

AUSTIN ENGINEERING COMPANY LIMITED



40th
Annual Report
2017-18



Certificate

Standard **ISO / TS 16949:2009**
(3rd edition, 2009-06-15)

Certificate Registr. No. 01 111 058896
IATF Certificate No. 0268606

Certificate Holder: **Austin Engineering Co. Ltd.**
Patla, Ta. Bhesan, Via Ranpur (Sorath), Post Hadmatiya,
Dist. Junagadh - 362030, India

Scope: Design and Manufacture of Cylindrical Roller Bearings

Proof has been furnished by means of an audit that the
requirements of ISO / TS 16949:2009 are met.

Issue date/Expiry date: The certificate is valid from 2017-06-29 until 2018-09-14.

Release date: 2017-06-29



TÜV
TÜV Rheinland Cert GmbH
Am Grauen Stein · 51105 Köln
Germany

1 / 1

CIN: U72501KA1980FC02063

Certificate

Standard **ISO 9001:2008**

Certificate Registr. No. **01 100 058896**

Certificate Holder: **Austin Engineering Co. Ltd.**
Patla, Ta. Bhesan, Via Ranpur (Sorath),
Post Hadmatiya, Dist. Junagadh – 362 030, India.

Scope: **Design and Manufacture of Cylindrical Roller
and Antifriction Bearings.**

Proof has been furnished by means of an audit that the
requirements of ISO 9001:2008 are met.

The due date for all future audits is 07 - 04 (dd.mm).

Validity: The certificate is valid from **2017-07-26 until 2018-09-14**.
First Certification 2009-06-15.



2017-07-26

TÜV
TÜV Rheinland Cert GmbH
Am Grauen Stein · 51105 Köln

The validity of this certificate is subject to timely completion of Surveillance audits as agreed in the Contract.
The validity of the Certificate can be verified under www.tuv.com with the Identification No. 0100070022

CIN: U72501KA1980FC02063



AUSTIN ENGINEERING COMPANY LIMITED

40th ANNUAL REPORT 2017-2018

: BOARD OF DIRECTORS :

Mr. N. C. VADGAMA	:	Chairman & Executive Director
Mr. R. R. BAMBHANIA	:	Managing Director & CEO
Mr. J. R. BHOGAYTA	:	Executive Director
Mr. B. D. JOSHI	:	Non Executive Independent Director
Dr. B. R. SUREJA	:	Non Executive Independent Director
Mr. J. B. JAGANI	:	Non Executive Independent Director
Mrs. A. S. THANKI	:	Non Executive Independent Director

: AUDITORS :

BHISHAM H. ADVANI & ASSOCIATE.
Chartered Accountants
102, Suvidha Complex, JUNAGADH - 362 001.

: BANKERS :

BANK OF BARODA

: REGISTRAR & TRANSFER AGENT :

LINK INTIME INDIA PVT. LTD.
C-101, 247 Park, L.B.S. Marg,
Vikhroli (West), Mumbai - 400 083.

: REGISTERED OFFICE & WORKS :

Village : Patla, Taluka : Bhesan, Dist : JUNAGADH - 362 030 (Gujarat).

: JUNAGADH OFFICE :

101, G.I.D.C. Estate, Vadal Road, JUNAGADH - 362 003 (Gujarat).

Visit at <http://www.aec.com>

E-mail : info@aec.com





NOTICE

NOTICE is hereby given that the **Fortieth Annual General Meeting** of the Company will be held on **Wednesday 26th September, 2018 at 11.00 a.m.** at the Registered Office of the Company at Village: Patla, Taluka: Bhesan, Dist: Junagadh 362030 to transact the following business:

ORDINARY BUSINESS :

1. To receive, consider, and adopt
 - (i) The Audited standalone financial statement of the Company for the financial year ended on 31st March, 2018 together with report of the Board of Directors and Auditors thereon and;
 - (ii) The Audited consolidated financial statement of the Company for the financial year ended on 31st March, 2018 together with report of Auditors thereon
2. To appoint a Director in place of Mr. Narottam C. Vadgama who, retires by rotation and being eligible offers himself for re- appointment.
3. To consider and if thought fit, to pass with or without modification(s), the following resolution as Ordinary Resolution :

"RESOLVED THAT pursuant to the provisions of Sections 139, 142 and other applicable provisions, if any, of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014 (including any statutory modification(s) or re-enactment (s) thereof, for the time being in force), M/S H. R Dewani & Co., Chartered Accountants, Junagadh (Firm Registration No. 140668W), be and are hereby appointed as Statutory Auditors of the Company for a term of 5 (five) years from the conclusion of this Annual General Meeting till the conclusion of the sixth Annual General Meeting from this Annual General Meeting, at such remuneration as shall be fixed by the Board of Directors of the Company."

SPECIAL BUSINESS:

4. To consider and, if thought fit to pass, with or without modification/s the following resolution as Special Resolution:

"RESOLVED THAT in accordance with the provisions of section 196, 197 and 203 read with schedule V and other applicable provisions, if any, of the Companies Act, 2013 and the companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force), approval of the members be and is hereby accorded to re-appoint Mr. Rajan Ramniklal Bambhania (DIN: 00146211) as Managing Director of the company for a period of 5(five) years, on expiry of his present term of office i.e. with effect from 01st August, 2018 on the term and conditions including remuneration as set out in the statement annexed to the notice convening this Meeting, with liberty to the Board of Directors (hereinafter referred to as "the Board" which term shall be deemed to include Nomination and Remuneration Committee to the Board) to alter and vary the terms and conditions of the said re-appointment and /or remuneration as it may deem fit and as may be acceptable to Mr. Rajan Ramniklal Bambhania, subject to the same not exceeding the limits specified under schedule V to the Companies Act, 2013 or any statutory modification or re-enactment thereof.

"RESOLVED FURTHER THAT the Board be and is hereby authorised to do all acts and take all such steps as may be necessary, proper or expedient to give effect to this resolution.
5. To consider and, if thought fit to pass, with or without modification/s the following resolution as Special Resolution:

"RESOLVED THAT in accordance with the provisions of section 196, 197 and 203 read with schedule V and other applicable provisions, if any, of the Companies Act, 2013 and the companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force), approval of the members be and is hereby accorded to appoint Mr. Narottam Chhaganlal Vadgama (DIN:00169209) on completing his age of 70 years as Whole-time Director in the capacity of Executive Director of the company for a period of 5(five) years with effect from 01st August, 2018 on the term and conditions including remuneration as set out in the statement annexed to the notice convening this Meeting, with liberty to the Board of Directors (hereinafter referred to as "the Board" which term shall be deemed to include Nomination and Remuneration Committee to the Board) to alter and vary the terms and conditions of the said re-appointment and /or remuneration as it may deem fit and as may be acceptable to Mr. Narottam Chhaganlal Vadgama, subject to the same not exceeding the limits specified under schedule V to the Companies Act, 2013 or any statutory modification or re-enactment thereof.

"RESOLVED FURTHER THAT the Board be and is hereby authorised to do all acts and take all such steps as may be necessary, proper or expedient to give effect to this resolution.

By order of the Board of Director

Sd/-

Place: Patla, Dist. Junagadh
Date: 28th May, 2018

R.R. Bambhania
Managing Director



Notes :

1. **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 HIM SELF/ HER SELF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY.**
 - A person can act as proxy on behalf of members not exceeding fifty (50) and holding in the aggregate not more than 10% of the total share capital of the company carrying voting rights. A member holding more than ten percent of the total share capital of the company carrying voting rights may appoint a single person as proxy and such person shall not act as a proxy for any other person or shareholder.
 - Proxies submitted on behalf of the companies, societies etc., must be supported by an appropriate resolution/ authority and under its seal as may be applicable
 - The instrument of proxy in order to be effective, should be deposited at the Registered Office of the Company, duly completed and signed, not less than 48 hours before the commencement of the meeting.
 - A proxy form is being sent herewith.
2. The Register of Members and Share Transfer books of the Company will remain closed from Wednesday, 19th September, 2018 to Wednesday, 26th September, 2018 (Both days inclusive).
3. Any change in bank particulars and /or address are required to intimate to their depository participant in case of holding of shares in electronic form or to the Company's Registrar and Share Transfer agents, Link In Time India Pvt. Ltd, C-101 247 Park, LBS Marg, Vikhroli (West), Mumbai 400 083 in case of holding of shares in physical mode.
4. To prevent fraudulent transactions, members are advised to exercise due diligence and notify the Company of any change in address or demise of any member as soon as possible. Members are also advised not to leave their demat account(s) dormant for a long period. The statement of holdings should be obtained periodically from the concerned Depository Participant and the same should be verified.
5. The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in securities market. Members holding shares in electronic form are, therefore, requested to submit the PAN to their Depository Participants with whom they are maintaining their demat accounts. Members holding shares in physical form can submit their PAN details to the Company.
6. Details under Regulation 36 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 in respect of the Directors seeking appointment/re-appointment at the Annual General Meeting, forms integral part of the notice. The Directors have furnished the requisite declarations for their appointment/re-appointment.
7. Electronic copy of the Annual Report for the financial year ended on 31st March, 2018 is being sent to all the members whose email IDs are registered with the Company/Depository Participants(s) for communication purposes unless any member has requested for a hard copy of the same. For members who have not registered their email address, physical copies of the Annual Report for the financial year ended on 31st March, 2018 is being sent in the permitted mode.
8. Members may also note that the Notice of the 40th Annual General Meeting and the Annual Report for the financial year ended on 31st March, 2018 will also be available on the Company's website www.aec.com for their download. The physical copies of the aforesaid documents will also be available at the Company's Registered Office for inspection during normal business hours on working days.
9. Members holding shares in physical mode may also send the request to the Company or its Registrar by letter or by email at rnt.helpdesk@linkintime.co.in to receive the soft copy of the Annual Report by email instead of hard copy. Members are requested to bring their Attendance Slip along with their copy of Annual Report to the Meeting.
10. Members are requested to provide their client ID and DP ID numbers at the meeting for easy identification.
11. Members desirous of obtaining any information concerning the accounts and operations of the Company are requested to address their questions in writing to the Company at least 10 (Ten) days before the date of the Meeting so that the information required may be made available at the Meeting.
12. Relevant documents referred to in the accompanying notice are open for inspection at the Registered Office of the Company on all working days, except Friday and Sunday, between 11.00 a.m. to 1.00 p.m. up to the date of the meeting.
13. (a) The Company has transferred the unpaid or unclaimed dividends declared upto the financial year 2009-10 from time to time, to the Investor Education and Protection Fund (IEPF) established by the Central Government. The Company has uploaded the details of the unclaimed and unpaid dividends amounts lying with the Company as on 19th September, 2017 (date of previous Annual General Meeting) on the website of the Company. The said details have also been uploaded on the website of the Ministry of Corporate Affairs and the same can be accessed through the link: www.mca.gov.in.
14. (a) Adhering to the various requirements set out in the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016, as amended, the Company has, during financial year 2017-18, transferred to the IEPF Authority all shares in respect of which dividend has remained unpaid or unclaimed for seven consecutive years or more as on the due date of transfer, i.e. 31st October, 2017. Details of shares transferred to the IEPF Authority are available on the website of the Company at <http://www.aec.com>. The said details have also been uploaded on the website of the IEPF Authority and the same can be accessed through the link: www.iepf.gov.in.
(b) Members may note that shares as well as unclaimed dividends transferred to IEPF Authority can be claimed back from them. The concerned members/investors are advised to visit the web link: <http://iepf.gov.in/IEPFA/refund.html> or contact our R & T M/s Link Intime India Private Limited for lodging claim for refund of shares and / or dividend from the IEPF Authority.
15. SEBI has decided that securities of listed companies can be transferred only in dematerialized form from a cut-off date, to be notified. In view of the above and to avail various benefits of dematerialization, members are advised to dematerialize shares held by them in physical





form.

16. Members holding shares in single name in physical form are advised to make a nomination in respect of their shareholding in the Company. The Nomination form can be downloaded from the Company's website (www.aec.com) under the section "Investor Relations".
17. The Ministry of Corporate Affairs ("MCA"), Government of India, through its Circular No. 17/2011 dated 21st April, 2011 and Circular No. 18/2011 dated 29th April, 2011, has allowed Companies to send Annual Report comprising of Balance Sheet, Statement of the Profit & Loss, Directors' Report, Auditors' Report and Explanatory Statement etc., through electronic mode at the registered e-mail address of the members. Keeping in view the underlying theme and the circulars issued by MCA, the Company has proposed to send future communications in electronic mode at the e-mail address provided by you to the depositories and made available by them being the registered address. By opting to receive communication through electronic mode you have the benefit of receiving communications promptly and avoiding loss in postal transit.

18. INSTRUCTION FOR E-VOTING :

In compliance with provisions of Section 108 of the Companies Act, 2013 and Rule 20 of the Companies (Management and Administration) Rules, 2014 and as amended till date, the Company is pleased to provide e-voting facility which will enable the members to exercise their rights to vote at the 40th Annual General Meeting (AGM) by electronic means. Necessary arrangements have been made by the Company with Central Depository Services (India) Limited (CDSL) to facilitate e-voting.

The instructions for shareholders voting electronically are as under:

- (i) The voting period begins on Sunday, 23rd September, 2018 (9.00 am) and ends on Tuesday, 25th September, 2018 (5.00 pm). During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on Tuesday, 19th September, 2018 may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
- (ii) The shareholders should log on to the e-voting website www.evotingindia.com.
- (iii) Click on Shareholders.
- (iv) Now Enter your User ID
 - a. For CDSL: 16 digits beneficiary ID,
 - b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
 - c. Members holding shares in Physical Form should enter Folio Number registered with the Company.
- (v) Next enter the Image Verification as displayed and Click on Login.
- (vi) If you are holding shares in demat form and had logged on to www.evotingindia.com and voted on an earlier voting of any company, then your existing password is to be used.
- (vii) If you are a first time user follow the steps given below:

<p>PAN</p> <p>Dividend Bank Details OR Date of Birth (DOB)</p>	<p>For Members holding shares in Demat Form and Physical Form</p> <p>Enter your 10 digit alpha-numeric PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders)</p> <ul style="list-style-type: none"> Members who have not updated their PAN with the Company/Depository Participant are requested to use the sequence number which is printed on address sticker. <p>Enter the Dividend Bank Details or Date of Birth (in dd/mm/yyyy format) as recorded in your demat account or in the company records in order to login.</p> <ul style="list-style-type: none"> If both the details are not recorded with the depository or company please enter the member id / folio number in the Dividend Bank details field as mentioned in instruction (iv).
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- (viii) After entering these details appropriately, click on "SUBMIT" tab.
- (ix) Members holding shares in physical form will then directly reach the Company selection screen. However, members holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- (x) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- (xi) Click on the EVSN 180821069 along with AUSTIN ENGINEERING COMPANY LIMITED on which you choose to vote.
- (xii) On the voting page, you will see "RESOLUTION DESCRIPTION" and against the same the option "YES/NO" for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
- (xiii) Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.
- (xiv) After selecting the resolution you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.
- (xv) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.
- (xvi) You can also take a print of the votes cast by clicking on "Click here to print" option on the Voting page.
- (xvii) If a demat account holder has forgotten the login password then Enter the User ID and the image verification code and click on Forgot Password and enter the details as prompted by the system.
- (xviii) Shareholders can also cast their vote using CDSL's mobile app m-Voting available for android based mobiles. The m-Voting app can be downloaded from Google Play Store, Apple and Windows phone. Please follow the instructions as prompted by the mobile app while voting





on your mobile.

(xix) Note for Non - Individual Shareholders and Custodians

- Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodian are required to log on to www.evotingindia.com and register themselves as Corporates.
- A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to helpdesk.evoting@cdslindia.com.
- After receiving the login details, user would be able link the account(s) for which they wish to vote on.
- The list of accounts linked in the login should be mailed to helpdesk.evoting@cdslindia.com and on approval of the accounts they would be able to cast their vote.
- A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.

(xx) In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions ("FAQs") and e-voting manual available at www.evotingindia.com, under help section or write an email to helpdesk.evoting@cdslindia.com.

(B) OTHERS:

- i. The voting rights of shareholders shall be in proportion to their shares of the paid up equity share capital of the Company
- ii. PCS Kaushik Shah of M/s K J Shah & Company, Practicing Company Secretary FCS 2420; CP No: 1414 of 305, Hrishikesh II, Opp. Municipal School, Near Navrangpura Bus Stop, Navrangpura, Ahmedabad 380009 has been appointed as the Scrutinizer to scrutinize the e-Voting process in a fair and transparent manner.
- iii. The Scrutinizers shall, immediately after the conclusion of voting at the general meeting first count the votes cast at the meeting, thereafter unblock the votes cast through e-voting in the presence of at least two witnesses not in the employment of the Company and make, not later than three days of conclusion of the meeting, 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.
- iv. The results declared along with the scrutinizer's report shall be placed on the Company's website www.aec.com and on the website of CDSL <https://www.evotingindia.com> within three working days of the passing of the resolutions at the AGM of the Company and communicated to the BSE Limited where the shares of the Company are listed.

Company's Details :

AUSTIN ENGINEERING COMPANY LIMITED

Village: Patla, Taluka: Bhesan, Dist: Junagadh 362 030, Gujarat, India

CIN: L27259GJ1978PLC003179

E-mail ID: info@aec.com

Registrar and Transfer Agent :

LINK INTIME INDIA PRIVATE LIMITED

C-101 247 Park, LBS Marg, Vikhroli (West), Mumbai - 400083

Phone No.: 91 22 49186000

Fax No.: 91 22 49186060

Email: rnt.helpdesk@linkintime.co.in

E-Voting Agency: Central Depository Services (India) Limited

E-mail ID: helpdesk.evoting@cdslindia.com

Scrutinizer: CS Kaushik Shah of K J Shah & Company

Practicing Company Secretary

E-mail ID: kjshahco@gmail.com




RESUME OF DIRECTORS SEEKING APPOINTMENT/RE-APPOINTMENT AND DIRECTORS APPOINTED SINCE LAST A.G.M

Particulars	Mr. N. C. Vadgama
Date of Birth	15.11.1947
Appointed on	27.07.1978
Qualifications	D.M.E.
Expertise in Specific Functional Areas	Engineering
Directorships held in other Public Companies (excluding foreign companies)	Creative Castings Limited
Membership/ Chairmanship of Committees across public Companies	No
Shareholding	134000

By order of the Board of Director

Sd/-

Place : Patla, Dist. Junagadh
Date : 28th May, 2018

R.R. Bambhania
Managing Director

ANNEXURE TO THE NOTICE
(Explanatory statement pursuant to section 102 of the companies Act, 2013)

Item No. 4 & 5:

The members of the Company at its 35th Annual General Meeting held on Monday, 23rd September, 2013 reappointed Mr. Narottam Chhaganlal Vadgama as Whole time Director and Mr. Rajan R Bambhania as Joint Managing Director (later re-designated as Managing Director vide members approval at its annual general meeting held on 29th September, 2016 for remaining terms) for a period of 5 (five) years and their terms are expiring on 31st July, 2018.

Mr. Narottam Chhaganlal Vadgama has attained the age of 70 years and still, he is the guiding force to the Company. Pursuant to section 196(3) read with the relevant rules, any appointment of Whole time Director after attaining the age of 70 years shall be made by the members on passing special resolution. Your approval is therefore sought as recommended by Nomination and Remuneration Committee.

The Board of Directors on recommendation of Nomination and Remuneration Committee re-appointed Mr. Rajan R Bambhania as Managing Director for a period of 5(five) years w.e.f 01st August, 2018 .

The terms proposed for both of them are detailed here under:

1. Tenure of Appointment shall be 5(five) years w.e.f . 01st August, 2018.
2. Remuneration: Rs. 95,000/- (Rs. Ninety-Five Thousand Only) per month in the scale of Rs. 95,000-5000-120000.
3. In addition to the above remuneration, they will be entitled to any benefits, allowances, or perquisites as may be determined by the Board of Directors and Remuneration Committee within the overall ceiling limit as per the Companies Act, 2013.
4. The Board of Directors or Remuneration Committee is authorised to fix, alter and/or vary from time to time the quantum/periodically/ composition of the remuneration payable to them including the mode of payment, in such a manner and to such extent not exceeding the limit specified in the Companies Act, 2013 and schedule thereto or such other provisions as may be applicable in this regard, as in force from time to time.
5. All Whole-time Directors shall not be paid any setting fees for attending the meeting of the Board of Directors or Committee thereof.
6. None of the directors except Mr. Narottam Chhaganlal Vadgama and Mr. Rajan R Bambhania may be deemed to be concerned or interested in the said resolution.
7. The above statement may be treated as an abstract of the term and memorandum of interest under section 190 of the "ACT"



DIRECTORS' REPORT

To the Members,

Your Directors have pleasure in submitting their 40th Annual Report of the Company together with the Audited Statements of Accounts for the year ended 31st March, 2018.

FINANCIAL RESULTS

The Company's financial performance for the year ended March 31, 2018 along with previous year figure is summarized as here under:

STAND ALONE	Year ended 31 st March, 2018	Year ended 31 st March, 2017
Gross profit before Interest Depreciation and Tax	69.69	(109.75)
Less: Interest and Depreciation	173.74	214.27
Profit / (Loss) before Tax	(104.05)	(324.02)
Less: Provision for Taxation	-	-
Deferred Tax (Assets) / Liabilities	20.24	(52.90)
Profit / (Loss) after Tax	(124.29)	(271.12)
Add: Other Comprehensive Income	(6.91)	(0.30)
Total Comprehensive Income	(131.20)	(271.42)

(Rs. In Lakhs)

REVIEW OF BUSINESS OPERATION AND FUTURE PROSPECTS:

The performance of the Company during the year under review remains fair as compared to the last year. The Company has negligible increase in revenue from operation but there is an increase in non-operational revenue. This has ultimately reduced the loss of the Company during the period under review. The total other income during the year under review was Rs. 126.93 Lakhs as against Rs. 44.38 Lakhs in the last year. The total revenue from operations during the year under review was Rs. 7617.08 Lakhs as against Rs. 7425.76 Lakhs in the previous year. The Company had made a net loss of Rs 124.29 Lakhs as against Rs. 271.12 Lakhs in the previous year.

The Company continued to launch a number of new and higher value added products and undertook various cost effective measures to strengthen the Company's competitiveness and profitability in the future.

DIVIDEND:

In view of loss, your Directors regrets to recommend any dividend for financial year ended 31st March, 2018.

FIXED DEPOSITS:

The Company has not accepted any fixed deposits from the public falling within the ambit of section 73 of the Companies Act, 2013 and The Companies (Acceptance of Deposits) Rules, 2014. There are no unclaimed deposits as on March 31, 2018.

SHARE CAPITAL:

The paid up Equity Share Capital of the Company as on March 31, 2018 was Rs 34778000/- During the year under review, the Company has not issued any shares with differential voting rights nor granted any stock options or sweat equity. The shareholding of Directors in the Company, as on March 31, 2018, is given in Extract of Annual Return.

DIRECTORS AND KEY MANAGERIAL PERSONNEL:

In accordance with the provisions of the Companies Act, 2013 and the Articles of Association of the Company, Mr. N. C. Vadgama, a Director of the Company retires by rotation at the forthcoming Annual General Meeting of the Company and being eligible, offers himself for re-appointment. The Board recommends his appointment for your approval.

The following are the Key Managerial Personnel as defined under Section 2(51) of the Companies Act, 2013:

- Mr. Narottam C Vadgama (Whole-time Director)
- Mr. Rajan R Bambhania (Managing Director and CEO)
- Mr. Jeshankar R Bhogayta (Whole-time Director- Upto 17/07/18)
- Mr. Siddik A Kotal (Chief Financial Officer)
- Ms. Pooja Kadam (Company Secretary up to 28/05/18)

NOTING OF APPRECIATION OF SERVICES:

The Board places on record its appreciation for guidance and valuable services provided by (1) Mr. Jeshankar R Bhogayta, the Whole-time Director who resigns as Director and WTD with effect from 17th July, 2018 due to his family occupancy and (2) Mr. Dipsing B. Nakum, an Independent Director who ceased to be the Director in the Company with effect from 10th March, 2018 on account of his death and (3) Mr. Dhirajlal Valambhia, an additional director in Independent Capacity who resigns as Director with effect from 14th August, 2018 on account of his preoccupation.

BOARD EVALUATION:

Pursuant to the provisions of the Companies Act, 2013 and Regulation 17(10) of SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015, 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 Committees. The manner in which the evaluation has been carried out has been explained in the Corporate Governance Report

COMPOSITION OF VARIOUS COMMITTEES:

The details of various committees constituted by the Board as per the Regulation 18, 19 and 20 of SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015 and Companies Act, 2013 are given in the Corporate Governance Report which forms part of this report.

MEETINGS:

During the year Five Board Meetings, Four Audit Committee Meetings, One Nomination and Remuneration Committee Meeting, One Stakeholders Relationship Committee Meeting and One separate Meeting of Independent Directors were held. The details of the same are given in the Corporate Governance Report. The intervening gaps between the Board meetings were within the period prescribed under the Companies Act, 2013 in compliance to secretarial standards SS-1 issued by ICSI.

INDEPENDENT DIRECTORS:

The Independent Directors met on 30th April, 2018 without the attendance of Non-Independent Directors and members of the management. The Independent Directors reviewed the performance of Non-Independent Directors and Board as a whole and assessed the quality, quantity and timeliness of flow of information between the Company Management and the Board that is necessary for the Board to effectively and reasonably perform their duties.

The Company has received necessary declarations from each Independent Director under Section 149 (7) of the Companies Act, 2013, that he/she meets the criteria of independence as laid down in Section 149 (6) of the Companies Act, 2013 and Regulation 16(1)(b) of SEBI(Listing Obligation and Disclosure Requirements) Regulations, 2015.

DIRECTOR DISCLOSURE:

None of the Directors of your Company is disqualified as per provisions of Section 164 (2) of the companies Act, 2013 for financial year ended on 31st March, 2018. Your Directors have made necessary disclosures, as required under Companies Act, 2013.

DIRECTORS RESPONSIBILITY STATEMENT:

In accordance with the provisions of Section 134(5) of the Companies Act, 2013, the Board hereby submits its responsibility Statement as enumerated here under:

- In the preparation of the annual accounts, the applicable accounting standards have been followed along with proper explanation relating to material departures;
- The directors have 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 and loss of the Company for that period;
- The directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- The directors have prepared the annual accounts on a going concern basis;
- The directors have laid down internal financial controls to be followed by the company and that such internal financial controls are adequate and were operating effectively; and
- The directors have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

AUDITORS AND AUDITORS' REPORT:**STATUTORY AUDITORS:**

M/S B.H. Advani & Associates, Chartered Accountants, Junagadh, were appointed as statutory auditor of the Company for a period of five years pursuant to the provision of section 139 of the Companies Act, 2013 at the Annual General Meeting held on 19th September, 2017 and their terms as Statutory Auditors expire upon conclusion of 44th Annual General Meeting. However on account of their pre-occupancy, they have shown their inability to continue as Auditor of the Company.

Your Directors, on recommendation of Audit Committee, has proposed to appoint M/S H. R. Dewani & Co., Chartered Accountants, (Firm Regn. No. 140668W) as Statutory Auditors of the Company for a period of 5 (Five) years to hold office from the conclusion of the ensuing 40th Annual General Meeting till the conclusion of 45th Annual General Meeting.

The Company has received a letter from M/S H. R. Dewani & Co., Chartered Accountants, Junagadh (Firm Regn. No. 140668W) to the effect that their appointment, if made, would be within the prescribed limit under section 141 of the Companies Act, 2013 read with Rule 4(1) of the Companies (Audit & Auditors) Rules, 2014 and that they are not disqualified for the appointment.

SECRETARIAL AUDITOR:

The Board had appointed Mr. K J SHAH of K J Shah & Company, Practicing Company Secretary, to conduct the Secretarial Audit for the financial year 2017-18. The Secretarial Audit Report for the financial year ended on March 31, 2018 is annexed herewith marked as Annexure "C" to this Report.

The Board of Directors at the recommendations of the Audit Committee appointed Mr. K J SHAH of K J Shah & Company, Practicing Company Secretary, to conduct the Secretarial Audit of the Company for the financial year 2018-19.

INTERNAL FINANCIAL CONTROLS:

The Company has a proper and adequate system of Internal Control commensurate with its size and the nature of its operations to ensure that all assets are safeguarded and protected against loss from un-authorized use or disposition and those transactions are authorized, recorded

