



**AUSTIN ENGINEERING COMPANY LIMITED**

**41<sup>st</sup>**  
**Annual Report**  
**2018-19**



# Certificate

Standard **IATF 16949:2016**  
(1<sup>st</sup> edition, 2016-10-01)

Certificate Registr. No. 01 111 058896  
IATF Certificate No. 0327386

Certificate Holder: **Austin Engineering Company Limited**  
Village Patala, Tal. Bhesan  
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 IATF 16949:2016 are met.

Issue date/  
Expiry date: The certificate is valid from 2018-08-31 until 2021-08-30.

Release date: 2018-09-03



2-IAO-QMC 01003

TUV Rheinland Cert GmbH  
Am Grauen Stein · 51105 Köln  
Germany · NRW

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# Certificate

Standard **ISO 9001:2015**

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

Certificate Holder: **Austin Engineering Company Limited.**  
Village Patla, Tal. Bhesan,  
Dist. Junagadh – 362030, Gujarat, India

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

Validity: Proof has been furnished by means of an audit that the  
requirements of ISO 9001:2015 are met.  
The certificate is valid from 2018-08-31 until 2021-08-30.  
First certification 2009-06-15.

2018-08-31

TUV Rheinland Cert GmbH  
Am Grauen Stein · 51105 Köln





# AUSTIN ENGINEERING COMPANY LIMITED

## 41st ANNUAL REPORT 2018-2019

### **: 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 Non Independent Director

### **: AUDITORS :**

H. R. DEWANI & CO.  
Chartered Accountants  
201, Radhe Appartment, JUNAGADH - 362 001.

### **: COMPANY SECRETARY :**

Ms. Meenu Bhomia

### **: 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, Vadad Road, JUNAGADH - 362 003 (Gujarat).

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

E-mail : [info@aec.com](mailto:info@aec.com)





## NOTICE

**NOTICE** is hereby given that the **Forty one Annual General Meeting** of the Company will be held on **Thursday, 26<sup>th</sup> September, 2019 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 **31<sup>st</sup> March, 2019** 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 **31<sup>st</sup> March, 2019** together with report of Auditors thereon.
2. To declare a dividend on Equity Shares for the financial year ended 31<sup>st</sup> March, 2019.
3. To appoint a Director in place of Mrs. Anila S. Thanki (**DIN No.00403759**) who, retires by rotation and being eligible offers himself for re-appointment.

**SPECIAL BUSINESS:**

4. 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 Section 149, 150, 152 read with schedule IV and any other applicable provisions if any of the Companies Act, 2013, and Companies (Appointment and Qualification of Director) Rules, 2014, Mr. Palak Doshi holding **DIN 08444518** who was appointed as an Additional Director with effect from 13<sup>th</sup> May, 2019 on the Board of Directors of the Company in terms of section 161 of the Companies Act, 2013 and as per Article of Association of the Company and who holds office up to the date of this Annual General Meeting and in respect of whom a notice has been received from a member in writing under section 160 of the Companies Act, 2013 proposing his candidature for the office of director, be and is hereby appointed as Director of the Company as Non-Executive in independent capacity not liable to retire by rotation for a period of 5 (Five) consecutive year w.e.f. 13<sup>th</sup> May, 2019.
5. To consider and if thought fit, to pass with or without modification(s), the following resolution as a **Special Resolution**:  
**"RESOLVED THAT** pursuant to the provision of Section 188 and all other applicable provisions, if any of the Companies Act, 2013, and also subject to any other approvals as may be required including that of Central Government, the consent of the members of the Company be and is hereby accorded in addition to the salary payable to **Mr. Hiren N Vadgama, Vice President-Operations**, the payment as performance incentive to him on percentage of the "sales" not exceeding to 1% and which the Board of Directors of the Company may deem fit and reasonable subject to the recommendation of the audit committee and which may be agreed to by him.  
**RESOLVED FURTHER THAT**, that Mr. Rajan R Bambhanian the Managing Director of the Company be and is hereby authorised to do any acts, deeds, writings, papers etc for the said purpose including making application, representing and getting approval from the Central Government or any other authority as may be required and delegation of power to any of their representative for the said purpose."
6. To consider and if thought fit, to pass with or without modification(s), the following resolution as a **Special Resolution**:  
**"RESOLVED THAT** pursuant to the provision of Section 188 and all other applicable provisions, if any of the Companies Act, 2013, and also subject to any other approvals as may be required including that of Central Government, the consent of the members of the Company be and is hereby accorded in addition to the salary payable to **Mr. Jignesh S. Thanki, Vice President-Engineering**, the payment as performance incentive to him on percentage of the "sales" not exceeding to 1% and which the Board of Directors of the Company may deem fit and reasonable subject to the recommendation of the audit committee and which may be agreed to by him.  
**RESOLVED FURTHER THAT**, that Mr. Rajan R Bambhanian the Managing Director of the Company be and is hereby authorised to do any acts, deeds, writings, papers etc for the said purpose including making application, representing and getting approval from the Central Government or any other authority as may be required and delegation of power to any of their representative for the said purpose."

**By Order of the Board of Directors**

**Place : Patla, Junagadh**  
**Date : 29<sup>th</sup> May, 2019**

**SD/-**  
**R. R. Bambhanian**  
**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 Friday, 20th September, 2019 to Thursday, 26th September, 2019 (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 **31<sup>st</sup> March, 2019** is being sent to all the members whose email IDs are registered with the Company/Depository Participant(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 31<sup>st</sup> March, 2019 is being sent in the permitted mode.
  8. Members may also note that the Notice of the 41<sup>st</sup> Annual General Meeting and the Annual Report for the financial year ended on **31<sup>st</sup> March, 2019** will also be available on the Company's website [www.aec.com](http://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](mailto: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 2010-11 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 26<sup>th</sup> September, 2018 (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](http://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 2018-19, 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. 31<sup>st</sup> October, 2018. 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](http://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 1<sup>st</sup> April, 2019. 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](http://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 41<sup>st</sup> 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 **Monday, 23<sup>rd</sup> September, 2019 (9.00 am)** and ends on **Wednesday, 25<sup>th</sup> September, 2019 (5.00 pm)**. During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on **Thursday, 19<sup>th</sup> September, 2019** 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](http://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,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](http://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:

	<b>For Members holding shares in Demat Form and Physical Form</b>
PAN	Enter your 10 digit alpha-numeric PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders) <ul style="list-style-type: none"><li>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.</li></ul>
Dividend Bank Details <b>OR</b> Date of Birth (DOB)	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. <ul style="list-style-type: none"><li>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).</li></ul>

- (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 **190625023** 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](http://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](mailto: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](mailto: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](http://www.evotingindia.com), under help section or write an email to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).

**(B) OTHERS:**

- The voting rights of shareholders shall be in proportion to their shares of the paid up equity share capital of the Company
- 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.
- 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.
- The results declared along with the scrutinizer's report shall be placed on the Company's website [www.aec.com](http://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](mailto: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](mailto:rnt.helpdesk@linkintime.co.in)

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

E-mail ID: [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com)

**Scrutinizer: CS K J Shah of M/S K J Shah & Company**

Practicing Company Secretary

E-mail ID: [kjshahco@gmail.com](mailto:kjshahco@gmail.com)

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

Particulars	Dr. Palak Doshi
Date of Birth	22.03.1989
Appointed on	13-05-2019
Qualifications	Dentist
Expertise in Specific Functional Areas	Administration
Directorships held in other Public Companies (excluding foreign companies)	1
Membership/ Chairmanship of Committees across public Companies	0
Shareholding	0

By Order of the Board of Directors

SD/-

R. R. Bambhania

Managing Director

Place : Patla, Junagadh

Date : 29<sup>th</sup> May, 2019





**ANNEXURE TO THE NOTICE**

**(Explanatory statement pursuant to section 102 of the companies Act, 2013)**

**Item No. 4 :**

**Mr. Palak Doshi, holding DIN: 08444518** is a reputed doctor by profession in Junagadh. He is the esteemed social personality having very rich experience in various fields in addition to his profession. The Company has appointed him as an additional director on the Board in independent capacity with effect from 13<sup>th</sup> May, 2019 on resignation by Mr. Bhagwanji D Joshi.

The Company has received a notice in writing from member under section 160 of the Act proposing his name as a candidate for the office of the Independent Director of the company.

The Board recommends his appointment as Independent Director on the Board of the Company.

None of the directors may be deemed to be concerned or interested in the said resolution.

**Item No. 5 & 6:**

Pursuant to the provision of section 188 (1) (a) of the Companies Act, 2013 and Director's Relatives (Office or Place of Profit) Rules, 2014, any person who is a relative of a director and holds or continues to hold any office or place of profit in the Company for the remunerations exceeding the prescribed limit shall be subject to the prior approval of the members by way of **special resolution**.

Mr. Hiren N Vadgama (Vice President –Operations) and Mr. Jignesh S Thanki (Vice President –Engineering) are in the employment of the Company since long. They are the real architect of the Company as at date through their continues efforts and innovative ideas for betterment of the Company. It is they who have brought the Company into profitable venture by increasing the sales on all fronts, domestic as well as on international front. Their visions are the valuable assets of the Company. In addition to all these, they are providing all technical guidance and support by their innovative ideas to Board of the company.

The Audit Committee had also reviewed their performance and recommended in addition to their salary, the payment of performance incentive payable to them on percentage of the "sales" not exceeding 1% and which the Board of Directors of the Company may deem fit and reasonable subject to the recommendation of the audit committee and which may be agreed to by them.

Mr. Jignesh S Thanki is the son of the Mrs. Anila S Thanki and Mr. Hiren N Vadgama is the son of Mr. Narottam C Vadgama, who both is the directors of the Company.

Since the proposed remuneration exceeds the prescribed limit, your prior approval as special resolution is being sought.

None of the directors and their relatives except Mrs. Anila S Thanki and Mr. Narottam C Vadgama is concerned or interested in the proposed resolution.

The Board recommends the above resolution for your approval.





## DIRECTORS' REPORT

To the Members,

Your Directors have pleasure in submitting their **41<sup>st</sup>** Annual Report of the Company together with the Audited Statements of Accounts for the year ended **31<sup>st</sup> March, 2019**.

### FINANCIAL RESULTS:

The Company's financial performance for the year ended **31<sup>st</sup> March, 2019** along with previous year figure is summarized as here under:

(STAND ALONE)		(Rs. In Lakhs)
Particulars	Year ended 31 <sup>st</sup> March, 2019	Year ended 31 <sup>st</sup> March, 2018
Gross profit before Interest Depreciation and Tax	434.49	69.69
Less: Interest and Depreciation	183.28	173.74
<b>Profit / (Loss) before Tax</b>	<b>251.21</b>	<b>(104.05)</b>
Less: Provision for Taxation	-	-
Deferred Tax (Assets) / Liabilities	43.31	20.24
<b>Profit / ( Loss) after Tax</b>	<b>207.90</b>	<b>(124.29)</b>
Add: Other Comprehensive Income	(1.19)	(6.91)
<b>Total Comprehensive Income</b>	<b>206.71</b>	<b>(131.20)</b>

### REVIEW OF BUSINESS OPERATION AND FUTURE PROSPECTS:

The performance of the company during the year under review remains good as compared to the last year. The sales of the company have increased both in domestic and export segment. The sales during the year were Rs. 9514.45 lacs as against Rs. 7617.08 lacs in the previous year. The sales thus registered as increase of 24.90% as compared to last year. The company had net profit of Rs. 207.90 lacs in the present year as against the net loss of Rs 124.29 lakhs in the previous year.

### DIVIDEND:

Your Directors are pleased to recommend for your approval for payment of dividend of Rs 0.50 per Equity share of the company in respect of financial year ended on 31<sup>st</sup> March, 2019. The said dividend shall be payable to those members whose names appear on the register of member of the company on record date.

### 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, 2019.

### SHARE CAPITAL:

The paid up Equity Share Capital of the Company as on March 31, 2019 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, 2019, 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, **Mrs. Anila Shashikant Thanki**, a Director of the Company retires by rotation at the ensuing 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. Jeshanker R. Bhogayta (Whole-time Director upto 17<sup>th</sup> July, 2018)
- Mr. Rajan R Bambhania (Managing Director and CEO)
- Mr. Siddik A Kotal (Chief Financial Officer upto 31<sup>st</sup> January, 2019)
- Ms. Meenu Bhomia (Company Secretary)

### NOTING OF APPRECIATION OF SERVICES:

The Board places on record their appreciation for guidance and valuable services provided by Mr. Jeshanker R Bhogayta and Mr. Bhagwanji D Joshi, during their tenure as office of Directors.

### 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 **Six** 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 **30<sup>th</sup> April, 2019** 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 31<sup>st</sup> March, 2019. Your Directors have made necessary disclosures, as required under Companies Act, 2013. The Company has obtained certificate dated 18<sup>th</sup> May, 2019 from **Shahs & Associates, Practising Company Secretaries** in that regards.

#### **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 H. R. Dewani & Co., Chartered Accountants, Junagadh (Firm Regn. No. 140668W)**, Statutory Auditors of the Company were appointed for a period of consecutive 5 (Five) year at the Annual General Meeting held on 26<sup>th</sup> September, 2018. The Auditors have confirmed that they are not disqualified from continuing as Auditors of the Company.

The Notes on financial statement referred to in the Auditors' Report are self-explanatory and do not call for any further comments. The Auditors' Report does not contain any qualification, reservation, adverse remark or disclaimer.

##### **SECRETARIAL AUDITOR:**

The Board had appointed **M/s SHAHS & ASSOCIATES, Practicing Company Secretaries**, to conduct the Secretarial Audit for the financial year 2018-19. The Secretarial Audit Report for the financial year ended on **March 31, 2019** is annexed herewith marked as **Annexure "C"** to this Report.

The Board of Directors at the recommendations of the Audit Committee appointed **M/s SHAHS & ASSOCIATES, Practicing Company Secretaries**, to conduct the Secretarial Audit of the Company for the financial year 2019-20.

##### **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 and reported correctly.

The Board of Directors at the recommendations of the Audit Committee appointed **M/s SUBHASH AKBARI & CO., Chartered Accountants, Junagadh** as Internal Auditors of the Company for the Financial Year 2019-20.

