

# CLS LIMITED

CIN : L50403WB1863PLC000114

## DIRECTORS' REPORT

Dear Members,

The Directors of your Company have pleasure in presenting their Annual Report on the affairs of the Company together with the Audited Accounts of the Company for the year ended 31<sup>st</sup> March, 2019.

### FINANCIAL RESULTS:

The Financial Results for the year are as under:-

PARTICULARS	Year ended 31 <sup>st</sup> March 2019	Year ended 31 <sup>st</sup> March 2018
Income	905330679.59	789418881.65
<b>Profit Before Tax (PBT)</b>	13385172.99	9164210.41
Less: Current Tax	2919934.00	1768818.00
Deferred Tax	(275584.92)	(256430.93)
Income Tax earlier years	0.00	0.00
<b>Profit After Tax (PAT)</b>	10740823.91	7651823.34
<b>Balance carried to the Balance Sheet</b>	10740823.91	7651823.34
<b>Earning per equity share:</b>		
(1) Basic/ Diluted	171.85	122.43

### DIVIDEND

Your Directors do not propose any dividend for the current financial year due to conservation of profit and continued investment in the business.

### WORKING OF THE COMPANY: OPERATIONS

The performance of the Company improved significantly in comparison to previous years and the company is trying to make the best utilization of available resources and expects further improved performance in the coming year.

### CORPORATE GOVERNANCE

The Company has complied with the various requirements of Corporate Governance under the provisions of Companies Act, 2013, SEBI Regulations and various rules/regulations made thereunder.

### PUBLIC DEPOSIT

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The Company has not accepted any public deposit during the year under review.

## AUDIT COMMITTEE

The Audit Committee is in existence during the year in compliance with the Companies Act, 2013 and SEBI Regulations. Details of Composition and meetings are provided in Corporate Governance Report.

## SECRETARIAL AUDITOR

The Board has appointed Mr. Arvind Bajpai, Practicing Company Secretary to conduct Secretarial Audit for the FY 2018-19. The Secretarial Audit Report for the financial year ended March 31, 2019 is annexed to this Report.

## COMPANY'S POLICY ON DIRECTOR'S APPOINTMENT AND REMUNERATION INCLUDING POLICY-SECTION 178(1) AND 178(3)

The remuneration policy of the Company is directed towards rewarding performance, based on review of achievements on a periodical basis. The remuneration policy is in consonance with the existing Industry practice.

The nomination & remuneration committee is responsible for formulating framework and policy for remuneration, terms of employment and criteria for determining qualifications, positive attributes and independence of a director and recommend to the Board a policy, relating to the remuneration for the Executives.

The Committee also reviews the ongoing appropriateness and relevance of the remuneration policy and ensures that all provisions regarding disclosure of remuneration are fulfilled.

The Committee, along with the Board, reviews on an annual basis, appropriate skills, characteristics and experience required of the Executives for the better management of the Company.

In evaluating the suitability of individual Board members, the Committee takes into account many factors, including general understanding of the Company's business dynamics, global business and social perspective, educational and professional background and personal achievements.

The Company has a credible and transparent framework in determining and accounting for the remuneration of the Managing Director / Whole Time Directors (MD/WTDs), Key Managerial Personnel(s) (KMPs) and Senior Management Personnel(s) (SMPs). Their remuneration are governed by the external competitive environment, track record, potential, individual performance and performance of the company as well as industry standards.

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## DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to the requirement under the Companies Act 2013, with respect to Directors' Responsibility Statement on the basis of the information made available to the Directors, it is hereby confirmed:

- i) That in the preparation of the accounts for the financial year ended March 31, 2019, the applicable accounting standards have been followed and that there are no material departures.
- ii) That the selected accounting policies were applied consistently and the Directors 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 period and of the profit or loss of the Company for the period under review;
- iii) Proper and sufficient care have been taken for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act 2013, for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities.
- iv) The annual accounts have been prepared on a going concern basis;
- v) The internal financial controls have been laid down and such internal financial controls are adequate and are operating effectively; and
- vi) The company has adequate internal systems to ensure compliance with the provisions of all applicable laws and that such systems are adequate and operating effectively.

## STATUTORY AUDITORS

The Board had appointed the auditors, M/s Ajit Kumar & Co., Chartered Accountants, Kolkata, who continue to be the auditors of the company.

## AUDITORS' REPORT

The Statutory Auditors of the Company have submitted Auditors' Report on the accounts of the Company for the accounting year ended March 31, 2019. The notes on financial statements referred to in the auditor's report are self-explanatory and do not call for any further comments. The auditor's report does not contain any qualification, reservation or adverse remark.

## DISCLOSURES UNDER THE COMPANIES ACT, 2013

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The details forming part of the extract of the Annual return in Form MGT-9 is enclosed in Annexure B

## ii) NUMBER OF BOARD MEETINGS

The Board of Directors met 10 times in the financial year ended 31st March, 2019. The details of the Board meeting and the attendance of the Directors are given.

iii) There were no material changes and commitments affecting the financial position of the Company occurring between 31st March, 2019 and the date of this Report.

iv) There is no change in the business of the Company.

v) There were no significant and material orders passed by regulators or courts or tribunals impacting the growing concern status and Company's operation in future.

vi) Disclosure about Cost Audit - As per the Cost Audit Orders, Cost Audit is not applicable to the Company.

vii) Risk management policy - The Management has put in place adequate and effective system and man power for the purposes of risk management. The company has laid down a well-defined risk management mechanism covering the risk mapping and trend analysis, risk exposure, potential impact and risk mitigation process. A detailed exercise is being carried out to identify, evaluate, manage and monitoring of both business and non-business risks.

## **DETAILS OF POLICY DEVELOPED AND IMPLEMENTED BY THE COMPANY ON ITS CORPORATE SOCIAL RESPONSIBILITY INITIATIVES**

The Company has not developed and implemented any Corporate Social Responsibility initiatives as the said provisions are not applicable.

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

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.

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## PARTICULARS OF EMPLOYEES

There was no employee during the year who was in receipt of remuneration exceeding the prescribed limit as mentioned in section 134 (3) (q) read with Rule 5 of the Companies ( Appointment & Remuneration of Managerial Personnel) Rules 2014.

## CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION

As the company is engaged in financial services and there is no manufacturing activities and outgo of foreign exchange, the disclosure required under Section 134(3)(m) read with Rule 8(3) of the Companies (Accounts) Rules, 2014 is not applicable.

## FOREIGN EXCHANGE EARNINGS AND OUTGO

During the period, the Company has not made any export, hence the export earning is Nil.

## WHISTLE BLOWER POLICY/VIGIL MECHANISM

The Company has formed a Whistle Blower Policy/ Vigil Mechanism Policy as required under Section 177 of the Companies Act, 2013 and Regulation 22 of the SEBI (LODR) Regulations, 2015.

## ACKNOWLEDGEMENT


Your Directors take this opportunity to thank the Banks & Financial Institutions, Central and State Government authorities, Regulatory authorities, Stock Exchanges and the stakeholders for their continued co-operation and support to the Company. Your Directors also wish to record their appreciation for the continued co-operation and support received from the employees of the Company

## Number of Meetings of the Board- and Committees thereof

(a) Details of the Meeting of **Board of Directors** and meetings attended by the directors held between April'2018 to March'2019 are as under:

Ten Board Meetings were held during the year on 30/04/2018, 27/07/2018, 01/09/2018, 15/10/2018, 01/11/2018, 17/12/2018, 01/01/2019, 25/01/2019, 28/01/2019 and 19/03/2019. All the Directors of the Company attended all the Board Meetings of the Company. Other details are furnished in the Corporate Governance Report.

For and on behalf of Board

  
Anand Narayan Singh  
Managing Director  
DIN:00838218

  
Kaushakendra Jha  
Director  
DIN: 02392749

Place:Howrah  
Date: 02/09/2019