has been denied access to the Chairman of the Audit Committee. The Vigil Mechanism as per Regulation 22 of Listing Regulations ensures standards of professionalism, honesty, integrity and ethical behaviour.
- g) The Company has adopted Code of Conduct ('Code') for the Members of the Board and Senior Management Personnel as required under Regulation 17(5) of the Listing Regulations. All the Board Members and the Senior Management Personnel have affirmed compliance of the Code. The Annual Report of the Company contains a declaration to this effect signed by the Managing Director & CFO. Further, the Code of Conduct of the Company applicable to the Board and Senior Management Personnel is also uploaded on the Company's website at the web link [http://duconinfra.co.in/wp-content/uploads/2016/08/Code-of-conduct-2015\\_DTL.pdf](http://duconinfra.co.in/wp-content/uploads/2016/08/Code-of-conduct-2015_DTL.pdf)

#### h) Terms of Appointment of Independent Directors

Terms and conditions of appointment of Independent Directors are available on the Company's website at the web link <http://duconinfra.co.in/wp-content/uploads/2016/08/Independent-Directors-TC.pdf>

#### i) Shareholders

- (i) The Company has sent Annual Report through email to those Shareholders who have registered their email ids with Depository Participant.
- (ii) Mr. Chandrasekhar Ganesan, Executive Director of the Company is retiring by rotation at the ensuing Annual General Meeting and being eligible, offers himself for re-appointment.
- (iii) The Company does not have any material listed/ unlisted subsidiary companies as defined in Regulation 24 (1) of Listing Regulations. However, the Company has framed the Policy on Material Subsidiaries and the same is uploaded on the Company's website at the web link: <http://duconinfra.co.in/wp-content/uploads/2016/08/POLICY-ON-MATERIAL-SUBSIDIARIES.pdf>
- (iv) The Company does not deal in commodities and hence the disclosure pursuant to SEBI Circular dated November 15, 2018 is not required to be given.

#### j) Auditors' certificate on corporate governance

As required by Schedule V of the Listing Regulations, the Auditors' certificate on corporate governance is enclosed as an Annexure to the Board's Report.

#### k) Details of compliance with Mandatory requirements and adoption of non-mandatory requirements

- 1. The Company has complied with all the applicable mandatory requirements of the Listing Regulations.
- 2. The Company has not adopted the non-mandatory requirement as specified in the Listing Regulations.

#### l) Company has not raised funds through preferential allotment or qualified institutions placement under Regulation 32(7A) of the Listing Regulations.



- m) No equity shares were suspended from trading during the Financial Year 2019-20.
- n) The Company has not issued any outstanding Global Depository Receipts or American Depository Receipts, Warrants or any convertible instruments during the Financial Year 2019-2020.
- o) The certificate dated March 31, 2020, received from Mr. Gaurang Shah, Practicing Company Secretary confirming that none of the directors on the Board of the Company have been debarred or disqualified from being appointed or continuing as directors of the Company by the Board/Ministry of Corporate Affairs or any such Statutory Authority.
- p) In the financial year 2019-20 the board has accepted all recommendations of its Committees.
- q) The details of total fees for all services paid by the Company to M/s. Hitesh Shah & Associates (Firm Registration No. 103716W) the statutory auditor and all entities in the network firm/ network entity of which the statutory auditors is a part, are as follows

Sr. No.	Particulars	Amount (Rs. In lakhs)
1	Statutory Audit Fees	22.00
2	Tax Audit Fees	5.00
3	Others	-
	Total	27.00

- r) The disclosure in relation to Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 forms part of the Directors' Report.
- s) The Company has complied with all the requirement of Corporate Governance report as contained in Clause C(2) to (10) of Schedule V read with Regulation 34(3) of Listing Regulations.
- t) The Company has adopted Policy on Determination of Materiality under Regulation 30 of SEBI Listing Regulations, which is disclosed on the Company's website.
- u) Discretionary Requirements
1. The auditors' report on financial statements of the Company are unqualified.
  2. The Company has adopted policy on Archival and Preservation and Documents which is disclosed on Company's website.

## 18. POLICY FOR PROHIBITION OF INSIDER TRADING

Vide notification No. EBI/LAD-NRO/GN/2018/59 Securities and Exchange Board of India (SEBI) has notified SEBI (Prohibition of Insider Trading) (Amendment) Regulations, 2018 with effect from April 01, 2019. The Company has accordingly amended its Prohibition of Insider Trading Code and Code of Practices and Procedures for Fair Disclosure of Unpublished Price Sensitive Information. The Company in its Board meeting held on March 30, 2019 has taken necessary initiative to implement the same. The Code also provides for pre-clearance of transactions by designated persons.

## 19. CEO & CFO CERTIFICATION

In terms of Listing Regulations, the certification by the Managing Director and the Chief Financial Officer is annexed to this Annual Report.

## 20. COMPLIANCE ON CORPORATE GOVERNANCE

The quarterly compliance report has been submitted to the Stock Exchanges where the Company's equity shares are listed in the requisite format duly signed by the Compliance Officer. Pursuant to Regulation 17 to 27 of SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 of the Listing Agreement, the Auditor's Certificate in compliance on conditions of Corporate Governance is published in the Annual Report.

## 21. MEANS OF COMMUNICATION:

The Board recognizes the importance of two-way communication with shareholders and giving a balanced report of results and progress and responding to questions and issues raised in a timely and consistent manner. The quarterly, half-yearly and yearly

financial results of the Company are sent to the Stock Exchanges immediately after they are approved by the Board. These are widely published in Leading newspapers and local language newspapers. After adoptions by the Board of Directors in their Board Meeting the financial results, official news releases are posted on the company's website: [www.duconinfra.co.in](http://www.duconinfra.co.in). The Management Discussion and Analysis Report is a part of the Annual Report for the year. The annual report has been sent in electronic form to shareholders, who have provided their email id. Physical copies of the annual report have been provided to such shareholders based on a request received from them for this purpose.

The annual report has been sent in electronic form to shareholders, who have registered their email ids. In view of the prevailing COVID-19 situation and consequent lockdown across the country, the Ministry of Corporate Affairs (MCA) has exempted companies from circulation of physical copies of Annual Report for year ended March 31, 2020.

Our Company does online filing with National Stock Exchange of India Limited (NSE) and BSE Limited (BSE) through web based application: NEAPS (NSE Electronic Application Processing System) and BSE Listing Centre.

The Company discloses to the Stock Exchanges, all information required to be disclosed under Regulation 30 read with Part A of Schedule III of the Listing Regulations including material information having a bearing on the performance / operations of the Company or other price sensitive information.

The Board of Directors has approved a policy for determining materiality of events and making disclosures to Stock Exchanges.

## 22. GENERAL SHAREHOLDER INFORMATION

### 22.1 Annual General Meeting:-

- Date and Time	September 30, 2020 at 10.00 A.M.
- Venue	The Company is conducting the meeting through VC / OAVM pursuant to the MCA Circular dated May 5, 2020 and as such there is no requirement to have a venue for the AGM. For details please refer to the Notice of this AGM

As required under Regulation 36(3) of the SEBI Listing Regulations and Secretarial Standard 2, particulars of Directors seeking appointment/re-appointment at this AGM are given in the Annexure to the Notice of this AGM.

### 22.2 Financial Calendar:- April'19 – March'20

### 22.3 Book Closure Date As mentioned in the Notice of this AGM

### 22.4 Dividend Payment Date N.A.

### 22.5 (a) Listing of Equity Shares on Stock Exchanges at:

Name	Code Nos.
The BSE Ltd., Mumbai 25th Floor, P. J. Towers, Dalal Street, Mumbai 400 001	534674
National Stock Exchange of India Ltd. Exchange Plaza, C-1, Block G, Bandra Kurla Complex Bandra (East), Mumbai 400 051	DUCON

(b) Listing of Global Depository Receipts N.A.

(c) Demat ISIN numbers in NSDL & CDSL INE741L01018

(d) Annual listing fees for the year 2019-2020 have been duly paid to all the above Stock Exchanges.

(e) Corporate Identification Number (CIN) L72900MH2009PLC191412

## 22.6 Stock Market Data

	Bombay Stock Exchange (BSE) (in Rs.)			National Stock Exchange (NSE) (in Rs.)		
	Month's high price	Month's low price	Volume (No. of shares)	Month's high price	Month's low price	Volume (No. of shares)
April-2019	15.9	11.10	607704	16.30	11.45	7481858
May-2019	19.75	12.76	1023274	19.90	12.90	15591524
June-2019	19.3	7.35	2126387	19.50	7.40	24539887
July-2019	8.38	5.32	397511	8.45	5.30	3251868
Aug-2019	6.55	4.55	291213	6.60	4.60	1522195
Sep-2019	7.70	4.61	310531	7.70	4.60	1489220
Oct-2019	5.88	4.35	148760	6.00	4.30	1018336
Nov-2019	6.80	4.98	296114	6.75	5.10	899332
Dec-2019	5.64	4.47	137455	5.80	4.45	1024956
Jan-2020	5.60	4.64	244490	5.65	4.65	1168521
Feb-2020	7.28	4.60	814774	7.25	4.55	2630937
Mar-2020	4.87	2.42	96172	5.00	2.45	769577

## 22.7 Registrar and transfer Agents:

### Bigshare Services Pvt. Ltd.

SEBI Regn. No. INR 00001385

1st Floor Bharat Tin Works Building, Opp. Vasant Oasis,  
Makwana Road, Marol, Andheri East, Mumbai- 400059

Tel : 022 – 62638200/206, Fax: 022 – 62638299

Email id- info@bigshareonline.com

Website- bigshareonline.com

## 22.8 Share Transfer System

In terms of Regulation 40(1) of SEBI Listing Regulations, as amended, securities can be transferred only in dematerialized form w.e.f. April 1, 2019, except in case of request received for transmission or transposition of securities. Members holding shares in physical form are requested to consider converting their holdings to dematerialized form. Transfers of equity shares in electronic form are effected through the depositories with no involvement of the Company.

**22.9 Distribution of Shareholding as on March 31, 2020**

No. of Equity Shares	No. of Folios	% of Total	Total Holding in Rupees	% of Total
1-5000	18445	92.93	14046294	13.42
5001-10000	770	03.88	5780669	05.52
10001-20000	338	01.70	4917332	04.70
20001-30000	108	00.54	2699900	02.58
30001-40000	55	00.28	1936842	01.85
40001-50000	37	00.19	1703073	01.63
50001-100000	63	00.32	4262887	04.07
100001-9999999999	31	00.16	69328120	66.23
<b>Total</b>	<b>19847</b>	<b>100.00</b>	<b>104675117</b>	<b>100.00</b>

**22.10 Shareholding of Directors**

Sr. No.	Name of Directors	No. of Shares	Percentage (%)
1.	\$\$ Mr. Arun Govil	58442569	55.83
2.	Mr. Viren Shah	Nil	Nil
3.	Mr. Harish Shetty	Nil	Nil
4.	Mr. Chandrasekhar Ganesan	Nil	Nil
5.	Mr. Abhinav Anand	Nil	Nil
6.	Ms. Ratna Jhaveri	Nil	Nil
7.	Mr. Sudatta Subhankar		

Note- \$\$ 1,50,00,000 shares held by Mr Arun Govil (pledged by him) were invoked from June 20,2019 to November 07,2019 by the Pledgee and his shareholding as on the date of Directors Report is 5,84,42,569 shares i.e. 55.83% of the total share capital of the Company.

**22.11 Dematerialization of Shares as on March 31, 2020**

Total No. of shares	Shares in physical form	Percentage %	Share in demat form	Percentage %
10,46,75,117	2,96,390	0.29%	10,43,78,727	99.71%

## 22.12 Categories of Shareholders as on March 31, 2020

Category	No of Shares held	Percentage of Shareholding
Clearing member	440826	00.42
Corporate Bodies	686828	00.66
Corporate Bodies NBFC	3840	00.00
Financial Institutions	300	00.00
Foreign Promoters	58442569	55.83
Nationalised Banks	7980	00.01
NRIs	1627248	01.56
Partnership Firm	200	00.00
Public	43464826	41.52
Trusts	500	00.00
<b>Total</b>	<b>104675117</b>	<b>100.00</b>

## 22.13 Capital of the Company

The authorized and paid-up capital of your Company is Rs. 150,000,000 and Rs. 10,46,75,117 respectively.

## 22.14 Outstanding GDRs /ADRs

: N.A

## 22.15 Company Secretary & Compliance Officer

: Mr. Darshit Parikh

## 22.16 Address for Investor Correspondence :

### Bigshare Services Pvt. Ltd.

SEBI Regn. No. INR 00001385  
1st Floor, Bharat Tin Works Bldg,  
Opp. Vasant Oasis, Makwana Road  
Marol, Andheri East  
Mumbai-400059  
Tel: 022-62638200/206  
Fax: 022- 62638299

### Ducon Infratechnologies Ltd.

**CIN:** L72900MH2009PLC191412  
Ducon House, Plot No. A/4,  
Road No. 1, MIDC,  
Wagle Industrial Estate,  
Thane-400604  
Email: cs@duconinfra.co.in  
Cont No. 022- 41122114

## 22.17 Corporate Ethics:

The consistent endeavor of Ducon Infratechnologies Ltd. is to enhance the reputation of the Company and irrespective of the goals to be achieved, the means are as important as the end. The Company has adopted "the Code of Conduct for prevention of Insider Trading", which contains policies prohibiting insider trading. As per SEBI / Stock Exchanges Guidelines, the Company has also promulgated Code of Conduct to be followed by Directors and Management.

**CFO/CEO CERTIFICATION**

**The Board of Directors**  
**Ducon Infratechnologies Ltd.**  
**Thane**

We, hereby to the best of our knowledge and belief certify that:

- a) We have reviewed the financial statements and the cash flow statement for the year and that to the best of our knowledge and belief:
  - i) these statements do not contain any materially untrue statement or omit any material factor contain statements that might be misleading;
  - ii) these statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
- b) There are, to the best of our knowledge and belief, no transactions entered into by the Company during the year which is fraudulent, illegal or violates the Company's code of conduct.
- c) We accept responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of Internal Control Systems of the Company pertaining to financial reporting and have disclosed to the Auditors and the Audit Committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.
- d) We have disclosed, based on our evaluation wherever applicable to the Auditors and the Audit Committee that;
  - i. There has not been any significant change in internal control over financial reporting;
  - ii. All the significant changes in accounting policies during the year, if any, and that the same have been disclosed in the notes to the financial statement; and
  - iii. There were no instances of significant fraud of which we are become aware and the involvement therein, of the management or an employee having a significant role in the Company's internal control system over financial reporting.

For **Ducon Infratechnologies Ltd.**

**Harish Shetty**  
**Chief Financial Officer and Executive Director**  
**DIN: 07144684**

**Place:** Thane

**Dated:** September 3, 2020



## COMPLIANCE CERTIFICATE ON CORPORATE GOVERNANCE

The Members

**Ducon Infratechnologies Ltd.**

Thane.

We have examined the compliance of the conditions of Corporate Governance by Ducon Infratechnologies Limited for the year ended 31st March, 2020 as per Regulations 17-27, clauses (b) to (i) of Regulations 46(2) and paragraphs C, D and E of Schedule V of the SEBI(Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Listing Regulations')

The compliance of conditions of Corporate Governance is the responsibility of the Management. Our examination was limited to a review of the procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us, and the representations made by the Management, and considering the relaxations granted by the Ministry of Corporate Affairs and Securities and Exchange Board of India warranted due to the spread of the COVID-19 pandemic, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the SEBI Listing Regulations for the year ended on March 31, 2020.

We have examined the relevant records of the Company in accordance with the Generally Accepted Auditing Standards in India, to the extent relevant, and as per the Guidance Note on Certification of Corporate Governance issued by the Institute of Chartered Accountants of India.

We further state that such compliance is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

For **M/s. Hitesh Shah & Associates**

Firm Regn. No. : 103716W

Chartered Accountants

**Hitesh Shah**

Partner

Membership No: 040999

UDIN: 20040999AAAADB5920

**Place:** Mumbai

**Dated:** September 03, 2020



**DECLARATION REGARDING COMPLIANCE BY BOARD MEMBERS AND SENIOR MANAGEMENT PERSONNEL  
WITH THE COMPANY'S CODE OF CONDUCT**

This is to certify that the Company has laid down Code of Conduct for all Board Members and Senior Management of the Company and the copies of the same are uploaded on the website of the Company – [www.duconinfra.co.in](http://www.duconinfra.co.in)

As per Regulation 17(5) and Regulation 26(3) of Securities Exchange Board of India (Listing Obligations & Disclosure Requirements) Regulations, 2015, all Board Members and Senior Management Personnel have affirmed Compliance with the Code of Conduct for the year ended March 31, 2020.

For **Ducon Infratechnologies Ltd.**

**Harish Shetty**  
**Chief Financial Officer and Executive Director**  
**DIN: 07144684**

**Place:** Thane

**Dated:** September 3, 2020



## CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS

(pursuant to Regulation 34(3) and Schedule V Para C clause (10)(i) of the SEBI  
(Listing Obligations and Disclosure Requirements) Regulations, 2015)

To,

The Members

### **Ducon Infratechnologies Limited**

Ducon House, Plot No. A/4, Road No. 1, MIDC,  
Wagle Industrial Estate, Thane-400604.

We have examined the relevant registers, records, forms, returns and disclosures received from the Directors of **Ducon Infratechnologies Limited** having **CIN L72900MH2009PLC191412** and having registered office at Ducon House, Plot No. A/4, Road No. 1, MIDC, Wagle Industrial Estate, Thane- 400604 (hereinafter referred to as 'the Company'), produced before me / us by the Company for the purpose of issuing this Certificate, in accordance with Regulation 34(3) read with Schedule V Para-C Sub clause 10(i) of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In our opinion and to the best of our information and according to the verifications (including Directors Identification Number (DIN) status at the portal [www.mca.gov.in](http://www.mca.gov.in)) as considered necessary and explanations furnished to us by the Company & its officers and considering the relaxations granted by the Ministry of Corporate Affairs and Securities and Exchange Board of India warranted due to the spread of the COVID-19 pandemic, We hereby certify that none of the Directors on the Board of the Company as stated below for the Financial Year ending on March 31, 2020 have been debarred or disqualified from being appointed or continuing as Directors of companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs, or any such other Statutory Authority.

Sr. No.	NAME OF DIRECTOR	DIN	DATE OF INITIAL APPOINTMENT IN COMPANY##
1	Arun Govil	01914619	29.09.2015
2	Harish Shetty	07144684	20.01.2016
3	Chandrasekhar Ganesan	07144708	20.01.2016
4	Abhinav Anand	07732241	14.02.2017
5	Ratna Jhaveri	07732263	14.02.2017
6	**Sudatta Subhankar	08706538	20.02.2020
7	*Viren Shah	02886221	25.01.2011

**Note-**##the date of appointment is as per the MCA Portal.

\* Mr. Viren Shah, resigned from the post of Non-Executive & Independent Director of the Company w.e.f. 13.08.2019.

\*\* Mr. Sudatta Subhankar, was appointed as Additional, Non-Executive & Independent Director of the Company w.e.f. 20.02.2020.

Ensuring the eligibility of for the appointment / continuity of every Director on the Board is the responsibility of the management of the Company. Our responsibility is to express an opinion on these based on our verification. This certificate is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

For **GMS & Co.**  
Practising Company Secretary

**Gaurang Shah**  
ACS No: 32581  
CP No : 11953

**Place:** Mumbai

**Dated:** September 03, 2020

## INDEPENDENT AUDITOR'S REPORT

To,

**The Members of Ducon Infratechnologies Limited**

**Report on the Audit of the Standalone Financial Statements**

### Opinion

We have audited the standalone financial statements of Ducon Infratechnologies Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2020, and the statement of Profit and Loss, statement of Changes in Equity and the statement of Cash Flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion, and to the best of our information and according to the explanations given to us, the aforesaid financial statements, give the information required by the Companies Act, 2013 in the manner so required, and give a true and fair view, in conformity with accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2020, and its profit, changes in equity and its cash flows for the year ended on that date.

### Basis of Opinion

We conducted our audit in accordance with Standards on Auditing (SAs) specified under section 143(10) of the Companies Act, 2013. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the financial statements as per the ICAI's Code of Ethics and the provisions of the Companies Act, 2013, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### Emphasis of Matters

- i) The Company has made investments in equity shares of a private limited company aggregating to Rs. 500.00 lakhs as on March 31, 2020 reported under Investments in Non-Current Assets. The investments are to be measured at fair value in the statement of financial position as per requirements of Indian Accounting Standard 109. However, the management is of the opinion keeping in view their long term business synergy and potential, it has been decided to value such investments at cost as on the year ended March 31, 2020.
- ii) Attention is drawn to Note No. 24.7 to the Standalone financials statements, which describes that the extent to which the COVID-19 Pandemic will impact the Company's results in next financial year will depend on future developments, which are highly uncertain.
- iii) The Opinion expressed in the present report is based on the information, facts and inputs made available to us through electronic means by the Company. We wish to highlight that due to the COVID-19 induced restrictions on physical movement and strict timelines, the entire audit team could not visit the office of the Company for undertaking the required audit procedures as prescribed under ICAI issued Standards on Auditing, including but not limited to:
  - Inspection, Observation, examination and verification of the original documents of invoices, legal agreements, bank accounts statements / loan accounts statements and files.
  - Physical verification of Cash, including adequate internal controls thereof.
  - Physical Verification of Property, Plant and Equipment, Inventories as on March 31, 2020.
  - Any other processes which required physical presence of the audit team.

Our opinion is not modified in respect of these matters.

### Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and

in forming our opinion thereon, and we do not provide a separate opinion on these matters.

- 1) Evaluation of uncertain tax liabilities (Contingent Liabilities). Refer Note No.24.1 forming part of financial statements. Considering its probable impact on profit / loss, we have considered this as Key Audit Matter.

We have performed following substantive audit procedures:-

- a) Obtained details of completed tax assessments and demands up to the year ended March 31, 2020 from management.
- b) We performed our internal procedures to analyse the management's underlying assumptions in estimating the tax provision and the possible outcome of the disputes.
- c) We also legal precedence, referred to various case laws and other rulings in evaluating management's position on these uncertain tax litigations.
- d) Additionally, we considered the impact of latest information in respect of uncertain tax positions as on March 31, 2020 to evaluate whether any change was required to management's position on these uncertainties.

#### **Information other than the Standalone Financial Statements and Auditors' Report Thereon**

The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Directors' Report including Annexures to Directors' Report and Secretarial Audit Report, but does not include the financial statements and our auditor's report thereon. The Directors Report and Secretarial Audit Report is expected to be made available to us after the date of this auditor's report.

Our opinion on the financial statements does not cover the other information and we will not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

When we read the Directors Report and Secretarial Audit Report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance.

#### **Responsibilities of Management and Those Charged with Governance for the Standalone Financial Statements**

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Companies Act 2013 ("the Act") with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Board of Directors is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Board of Directors are responsible for overseeing the Company's financial reporting process.

#### **Auditor's Responsibility for the Audit of Standalone Financial Statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement

when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Companies Act, 2013, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

#### **Report on Other Legal and Regulatory Requirements**

1. As required by the Companies (Auditor's Report) Order, 2016 ('the Order'), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Companies Act, 2013, we give in the "**Annexure A**" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
2. As required by section 143 (3) of the Act, we report that:
  - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
  - b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
  - c) The Balance Sheet, the Statement of Profit and Loss, the Statement of Changes in Equity and the Cash Flow Statement dealt with by this Report are in agreement with the books of account;

- d) In our opinion, the aforesaid standalone financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014;
- e) On the basis of written representations received from the directors as on March 31, 2020, taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2020 from being appointed as a director in terms of section 164(2) of the Act;
- f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B"; and
- g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
  - i. The Company has disclosed the impact of pending litigations on its financial position in its financial statements – Refer Note 24.1 to the Standalone Financial Statements.
  - ii. The Company did not have any long term contracts including derivative contracts for which there were any material foreseeable losses.
  - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.

**For Hitesh Shah & Associates.**  
**Chartered Accountants**  
**Firm Registration No:- 103716W**

**Hitesh Shah, Partner**  
**Membership No: 040999**  
**Mumbai**  
**July 31, 2020**  
**UDIN : 20040999AAAACD7306**

**“Annexure A” forming part of Independent Auditor’s Report**

The Annexure referred to in our Independent Auditor’s Report of even date to the members of the Company on the financial statements for the year ended March 31, 2020, we report that:

On the basis of such checks as we considered appropriate and according to the information and explanations given to us during the course of our audit, we report that:

- i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- (b) According to the information and explanation given to us, the fixed assets have been physically verified by the management at the end of the year and the discrepancies noticed on such verification have been properly dealt with in the books of accounts.
- (c) There are no immovable properties held in the name of the Company, therefore this clause of the Order is not applicable to the Company.
- ii) Physical verification of inventories has been conducted at reasonable intervals by the management. The Company is generally maintaining proper records of inventory and no material discrepancies were noticed on physical verification between physical stock and the books records.
- iii) The Company has not granted any loan, secured or unsecured to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained u/s 189 of the Act; hence the Clause (iii) of paragraph 3 of the Order are not applicable to the Company.
- iv) In our opinion and according to the information and explanations given to us, the provisions of section 186 of the Act in respect of loans and guarantees given and investments made have been complied by the Company. In our opinion and according to the information and explanations given to us, the Company has not advanced any loans to persons covered under the provisions of Section 185 or granted securities or made any investments under Section 186 of the Act.
- v) The company has not accepted any deposit and hence directive issued by the Reserve Bank of India and provisions of sections 73 to 76 or any other provisions of Companies Act, 2013 and Rules framed thereunder will not be applicable to the Company.
- vi) The Central Government has not prescribed the maintenance of cost records under sub-section (1) of section 148 of the Act for any of the activities of the Company; hence the Clause (vi) of paragraph 3 of the Order are not applicable to the Company.
- vii) a) According to the information and explanations given to us and on the basis of our examination of the records, the Company has been generally regular in depositing undisputed statutory dues including Provident Fund, Employees State Insurance, Income Tax, GST and other statutory dues with the appropriate authorities.

According to the information and explanations given to us, there were outstanding statutory dues as on March 31, 2020 for a period of more than six months from the date they became payable, the details of which are as follows:

(₹ in lakhs)

Nature of Statutory Dues	Financial Year	Amount
Income Tax	2016-2017	68.71 Lakhs (excluding interest thereon)
Income Tax	2017-2018	148.01 Lakhs (excluding interest thereon)
Income Tax	2018-2019	250.36 Lakhs (excluding interest thereon)



- b) According to information and explanation given to us, there are no disputed statutory dues including Provident Fund, Employees State Insurance, Income Tax, Sales Tax, Service Tax, GST and other statutory dues which have not been deposited on account of dispute except as stated below :-

(₹ in lakhs)

Particulars	Period to which the amount relates	Forum where the dispute is pending	Amount
Income Tax	F.Y. 2017-18	Assessing Officer	59.06
Income Tax	F.Y. 2016-17	Assessing Officer	3.21
Income Tax	F.Y. 2013-14	Assessing Officer	0.56
Income Tax	F.Y. 2011-12	Assessing Officer	0.0661
Income Tax	F.Y. 2010-11	Assessing Officer	81.39
Income Tax	F.Y. 2009-10	Assessing Officer	3.12
Income Tax	F.Y. 2008-09	Assessing Officer	32.89
Income Tax of Ducon Technologies (I) Pvt Ltd (Demerged Company)	F.Y. 2016-17	Assessing Officer	29.74
Income Tax of Ducon Technologies (I) Pvt Ltd (Demerged Company)	F.Y. 2012-13	Assessing Officer	24.12
Income Tax of Ducon Technologies (I) Pvt Ltd (Demerged Company)	F.Y. 2011-12	Assessing Officer	0.36
Income Tax of Ducon Technologies (I) Pvt Ltd (Demerged Company)	F.Y. 2010-11	Assessing Officer	75.24
Income Tax of Ducon Technologies (I) Pvt Ltd (Demerged Company)	F.Y. 2009-10	Assessing Officer	2.35
Income Tax of Ducon Technologies (I) Pvt Ltd (Demerged Company)	F.Y. 2008-09	Assessing Officer	32.89
Income Tax of Ducon Technologies (I) Pvt Ltd (Demerged Company)	F.Y. 2005-06	Assessing Officer	0.04
CST	F.Y. 2010-11	Tribunal	5.72
CST	F.Y. 2012-13	Tribunal	35.95
CST	F.Y. 2014-15	JCT Appeals	2.20

- viii) Based upon the audit procedures performed and according to the information and explanations given to us, the company has not defaulted in repayment of loans or borrowings to financial institutions, banks. The company does not have debentures outstanding as on the balance sheet date.
- ix) Based upon the audit procedures performed and according to the information and explanations given to us, the company has not raised money by way of initial public offer or further public offer (including debt instruments) and term loans during the financial year, hence clause (ix) of paragraph 3 of the Order is not applicable to the company.
- x) To the best of our knowledge and belief, and according to the information and explanations given to us, and considering the size and nature of the Company's operations, no fraud of material significance on or by the Company have been noticed or reported during the year and nor have we been informed of such case by the management.
- xi) According to the information and explanation given to us and based on our examination of the records, the Company has paid for managerial remuneration in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V of the Act.
- xii) In our opinion and according to the information and explanation given to us, the Company is not a Nidhi Company; hence Clause (xii) of paragraph 3 of the Order is not applicable.
- xiii) According to the information and explanations given to us and based on our examination of records of the Company,

transactions with the related parties are in compliance with section 177 and 188 of the Act where applicable and the details of such transactions have been disclosed in the financial statements as required by the applicable accounting standards.

- xiv) Based upon the audit procedures performed and according to the information and explanations given by the management, the company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year; hence the clause (xiv) of paragraph 3 of the Order is not applicable to the Company.
- xv) According to the information and explanations given to us and based on our examination of records of the Company, the Company has not entered into any non-cash transactions with directors or persons connected with him; hence the clause (xv) of paragraph 3 of the Order is not applicable.
- xvi) In our opinion and according to the information and explanations given to us, the company is not required to be registered under section 45 – IA of Reserve Bank of India Act, 1934.

**For Hitesh Shah & Associates.**  
**Chartered Accountants**  
**Firm Registration No:- 103716W**

**Hitesh Shah, Partner**  
**Membership No: 040999**  
**Mumbai**  
**July 31, 2020**  
**UDIN : 20040999AAAACD7306**

## **“Annexure B” forming part of Independent Auditor’s Report**

### **Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 (“the Act”).**

We have audited the internal financial controls over financial reporting of Ducon Infratechnologies Limited (“the Company”) as of March 31, 2020 in conjunction with our audit of the Standalone Financial Statements of the Company for the year ended on that date.

#### **Management’s Responsibility for Internal Financial Controls**

The Company’s management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company’s policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

#### **Auditors’ Responsibility**

Our responsibility is to express an opinion on the Company’s internal financial controls over financial reporting of the Company based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the “Guidance Note”) and the Standards on Auditing prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor’s judgment, including the assessment of the risks of material misstatement of the Standalone Financial Statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company’s internal financial controls system over financial reporting.

#### **Meaning of Internal Financial Controls over Financial Reporting**

A company’s internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of Standalone Financial Statements for external purposes in accordance with generally accepted accounting principles. A company’s internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of Standalone Financial Statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company’s assets that could have a material effect on the Standalone Financial Statements.

#### **Inherent Limitations of Internal Financial Controls over Financial Reporting**

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also,

projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

**Opinion**

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2020, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

**For Hitesh Shah & Associates.**  
**Chartered Accountants**  
**Firm Registration No:- 103716W**

**Hitesh Shah, Partner**  
**Membership No: 040999**  
**Mumbai**  
**July 31, 2020**  
**UDIN : 20040999AAAACD7306**



## Ducon Infratechnologies Limited

Balance Sheet as at March 31, 2020

(₹ in lakhs)

Particulars	Note No.	As at 31 Mar 2020	As at 31 Mar 2019
<b>ASSETS</b>			
<b>Non Current Assets</b>			
Property, Plant and Equipment	2	64.09	108.76
Investments	3	503.08	504.18
<b>Financial Assets</b>			
Loans and Advances	4	871.21	871.21
Deferred Tax Asset	5	0.42	-
<b>Total Non Current Assets</b>		<b>1,438.80</b>	<b>1,484.15</b>
<b>Current Assets</b>			
Inventories	6	-	504.39
<b>Financial Assets</b>			
Trade Receivables	7	25,018.76	23,400.66
Cash & Cash Equivalents	8	10.04	6.49
Bank balances other than Cash and Cash equivalents above		631.50	1,194.53
Loans and Advances	9	23.85	28.13
Other Current Assets	10	481.26	560.33
<b>Total Current Assets</b>		<b>26,165.41</b>	<b>25,694.53</b>
<b>TOTAL ASSETS</b>		<b>27,604.21</b>	<b>27,178.68</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
Equity share capital	11	1,046.75	1,046.75
Other equity		6,895.18	6,810.69
<b>Total Equity</b>		<b>7,941.93</b>	<b>7,857.44</b>
<b>Liabilities</b>			
<b>Non current liabilities</b>			
<b>Financial Liabilities</b>			
Trade payables	12	858.05	1,518.06
Provisions	13	44.61	47.86
Deferred Tax Liability	14	-	11.92
<b>Total Non Current Liabilities</b>		<b>902.66</b>	<b>1,577.84</b>
<b>Current Liabilities</b>			
<b>Financial Liabilities</b>			
Borrowings	15	12,276.83	10,947.24
Trade payables	16	5,143.40	5,536.86
Other current liabilities	17	1,339.39	1,259.29
<b>Total Current Liabilities</b>		<b>18,759.62</b>	<b>17,743.40</b>
<b>Total Liabilities</b>		<b>19,662.28</b>	<b>19,321.24</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>27,604.21</b>	<b>27,178.68</b>

Refer Significant Accounting policies and notes to the financial statements

As per our report of even date

For and on behalf of

**HITESH SHAH & ASSOCIATES**

CHARTERED ACCOUNTANTS

Firm Regn No. **103716W**

**Hitesh Shah (Partner)**

Membership No. **040999**

**Mumbai**

July 31, 2020

For and on behalf of Board of Directors of

**Ducon Infratechnologies Limited**

**Harish Shetty**

(Director)

DIN: 07144684

**G. Chandrasekhar**

(Director)

DIN: 07144708

**Ducon Infratechnologies Limited****Statement of Profit and Loss Account for the Year Ended March 31, 2020**

(₹ in lakhs)

<b>Particulars</b>	<b>Note No.</b>	<b>For the year ended 31 Mar 2020</b>	<b>For the year ended 31 Mar 2019</b>
<b>Income from operations</b>			
Revenue from operations	18	38,093.46	39,425.89
Other Income	19	62.40	85.85
<b>Total Income from operations</b>		<b>38,155.87</b>	<b>39,511.73</b>
<b>Expenses</b>			
Change in Inventories of Stock in Trade		504.39	1.35
Cost of materials consumed	20	35,769.26	36,125.62
Employee benefits expenses	21	409.32	530.53
Finance Cost	22	1,078.07	1,016.88
Depreciation and amortization expense	2	50.40	71.03
Other expenses	23	234.22	946.61
<b>Total expenses</b>		<b>38,045.66</b>	<b>38,692.02</b>
<b>Profit / ( Loss ) before tax</b>		<b>110.21</b>	<b>819.71</b>
<b>Tax expenses</b>			
Less:- Current Tax		36.79	278.70
Add/(Less):- Deferred Tax Asset / (Liability)		12.34	92.40
<b>Total Tax expenses</b>		<b>24.45</b>	<b>186.30</b>
<b>Profit / ( Loss ) after tax</b>		<b>85.75</b>	<b>633.41</b>
<b>Other Comprehensive Income net of taxes (OCI)</b>			
i) Items that will not be reclassified to Profit and Loss (net of tax)		1.27	0.24
<b>Total comprehensive income after tax</b>		<b>84.49</b>	<b>633.16</b>
<b>Earnings Per Share</b>			
Basic		0.08	0.61
Diluted		0.08	0.61

Refer Significant Accounting policies and notes to the financial statements

As per our report of even date

For and on behalf of

**HITESH SHAH & ASSOCIATES**

CHARTERED ACCOUNTANTS

Firm Regn No. **103716W****Hitesh Shah (Partner)**Membership No. **040999****Mumbai**

July 31, 2020

For and on behalf of Board of Directors of

**Ducon Infratechnologies Limited****Harish Shetty**

(Director)

DIN: 07144684

**G. Chandrasekhar**

(Director)

DIN: 07144708



**Ducon Infratechnologies Limited**  
**Cash Flow Statement for the year ended March 31, 2020**

(₹ in lakhs)

Particulars	Note No.	For the year ended 31 Mar 2020	For the year ended 31 Mar 2019
<b>Cash Flow From Operating Activities</b>			
Profit before tax		110.21	819.72
<b>Non-cash adjustment to reconcile profit before tax to net cash flows:</b>			
- Depreciation/amortisation/other expenses/OCI		49.13	71.03
<b>Non-operating adjustment to reconcile profit before tax to net cash flows:</b>			
Interest Expense		940.19	886.93
<b>Operating profit before working capital changes</b>		<b>1,099.53</b>	<b>1,777.68</b>
Movements in working capital:			
Increase/(decrease) in trade payables		(1,053.48)	(936.11)
Increase/(decrease) in long term provisions		(3.24)	13.57
Increase/(decrease) in inventories		504.39	(1.35)
Increase/(decrease) in other current liabilities		66.55	(80.10)
Increase/(decrease) in short term borrowings		1,329.59	281.98
Increase/(decrease) in trade receivables		(1,618.10)	(1,742.30)
Decrease/(increase) in loans and other current assets		83.36	86.36
<b>Cash generated from/(used in) operating activities</b>		<b>408.59</b>	<b>(600.27)</b>
Direct taxes paid		(23.23)	21.33
<b>Net cash flow from/(used in) operating activities (A)</b>		<b>385.36</b>	<b>(578.94)</b>
<b>Cash flow from investing activities</b>			
Purchase of fixed assets including intangible assets, CWIP and fair valuation of Investments		(4.65)	(5.77)
Sale of fixed assets		-	0.02
<b>Net cash flow from/(used in) investing activities (B)</b>		<b>(4.65)</b>	<b>(5.75)</b>
<b>Cash flow from financing activities</b>			
Proceeds from long term borrowings		-	1,386.76
Interest paid		(940.19)	(886.93)
<b>Net cash flow from/(used in) financing activities (C)</b>		<b>(940.19)</b>	<b>499.83</b>
Net increase/(decrease) in cash and cash equivalents (A)+(B)+(C)		(559.48)	(84.86)
Cash and cash equivalents at the beginning of the year		1,201.02	1,285.88
<b>Cash and cash equivalents (including bank balances) at the end of the year</b>		<b>641.54</b>	<b>1,201.02</b>

Refer Significant Accounting policies and notes to the financial statements

As per our report of even date  
For and on behalf of  
**HITESH SHAH & ASSOCIATES**  
CHARTERED ACCOUNTANTS  
Firm Regn No. **103716W**  
**Hitesh Shah (Partner)**  
Membership No. **040999**  
**Mumbai**  
July 31, 2020

For and on behalf of Board of Directors of  
**Ducon Infratechnologies Limited**

**Harish Shetty**      **G. Chandrasekhar**  
(Director)              (Director)  
DIN: 07144684      DIN: 07144708



## Notes to Financial Statements for the year ended 31st March 2020

### Note 1: Significant Accounting Policies

#### 1.1 Basis of preparation

The financial statements of the company have been prepared in accordance with generally accepted accounting principles in India and comply with Indian Accounting Standards (Ind AS). The company has prepared these financial statements to comply in all material respects in accordance with the Accounting Standards notified under the Companies Act, 2013 ("the Act") and in accordance with the accounting principles generally accepted in India. These financial statements have been prepared on an accrual basis and under the historical cost of convention.

#### 2. Summary of significant accounting policies

##### a. Use of estimates

The preparation of financial statements in conformity with Ind-AS requires the management to make judgments, estimates and assumptions that affect the reported amounts of revenue, expenses, assets and liabilities and the disclosure of contingent liabilities, at the end of the reporting period. Although these estimates are based on the management's best knowledge of current events and actions, uncertainty about these assumptions and estimates could result in the outcomes requiring a material adjustment to the carrying amounts of assets or liabilities in future periods.

##### b. Property, Plant and Equipment

Property, Plant and Equipment are stated at cost, net of accumulated depreciation and accumulated impairment losses, if any. The cost comprises purchase price, borrowing costs if capitalization criteria are met and directly attributable cost of bringing the asset to its working condition for the intended use. Any trade discount and rebates are deducted in arriving at the purchase price.

Gains or losses arising from sale of fixed assets are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognized in the statement of profit and loss when the asset is sold.

##### c. Depreciation on tangible fixed assets

Depreciation on Fixed Assets is being provided on "Useful Life" in the manner prescribed under the Schedule II of the Companies Act, 2013.

##### d. Borrowing costs

Borrowing cost includes interest, amortization of ancillary costs incurred in connection with the arrangement of borrowings and exchange difference arising from currency borrowings to the extent they are regarded as an adjustment to the interest cost.

##### e. Impairment of tangible and intangible assets

The company assesses at each reporting date whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the company estimates the asset's recoverable amount.

After impairment, depreciation is provided on the revised carrying amount of the asset over its remaining useful life.

##### f. Investments

Investments, which are readily realizable and intended to be held for not more than one year from the date on which such investments are made, are classified as current investments. All other investments are classified as long-term investment.

Current investments are carried in the financial statement at lower of cost and fair value determined on an individual investment basis. Long-term investment is carried at cost. However, provision for diminution in value is made to recognize a decline other than temporary in the value of the investment.

On disposal of an investment, the difference between its carrying amount and net disposal proceeds is charged or credited to the statement of profit and loss.

##### g. Financial Assets:

###### i. Financial Assets

###### A. Initial recognition and measurement

All financial assets and liabilities are initially recognized at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities, which are not at fair value through profit or loss, are adjusted

to the fair value on initial recognition. Purchase and sale of financial assets are recognised using trade date accounting.

**B. Subsequent measurement**

**a) Financial assets carried at amortised cost (AC)**

A financial asset is measured at amortised cost if it is held within a business model whose objective is to hold the asset in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

**b) Financial assets at fair value through other comprehensive income (FVTOCI)**

A financial asset is measured at FVTOCI if it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

**c) Financial assets at fair value through profit or loss (FVTPL)**

A financial asset which is not classified in any of the above categories are measured at FVTPL.

**C. Other Equity Investments**

All other equity investments are measured at fair value, with value changes recognised in Statement of Profit and Loss, except for those equity investments for which the Company has elected to present the value changes in 'Other Comprehensive Income'.

**D. Impairment of financial assets**

In accordance with Ind AS 109, the Company uses 'Expected Credit Loss' (ECL) model, for evaluating impairment of financial assets other than those measured at fair value through profit and loss (FVTPL).

Expected credit losses are measured through a loss allowance at an amount equal to:

- ☐ The 12-months expected credit losses (expected credit losses that result from those default events on the financial instrument that are possible within 12 months after the reporting date); or
- ☐ Full lifetime expected credit losses (expected credit losses that result from all possible default events over the life of the financial instrument)

For trade receivables Company applies 'simplified approach' which requires expected lifetime losses to be recognised from initial recognition of the receivables. The Company uses historical default rates to determine impairment loss on the portfolio of trade receivables. At every reporting date these historical default rates are reviewed and changes in the forward looking estimates are analysed.

The Company uses 12 month ECL to provide for impairment loss where there is no significant increase in credit risk. If there is significant increase in credit risk full lifetime ECL is used.

**ii. Financial liabilities**

**A. Initial recognition and measurement**

All financial liabilities are recognized at fair value and in case of loans, net of directly attributable cost. Fees of recurring nature are directly recognised in the Statement of Profit and Loss as finance cost.

There is no significant impact on valuation of Financial Assets at fair value through comprehensive income and hence not profit or loss on such valuation booked.

**B. Subsequent measurement**

Financial liabilities are carried at amortized cost using the effective interest method. For trade and other payables maturing within one year from the balance sheet date, the carrying amounts approximate fair value due to the short maturity of these instruments.

There is no significant impact on valuation of Financial Assets at fair value through comprehensive income and hence not profit or loss on such valuation booked.

**Revenue recognition**

Revenue is recognized to the extent that is probable that the economic benefits will flow to the company and the revenue can be reliable measured. The following specific recognition criteria must also be met before revenue is recognized:

**Sale of goods**

Revenue from sale of goods is recognized when all the risks and rewards of ownership of the goods have been passed to the buyer, usually on delivery of the goods and performance of services to customers. If company collects sales taxes and value added taxes (VAT) on behalf of the government and, therefore, these are not economic benefits flowing to the company. Hence, they are excluded from revenue.

**Interest**

Interest income is recognized on a time proportion basis taking into account the amount outstanding and the applicable interest rate. Interest income is included under the head "other income" in the statement of profit and loss.

**Dividends**

Dividend income is recognized with the company's right to receive dividend is established by the reporting date.

**h. Foreign currency translation****Foreign currency transaction and balances****Initial recognition**

Foreign currency transaction are recorded in the reporting currency, by applying to the foreign currency amount the exchange rate between the reporting currency and the foreign currency at the date of the transaction.

**Conversion**

Foreign currency monetary items are retranslated using the exchange rate prevailing at the reporting date. Non-monetary items, which are measured in terms of historical cost denominated in a foreign currency, are reported using the exchange rate at the date of the transaction.

**Exchange differences**

The company accounts for exchange difference arising on translation/settlement of foreign currency monetary items as below:

Exchange difference arising on long-term foreign currency monetary items related to acquisition of a fixed asset are capitalized and depreciated over the remaining useful life of the asset.

All other exchange differences are recognized as income or as expenses in the period in which they arise.

**i. Retirement and other employee benefits**

Retirement benefit in the form of provident fund, Employee State Insurance Contribution and Labour Welfare Fund are defined contribution scheme. The contribution to the above is charged to the statement of profit and loss for the year when the contributions are due.

The company operates defined benefit plan for its employee, viz., gratuity. The costs of providing benefits under this plan are determined on the basis of actuarial valuation at each year-end. Separate actuarial valuation is carried out for each plan using the projected unit credit method. Contribution towards gratuity fund for eligible employees is made by way of premium to Life Insurance Corporation of India and charged to the statement of profit and loss. Actuarial gains and losses, (if any) for the defined plan are recognized in full in the period in which they occur in the statement of profit and loss.

Accumulated leave, which is expected to be utilized within the next 12 months, is treated as short – term employee benefit. The company measures the expected cost of such absences as the additional amount that is except to pay as a result of the unused entitlement that has accumulated at the reporting date.

The company treats accumulated leave excepted to be carried forward beyond twelve months, as long-term employee benefit for measurement purposes. Such long-term compensated absences are provided for based on the actuarial valuation using the projected unit credit method at the year-end. Actuarial gains/losses are immediately taken to the statement of profit and loss and are not deferred. The company presents the entire leave as a current liability in the balance sheet, since it does not have an unconditional right to defer its settlement for 12 months after the reporting date.

Expenses incurred towards voluntary retirement scheme are charged to the statement of profit and loss immediately.

**j. Income taxes**

Tax expenses comprise current and deferred tax. Current income-tax is measured at the amount expected to be paid to the tax authorities in accordance with the Income-tax Act, 1961 enacted in India.

Deferred income taxes reflect the impact of timing differences between taxable income and accounting income originating during the current year and reversal of timing differences for the earlier years. Deferred tax is measured using the tax rates and the tax laws enacted or substantively enacted by the reporting date. Deferred income tax relating to items recognized in equity and not in the statement of profit and loss.

Deferred tax liabilities are recognized for all taxable timing differences. Deferred tax assets are recognized for deductible timing differences only to the extent that there is reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realized. In situation where the company has unabsorbed or carry forward tax losses, all deferred tax assets are recognized only if there is virtual certainty supported by convincing evidence that they can be realized against future taxable profits.

At each reporting date, the company re-assesses unrecognized deferred tax assets. It recognized unrecognized deferred asset to the extent that it has become reasonably certain or virtually certain, as the case may be, that sufficient future taxable income will be available against which such deferred tax assets can be realized.

#### k. Earnings Per Share

Basic earnings per share are calculated by dividing the net profit or loss for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period.

#### l. Provisions

A provision is recognized when the company has a present obligation as a result of past event, it is probable that an outflow of resources embodying economic benefit will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Provisions are not discounted to their present value and are determined based on the best estimate required to settle the obligation at the reporting date. These estimates are reviewed at each reporting date and adjusted to reflect the current best estimates.

#### m. Contingent liabilities

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the company or a present obligation that is not recognized because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises in extremely rare cases where there is a liability that cannot be recognized because it cannot be measured reliably. The company does not recognize a contingent liability but discloses its existence in the financial statement.

### Notes to Financial Statements for the year ended 31st March 2020

#### Note 2: Property, Plant and Equipment

(₹ in lakhs)

Particulars	Gross Block				Depreciation				Net Block	
	As on 01.04.2019	Additions	Deletions	As on 31.03.2020	Upto 01.04.2019	For the Year	For the assets sold	Upto 31.03.2020	Net Block 31.03.2020	Net Block 31.03.2019
<b>Owned Assets</b>										
Furniture & Fixtures	35.96	0.19		36.15	26.98	1.91		28.89	7.26	8.98
Vehicles	5.11	0.70		5.81	4.97	0.08		5.05	0.76	0.13
Office Equipment	72.48	0.22		72.71	67.56	1.58		69.14	3.56	4.92
Computer	762.10	4.40		766.49	670.07	46.51		716.58	49.91	92.03
Plant and Machinery & Electrical Equipments	29.72	0.23		29.95	27.03	0.32		27.35	2.60	2.69
<b>Total Current Year</b>	<b>905.37</b>	<b>5.74</b>	<b>-</b>	<b>911.10</b>	<b>796.61</b>	<b>50.40</b>	<b>-</b>	<b>847.01</b>	<b>64.09</b>	<b>108.76</b>

## Notes to Financial Statements for the year ended 31st March 2020

(₹ in lakhs)

Particulars	As at 31 Mar 2020	As at 31 Mar 2019
<b>Note 3: Investments</b>		
<b>In Equity Shares - Unquoted, fully paid up</b>		
Investment in Ganpati Intradex Private Limited	500.00	500.00
(50,00,000 (Previous year 50,00,000) Equity Shares of Rs. 10 each, fully paid up)		
<b>Investment in Mutual Funds</b>		
12,861.968 (PY 12,861.968) Units of J M Basic Fund- Growth Plan*	3.08	4.18
<b>Total</b>	<b>503.08</b>	<b>504.18</b>
*Note:- The above shares have been pledged as security for repayment of the cash / credit facilities availed from the bank.		
<b>Note 4: Non-Current Loans and Advances</b>		
<b>(Unsecured and Considered Good)</b>		
Other Loans and Advances	871.21	871.21
<b>Total</b>	<b>871.21</b>	<b>871.21</b>
<b>Note 5: Deferred Tax Asset</b>		
<b>Fixed Assets :</b>		
Impact of difference between tax depreciation and depreciation / amortisation charged for the financial reporting.	0.42	-
<b>Net Deferred Tax Asset</b>	<b>0.42</b>	<b>-</b>
<b>Note 6: Inventories</b>		
Stock in Trade	-	504.39
<b>Total</b>	<b>-</b>	<b>504.39</b>
<b>Note 7: Trade Receivables</b>		
<b>Unsecured</b>		
Considered Good	25,018.76	23,400.66
<b>Total</b>	<b>25,018.76</b>	<b>23,400.66</b>
<b>Note 8: Cash and Cash Equivalents</b>		
Cash on hand	8.41	5.21
<b>Balances with banks :</b>		
In current accounts	1.63	1.28
In deposit accounts	631.50	1,194.53
<b>Total</b>	<b>641.54</b>	<b>1,201.02</b>
<b>Note 9: Current Loans</b>		
<b>Unsecured and Considered Good</b>		
Other Loans and Advances	23.85	28.13
<b>Total</b>	<b>23.85</b>	<b>28.13</b>
<b>Note 10: Other Current Assets</b>		
Interest accrued on Deposits	31.62	31.62
Other assets	449.64	528.71
<b>Total</b>	<b>481.26</b>	<b>560.33</b>

## Notes to Financial Statements for the year ended 31st March 2020

(₹ in lakhs)

Particulars	As at 31 Mar 2020	As at 31 Mar 2019
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### Note 11: Equity Share Capital

#### Authorised Share Capital

150,000,000 Equity shares of Re. 1/- each

(Previous Year 150,000,000 Equity shares of Re. 1/- each)

#### Issued, Subscribed and Paid up :

10,46,75,117 Equity shares of Re. 1/- each

(Previous Year 10,46,75,117 Equity shares of Re. 1/- each)

Pursuant to the Scheme of Arrangement the Equity Share Capital of the Company has been reorganised in the year 2010-11

The reconciliation of the number of shares outstanding is set out below:

Particulars	As at March 31, 2020 (No. of Shares)	As at March 31, 2019 (No. of Shares)
Equity Shares at the beginning of the year	10,46,75,117	7,84,23,100
Additions during the year	-	2,62,52,017
<b>Equity Shares at the end of the year</b>	<b>10,46,75,117</b>	<b>10,46,75,117</b>

The details of Shareholders holding more than 5% shares:

Name of the Shareholder	As at March 31, 2020		As at March 31, 2019	
	No. of Shares Held	% holding	No. of Shares Held	% holding
Arun Govil	5,84,42,569	55.83%	7,34,42,569	70.16%

### Note 12: Trade Payables

#### Particulars

	As at March 31, 2020	As at March 31, 2019
Dues of micro and small enterprises	-	-
Other trade payables	858.05	1,518.06
<b>TOTAL</b>	<b>858.05</b>	<b>1,518.06</b>

(i) The amount due to Micro and Small Enterprises as defined in the "The Micro, Small and Medium Enterprises Development Act, 2006" has been determined to the extent such parties have been identified on the basis of information collected by the Management.

Particulars	As at March 31, 2020	As at March 31, 2019
(ii) The disclosures relating to Micro and Small Enterprises are as under:		
(a) The principal amount remaining unpaid to supplier as at the end of the accounting year	-	-
(b) The interest due thereon remaining unpaid to supplier as at the end of the accounting year	-	-
(c) The amount of interest paid in terms of Section 16, along with the amount of payment made to the supplier beyond the appointed day during the year	-	-
(d) The amount of interest due and payable for the year	-	-
(e) The amount of interest accrued and remaining unpaid at the end of the accounting year	-	-
(f) The amount of further interest due and payable even in the succeeding year, until such date when the interest dues as above are actually paid	-	--

**Notes to Financial Statements for the year ended 31st March 2020**

(₹ in lakhs)

<b>Particulars</b>	<b>As at 31 Mar 2020</b>	<b>As at 31 Mar 2019</b>
<b>Note 13: Provisions</b>		
Other Provisions	44.61	47.86
<b>Total</b>	<b>44.61</b>	<b>47.86</b>

**Note 14: Deferred Tax Liability****Fixed Assets :**

Impact of difference between tax depreciation and depreciation / amortisation charged for the financial reporting.

	-	11.92
<b>Net Deferred Tax Liability</b>	<b>-</b>	<b>11.92</b>

**Note 15: Current Borrowings****Secured**

Cash credit from bank	5,695.11	5,736.12
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**Unsecured**

Loan from Directors ( Refer Note* )	6,581.72	5,211.12
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<b>Total</b>	<b>12,276.83</b>	<b>10,947.24</b>
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**Prime Security:**

The Cash Credit from bank is secured against hypothecation of book debts.

**Collateral Security:**

Immovable properties in the name of promoters, fixed deposits held in the name of the company and guarantee provided by the promoters.

Note\* : Loan amounting to Rs. 6581,72 Lakhs ( P.Y. 5211,12 Lakhs ) has been taken from Mr. Arun Govil which is repayable on demand

**Note 16: Trade Payables**

<b>Particulars</b>	<b>As at March 31, 2020</b>	<b>As at March 31, 2019</b>
Dues of micro and small enterprises	258.13	188.98
Other trade payables	4,885.27	5,347.88
<b>Total</b>	<b>5,143.40</b>	<b>5,536.86</b>

- (i) The amount due to Micro and Small Enterprises as defined in the "The Micro, Small and Medium Enterprises Development Act, 2006" has been determined to the extent such parties have been identified on the basis of information collected by the Management.



## Notes to Financial Statements for the year ended 31st March 2020

(₹ in lakhs)

Particulars	As at 31 Mar 2020	As at 31 Mar 2019
(ii) The disclosures relating to Micro and Small Enterprises are as under:		
(a) The principal amount remaining unpaid to supplier as at the end of the accounting year	258.13	188.98
(b) The interest due thereon remaining unpaid to supplier as at the end of the accounting year	-	-
(c) The amount of interest paid in terms of Section 16, along with the amount of payment made to the supplier beyond the appointed day during the year	-	-
(d) The amount of interest due and payable for the year	-	-
(e) The amount of interest accrued and remaining unpaid at the end of the accounting year	-	-
(f) The amount of further interest due and payable even in the succeeding year, until such date when the interest dues as above are actually paid	-	-
<b>Note 17: Other Current Liabilities</b>		
Advance from customers	612.15	617.69
Staff related liabilities	114.92	0.32
Statutory liabilities	18.63	40.90
Other current liabilities (including security deposits)	-	5.20
Other Payables	47.28	62.33
Provision for income tax (Net of Advance Tax)	546.40	532.85
<b>Total</b>	<b>1,339.39</b>	<b>1,259.29</b>
<b>Note 18: Revenue from Operations</b>		
Sale of products	38,093.46	39,425.89
<b>Total</b>	<b>38,093.46</b>	<b>39,425.89</b>
<b>Note 19: Other Income</b>		
Interest income	55.76	78.74
Foreign Exchange Fluctuation	-	3.68
Other Income	6.64	3.42
<b>Total</b>	<b>62.40</b>	<b>85.85</b>
<b>Note 20: Cost of materials consumed</b>		
Consumption of materials	35,769.26	36,125.62
<b>Total</b>	<b>35,769.26</b>	<b>36,125.62</b>
<b>Note 21: Employee benefits expenses</b>		
Salaries, wages and bonus	386.78	495.29
Contribution to Provident Fund and other Funds	20.73	26.39
Staff welfare Expenses	1.81	8.85
<b>Total</b>	<b>409.32</b>	<b>530.53</b>
<b>Note 22: Finance Cost</b>		
Interest Expenses	940.19	886.93
Other Borrowing costs	137.88	129.95
<b>Total</b>	<b>1,078.07</b>	<b>1,016.88</b>

## Notes to Financial Statements for the year ended 31st March 2020

(₹ in lakhs)

Particulars	As at 31 Mar 2020	As at 31 Mar 2019
<b>Note 23: Other Expenses</b>		
Power and fuel	16.42	23.92
Rates and taxes	11.92	28.50
Insurance	5.42	10.26
Filing fees	1.55	0.14
Rent expenses	9.60	27.81
Repairs and maintenance	2.72	13.28
Buildings	-	0.33
Others	6.46	7.79
Office Maintenance Expenses	0.03	0.25
Vehicle Expenses	-	0.98
Bad debts	-	1.11
Advertising and sales promotion	1.13	31.10
Membership & subscription Expenses	0.03	0.29
Recruitment charges	-	1.40
Local Conveyance	2.35	3.48
Travelling and Marketing Expenses	10.64	76.37
Postage And Telephone Expenses	6.32	7.80
Site office expenses	28.02	65.59
Donation	0.20	0.13
Printing & Stationery Expenses	1.98	2.08
Security Charges	5.25	5.04
Legal and Professional Fees	71.26	107.99
Auditor's Remuneration	25.00	25.00
Miscellaneous Expenses	26.40	504.56
Computer Expenses	1.52	1.38
<b>Total</b>	<b>234.22</b>	<b>946.61</b>

**Statement of Changes in Equity**  
**For the year ended 31st March, 2020**

**A. Equity Share Capital**

(₹ in lakhs)

Particulars	Equity Share Capital
<b>As at 31st March 2018</b>	<b>784.23</b>
Changes in Equity Share Capital	262.52
<b>As at 31st March 2019</b>	<b>1,046.75</b>
Changes in Equity Share Capital	
<b>As at 31st March 2020</b>	<b>1,046.75</b>

**B. Other Equity**

(₹ in lakhs)

	Share money pending allotment on account of merger	Reserves and Surplus			Total
		General Reserve	Securities Premium Reserve	Retained Earnings	
<b>Balance as at 1st April 2018</b>	262.52	4,194.18	756.82	1,226.53	<b>6,440.05</b>
<b>Total other Comprehensive Income for the year</b>	-	-	-	633.16	633.16
<b>Less :- Transferred to Capital</b>	(262.52)	(262.52)			
<b>Balance as at 31st March 2019</b>	-	<b>4,194.18</b>	<b>756.82</b>	<b>1,859.69</b>	<b>6,810.69</b>
<b>Total other Comprehensive Income for the year</b>	-	-	-	84.49	84.49
<b>Balance as at 31st March 2020</b>	-	<b>4,194.18</b>	<b>756.82</b>	<b>1,944.19</b>	<b>6,895.18</b>

Securities premium account represents premium received on equity shares issued, which can be utilised only in accordance with the provisions of the Act.

General reserve represents an appropriation of profits by the Company, which can be utilised for purposes such as dividend payout etc.

Surplus in Retained Earnings comprises of prior years' undistributed earnings after taxes, which can be utilised for purposes such as dividend payout etc..

**Notes forming part of the Financial Statements as at 31st March, 2020****24. Additional Information to the financial statements****24.1 Contingent Liabilities**

a. Claims against company not acknowledged as debts:

(₹ in lakhs)

Particulars	Period to which the amount relates	Forum where the dispute is pending	Amount
Income Tax	F.Y. 2017-18	Assessing Officer	59.06
Income Tax	F.Y. 2016-17	Assessing Officer	3.21
Income Tax	F.Y. 2013-14	Assessing Officer	0.56
Income Tax	F.Y. 2011-12	Assessing Officer	0.0661
Income Tax	F.Y. 2010-11	Assessing Officer	81.39
Income Tax	F.Y. 2009-10	Assessing Officer	3.12
Income Tax	F.Y. 2008-09	Assessing Officer	32.89
Income Tax of Ducon Technologies (I) Pvt Ltd (Demerged Company)	F.Y. 2016-17	Assessing Officer	29.74
Income Tax of Ducon Technologies (I) Pvt Ltd (Demerged Company)	F.Y. 2012-13	Assessing Officer	24.12
Income Tax of Ducon Technologies (I) Pvt Ltd (Demerged Company)	F.Y. 2011-12	Assessing Officer	0.36
Income Tax of Ducon Technologies (I) Pvt Ltd (Demerged Company)	F.Y. 2010-11	Assessing Officer	75.24
Income Tax of Ducon Technologies (I) Pvt Ltd (Demerged Company)	F.Y. 2009-10	Assessing Officer	2.35
Income Tax of Ducon Technologies (I) Pvt Ltd (Demerged Company)	F.Y. 2008-09	Assessing Officer	32.89
Income Tax of Ducon Technologies (I) Pvt Ltd (Demerged Company)	F.Y. 2005-06	Assessing Officer	0.04
CST	F.Y. 2010-11	Tribunal	5.72
CST	F.Y. 2012-13	Tribunal	35.95
CST	F.Y. 2014-15	JCT Appeals	2.20
Elecon	2011-12, 2012-13, 2013-14 & 2014-15	Arbitration	345.49
FL Smidth	2010-11	Mumbai High Court	USD 32.65

b. Guarantees given by the company's bankers: Rs. 4,271.57 Lakhs

**24.2 Related Party Disclosures:**

a. The names of the related parties and the nature of relationship are as under:

Arun Govil	Director
Ducon Technologies (I) Private Limited	Enterprises over which the Key Managerial Personnel and their relatives are able to exercise significant influence.
Cemtrex (India) Private Limited	Enterprises over which the Key Managerial Personnel and their relatives are able to exercise significant influence.
Cemtrex Technologies Pvt Ltd	Enterprises over which the Key Managerial Personnel and their relatives are able to exercise significant influence.
Ducon Power Systems (I) Private Limited	Enterprises over which the Key Managerial Personnel and their relatives are able to exercise significant influence.

## Notes forming part of the Financial Statements as at 31st March, 2020

Arun Govil Productions Private Limited	Enterprises over which the Key Managerial Personnel and their relatives are able to exercise significant influence.
Harish Shetty	Director
Chandrasekhar Ganesan	Director
Abhinav Anand	Director
Ratna Jhaveri	Director
Viren Shah	Director

b. The material transactions with the related parties are as under:

(₹ in lakhs)

Name of the Party	Nature of Payment	For the FY 2019-2020	For the FY 2018-2019
Arun Govil	Loan Received (net of repayment)	1,370.60	1,386.76
Ratna Jhaveri	Director Sitting Fees	0.30	0.30
Arun Govil	Remuneration	2.40	2.40
Abhinav Anand	Director Sitting Fees	0.30	0.30
Viren Shah	Director Sitting Fees	-	0.60
Harish Shetty	Remuneration	28.80	26.33
Chandrasekhar Ganesan	Remuneration	28.80	25.5
Ducon Inc.	Purchases	-	-
Ducon Power Systems (India) Pvt Ltd	Payment of Net Advances taken for execution of contract	18.28	14.56
Cemtrex Technologies Pvt Ltd	Advances taken for execution of contract	437.57	8.64
Ducon Technologies (I) Private Limited	Rental expenses (Net of expenses)	13.75	5.83

### 24.3 Earnings Per Share (Basic and Diluted):

Particulars	For the FY 2019-2020	For the FY 2018-2019
Profit after Tax (Rs. in Lacs)	85.75	633.41
No. of Equity Shares	10,46,75,117	10,46,75,117
Earnings Per Share (of paid up value of Re. 1 each)	0.08	0.60

### 24.4 Foreign Exchange Exposure:

The company has not entered in any forward contract for hedging during the year and there are no such contracts outstanding at the end of the year.

### 24.5 Auditor's Remuneration:

(₹ in lakhs)

Particulars	As at March 31, 2019	As at March 31, 2018
Statutory Audit Fees	22.00	22.00
Tax Audit Fees	3.00	3.00
<b>Total</b>	<b>25.00</b>	<b>25.00</b>

(excludes applicable taxes thereon)

## Notes forming part of the Financial Statements as at 31st March, 2020

## 24.6 Employee Benefits:

(₹ in lakhs)

Particulars	2019-20		2018-19	
	Gratuity	Leave Salary	Gratuity	Leave Salary
<b>A Reconciliation of Opening and Closing balances of Defined Benefit Obligation</b>				
Present Value of Defined Benefit Obligation as at beginning of the year:	33.24864	7.92994	0.55461	0
Interest Cost	2.57677	0.61457	0.04298	0
Current Service Cost	6.19290	2.07540	6.75076	3.35975
Liability Transfer from Ducon Technologies	0	0	26.52579	4.25677
Benefits paid during the year	(9.04378)	0	0	(2.77560)
Actuarial (gain)/loss on Defined Benefit Obligation	2.33981	(2.40375)	(0.62550)	3.08902
Present Value of Defined Benefit Obligation as at end of the year:	35.31434	8.21616	33.24864	7.92994
<b>B Reconciliation of opening and closing balances fair value of plan assets</b>				
Fair value of Plan Assets as at beginning of the year	0.61769	-	0	-
Expected Return on Plan Assets for the year	0.81023	-	(0.38231)	-
Contributions made by Employer	0	-	1.00000	-
Benefits paid during the year	(9.04378)	-	0	-
Actuarial gain / (loss) on Plan Assets	0	-	0	-
Fair value of Plan Assets as at end of the year	9.66771	-	0.61769	-
<b>C Reconciliation of fair value of assets and obligations</b>				
Present Value of the Defined	35.31434	8.21616	33.24864	7.92994
Benefit Obligation as at the end of the year	0	0	0	0
Fair Value of Plan Assets as at the end of the year	(9.66771)	0	(0.61769)	0
Liability recognized in Balance Sheet as at the end of the year	25.64663	8.21616	32.63095	7.92994
<b>D Expenses recognized during the year</b>				
Current Service cost	6.19290	2.07540	6.75076	3.35975
Interest cost on obligation	2.57677	0.61457	0.04298	0
Expected return on plan assets	(0.81023)	0	0.38321	0
Net Actuarial (gain)/loss recognized in the year end	2.33981	(2.40375)	(0.6255)	3.08902
Expenses recognized in the statement of Profit & Loss	10.29925	0.28622	6.55055	6.44877
<b>E Actual Return on plan assets at the year end</b>				
Expected return on Plan Assets	0.81023	-	(0.38321)	-
<b>F Investment Details</b>				
L.I.C Group Gratuity (Cash Accumulation) Policy	100% Invested with L.I.C.		100% Invested with L.I.C.	
<b>G Actuarial assumptions</b>				
Rate of Interest	6.75% p.a.		7.75% p.a.	
Salary Growth	7.5% p.a.		7.5% p.a.	
Withdrawal Rate	1% p.a.		1% p.a.	
Mortality Table (L.I.C.)	Indian Assured Live Mortality Rate (2012-14)		LIC (2006-08) Ultimate Mortality Rates	
Retirement Age	60 Years		60 Years	

The estimate of rate of escalation in salary considered in Actuarial valuation, take into account inflation, seniority, promotion, other relevant factors' including supply and Demand in the employment market.

## Notes to Financial Statements for the year ended 31st March 2020

**24.7** Due to Covid-19 pandemic impact the revenue of the Company in the next quarter ended June 30, 2020 has come down substantially. This is mainly because of suspension of the operations at the head office and project sites due to the lockdown enforced by the Government. In assessing the recoverability of Company's assets such as Loans, Intangible Assets, Trade receivable and other assets as on March 31, 2020, the Company has considered internal and external information upto the date of approval of these financial results. The Company has performed sensitivity analysis on the assumptions used basis the internal and external information / indicators of future economic conditions and expect to recover the carrying amount of the assets and hence no impairment in the value of assets are required as on March 31, 2020. However, the total impact on the operations of the Company cannot be completely assessed at this stage. The Company is continuously monitoring the situation and is in the process of assessing the impact of Covid 19 pandemic.

### 24.8 Other Notes:

a) In the opinion of the Board of Directors, Current Assets, Loans and Advance have the value which these are stated in the Balance Sheet, if realized in the ordinary course of business and the provisions for all known liabilities is adequate and not in excess of or less than the amount reasonably necessary.

b) Previous year's figures have been regrouped / reclassified wherever necessary to correspond with the current year's classification / disclosure.

As per our report of even date

*For and on behalf of*

**HITESH SHAH & ASSOCIATES**

CHARTERED ACCOUNTANTS

Firm Regn No. **103716W**

**Hitesh Shah (Partner)**

Membership No. **040999**

**Mumbai**

July 31, 2020

*For and on behalf of Board of Directors of*

**Ducon Infratechnologies Limited**

**Harish Shetty**

*(Director)*

**DIN: 07144684**

**Thane, July 31, 2020**

**G. Chandrasekhar**

*(Director)*

**DIN: 07144708**



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If undelivered return to:



*CONSISTENCY IN PERFORMANCE*

**Ducon Infratechnologies Ltd.**

Ducon House, Plot No. A/4, Road No. 1, MIDC,  
Wagle Industrial Estate, Thane - 400604.