

30<sup>th</sup>  
ANNUAL REPORT

**2017-2018**



*Coventry Coil-o-Matic (Haryana) Ltd.*



**Coventry Coil-o- Matic (Haryana) Limited**  
**CIN No.L74999HR1988PLC030370**

**Board of Directors**

Mr. R. M. Bafna , Managing Director & CEO

Ms. Smriti Bafna, Whole Time Director

Mr. Atul Kumar Chaturvedi, Director

Ms. Rajni Sharma, Additional Director

**Board Committee**

<p><b>Audit Committee</b> Mr. Atul Kumar Chaturvedi, Chairman Ms. Rajni Sharma, Additional Director Mr. R. M. Bafna, Managing Director &amp; CEO</p>	<p><b>Stakeholders Relationship Committee</b> Mr. Atul Kumar Chaturvedi, Chairman Mr. R. M. Bafna, Managing Director &amp; CEO</p>
<p><b>Nomination &amp; Remuneration Committee</b> Ms. Smriti Bafna, Director Mr. R. M. Bafna, Managing Director &amp; CEO Mr. Atul Kumar Chaturvedi, Director Ms. Rajni Sharma, Additional Director</p>	<p><b>Registrar &amp; Share Transfer Agents</b> <b>Link Intime India Private Limited</b> 44, Community Centre, 2<sup>nd</sup> Floor, Naraina Industrial Area, Ph I, Near PVR, Nairana, New Delhi 110028 Ph. 01141410592-94</p>

<p><b>Auditors</b> Messrs Jitendra K Agarwal &amp; Associates Chartered Accountants 209, Hans Bhawan, 1, Bahadur Shah Zafar Marg, New Delhi 110001</p>	<p><b>Secretarial Auditors</b> Siddiqui &amp; Associates Company Secretaries D 49, SaritaVihar New Delhi 110076</p>
--	---

**Registered Office:**  
Vill. Salawas, Post Sangwari  
Distt. Rewari 123401, Haryana

Chief Financial Officer : Mr. R. P. Verma

Content	Page Nos.	Contents	Page Nos.
Notice	3-6	Auditors Report	37-43
Management Discussion Analysis	7-9	Balance Sheet	44
Directors Report	10-19	Profit & Loss Statement	45
Conservation of Energy	19-20	Cash Flow Statement	46
Secretarial Audit Report	21-22	Notes to Financial Statement	47-86
Extracts of Annual Return	23-36	Notice of AGM e voting	87

**Important Communication to Members**

The Ministry of Corporate Affairs has taken a "Green Initiative in the Corporate Governance" by the paperless compliances by the Companies and has issued circulars stating that allowing services of notice/ documents including Annual Report can be sent by e mail to its Members. To support this green initiative of the Government in full measure, members who have not registered their e mail addresses, in respect of electronic holdings with the Depository through their concerned Depository Participants. Members who hold the shares in physical form are requested to send the details of their e mail id to the Company or its Registrar & Share Transfer Agents Link Intime India Private Limited

## NOTICE

**NOTICE** is hereby given that the 30<sup>th</sup> Annual General Meeting of the Company shall be held on Saturday, the 22<sup>nd</sup> September, 2018 at 11:30 a.m. at its Registered Office - Village: Salawas, P.O. Sangwari, Distt. Rewari - 123 401 (Haryana), to transact the following business: -

### ORDINARY BUSINESS

1. To receive, consider and adopt the Balance Sheet of the Company as at 31<sup>st</sup> March 2018 and Profit and Loss Account for the year ended on that date together with the Reports of the Auditors and Directors thereon.
2. To appoint Director in place of Mr. R. M. Bafna, Managing Director, who retires by rotation, but being eligible, offers himself for re-appointment.
3. To appoint the Statutory Auditors of the Company and to authorise the Board of Directors to fix their remuneration.

To consider and if thought fit, to pass with or without modification, the following Resolution as an ordinary Resolution:

**“RESOLVED THAT** pursuant to the provisions of Section 139, 142 and other applicable provisions, if any, of the Companies Act, 2013 read with Companies (Audit & Auditors) Rules 2014 (including statutory modification or re enactments thereof for the time being in force) appointment of Messrs Jitendra K Agarwal & Associates, Chartered Accountants (Firm Registration No. 318086E), as Statutory Auditors be and is hereby ratified and approved from the conclusion of this Annual General Meeting till the conclusion of forthcoming Annual General Meeting, on such remuneration plus service tax, out-of-pocket, travelling and living expenses, etc., as may be mutually agreed between the Board of Directors of the Company and the Auditors.”

### SPECIAL BUSINESS

4. To consider and if thought fit, to pass, with or without modification(s), the following resolution as an **Ordinary Resolution:**

**“RESOLVED THAT** pursuant to the provisions of Sections 152 and all other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force), Ms. Rajni Sharma (DIN: 07865466), who was appointed as an Additional Director with effect from 03<sup>rd</sup> October 2017 in accordance with the section 161 of the Companies Act 2013 and who holds office upto the conclusion of this Annual General Meeting and in respect of whom the Company has received a notice in writing proposing appointment of Ms. Rajni Sharma (DIN: 07865466) as Director liable to retire by rotation, be and is hereby appointed as Director of the Company.”

5. To appoint Mr. Atul Kumar Chaturvedi (DIN: 01759365) as an Independent Director and in this regard to consider and if thought fit, to pass, with or without modification(s), the following resolution as an **Ordinary Resolution:**

**“RESOLVED THAT** pursuant to the provisions of Sections 149, 152 read with Schedule IV and all other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) and Clause 49 of the Listing Agreement, Mr. Atul Kumar Chaturvedi (DIN: 01759365), a non-executive director of the Company, who has submitted a declaration that he meets the criteria for independence as provided in Section 149(6) of the Act and who is eligible for appointment, and who was appointed as a Director liable to retire by rotation and in respect of whom the Company has received a notice in writing under Section 160 of the Companies Act, 2013 from a member proposing his candidature for the office of Independent Director, be and is hereby appointed as Non-Executive Independent Director of the Company not liable to retire by rotation to hold office for 5 (Five) consecutive years for a term up to the conclusion of the 35<sup>th</sup> Annual General Meeting of the Company in the calendar year 2023.”



1. To appoint Ms. Rajni Sharma (DIN: 07865466) as an Independent Director and in this regard to consider and if thought fit, to pass, with or without modification(s), the following resolution as an **Ordinary Resolution**:

**“RESOLVED THAT** pursuant to the provisions of Sections 149, 152 read with Schedule IV and all other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, Ms. Rajni Sharma (DIN: 07865466), a non-executive director of the Company, who has submitted a declaration that he meets the criteria for independence as provided in Section 149(6) of the Act and who is eligible for appointment, and who was appointed as a Director liable to retire by rotation and in respect of whom the Company has received a notice in writing under Section 160 of the Companies Act, 2013 from a member proposing his candidature for the office of Independent Director, be and is hereby appointed as Non-Executive Independent Women Director of the Company not liable to retire by rotation to hold office for 5 (Five) consecutive years for a term up to the conclusion of the 35<sup>th</sup> Annual General Meeting of the Company in the calendar year 2023.”

By order of the Board of Directors

For **COVENTRY COIL-O-MATIC (HARYANA) LIMITED**

Date: 29<sup>th</sup> May, 2018

Place: Rewari

R. M. Bafna  
Managing Director  
DIN 00159855

**NOTES:**

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF/HERSELF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY.
2. Proxies, in order to be effective, must be received at the registered office of the company not less than 48 hours before the commencement of the meeting. Members, who hold shares in dematerialised form, are requested to bring their DP I.D. and Client I.D. for identification. A person can act as a proxy on behalf of Members not exceeding 10% of total share capital of the Company carrying voting rights. A Member holding more than 10% of total share capital of the Company carrying voting rights may appoint a single person as proxy and such person shall not act as proxy for any other person or shareholder.
3. Corporate Members intending to send their representatives to attend the Meeting are requested to send to the Company a certified copy of resolution authorizing their representative to attend and vote on their behalf at the Meeting.
4. The Explanatory Statement pursuant to Section 102(1) of the Companies Act, 2013 in respect of the special business is annexed hereto.
5. The Register of Beneficial Owners, Register of Members and Share Transfer Books of the Company will remain closed from 19<sup>th</sup> September 2018 to 22<sup>nd</sup> September 2018 (both days inclusive).
6. Members are requested to bring their copy of the Annual Report, as Copies of the Report will not be distributed again at the Meeting.
7. Members who have multiple accounts are requested to intimate to the Company, the Ledger Folio Numbers of such accounts and send all relevant Share Certificates to enable the Company to consolidate all shareholding into one account. The Share Certificates will be returned back to the Members after consolidation.
8. Members are requested to notify the Company of any change in address in full with Pin code numbers.
9. Members desirous of getting any information about the accounts and operations of the Company are requested to send their queries to the Company at its Registered Office, so as to reach at least 10 days before the date of meeting to enable the Management to keep the information ready.
10. Members/proxy-holders are requested to produce at the entrance the attached Admission Slip duly completed and signed for admission to the meeting hall.
11. All documents referred to are open for inspection at the Registered Office of the Company during Office hours on any working days.
12. 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/Registrar and Share Transfer Agents Link Intime India Private Limited.
13. Voting through electronic means

As per Sections 107 and 108 of the Companies Act, 2013, read with Companies (Management and Administration) Rules, 2014, facility is provided to the Shareholders for e-Voting through Instavote facility of Link Intime india Pvt. Ltd. to enable them to cast their votes electronically on the resolutions mentioned in the Notice of the 30<sup>th</sup> Annual General Meeting dated 29<sup>th</sup> May, 2018. The detailed process, instructions and manner for availing e-Voting facility is shown elsewhere in this Annual Report. The e voting shall remain open from 19<sup>th</sup> to 21<sup>st</sup> September 2018 The Company has fixed 15<sup>th</sup> August, 2018 as a cut-off date to record the entitlement of the Shareholders to cast their votes electronically at the 30<sup>th</sup> Annual General Meeting. The Company has appointed Mr. K O Siddiqui, Company Secretary of Siddiqui & Associates, Company Secretaries, New Delhi, as scrutinizer for the purpose of e voting for this Annual General Meeting.



## **Explanatory Statement**

(Pursuant to Section 102 of the Companies Act, 2013)

As required by Section 102 of the Companies Act, 2013, (hereinafter referred to as “the Act”) the following Explanatory Statements set out all material facts relating to the business mentioned under Item No. 4 of the accompanying Notice dated 29<sup>th</sup> May, 2018.

### **Item No. 4**

The Board of Directors have appointed Ms. Rajni Sharma (DIN: 07865466),, as an Additional Director with effect from 03<sup>rd</sup> October 2018 in accordance with the section 161 of the Companies Act 2013 and who holds office upto the conclusion of this Annual General Meeting and in respect of whom the Company has received a notice in writing proposing appointment of Ms. Rajni Sharma (DIN: 07865466) as Non-Executive Independent Women Director of the Company not liable to retire by rotation.

Ms. Rajni Sharma, is not disqualified from being appointed as a Director in terms of Companies Act 2013 and has consented to act as Director. The Board considers it desirable to avail the expertise and guidance of Ms. Rajni Sharma, on the Board and recommends her appointed.

The Board commends the Resolution at Item No. 4 for approval by the Members.

None of the Directors or Key Managerial Personnel or their respective relatives are concerned or interested in the Resolution at Item No. 4 of the Notice.

### **Item No. 5 & 6**

Mr. Atul Kumar Chaturvedi (DIN: 01759365), and Ms. Rajni Sharma (DIN 07865466) have been appointed as Independent Directors w.e.f. 30.05.2016 and 03.10.2017 respectively. Pursuant to Section 149 read with Section 152 (including any statutory modification(s) and reenactment thereof for the time being in force) and Schedule IV of the Companies Act, 2013 and as per regulation 17 & 25 SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and any other applicable provisions thereof or Rules / Regulations made thereunder, it is proposed to appoint Mr. Atul Kumar Chaturvedi (DIN: 01759365), and Ms. Rajni Sharma (DIN 07865466), as Independent Directors of the Company for a term of one year, not liable to retire by rotation, commencing from the date of this Annual General Meeting till the conclusion of next Annual General Meeting. In the opinion of the Board, Mr. Atul Kumar Chaturvedi (DIN: 01759365), and Ms. Rajni Sharma (DIN 07865466), fulfills the conditions specified in the Companies Act, 2013 and Rules made there under for their appointment as Independent Directors and are independent of the management.

The terms and conditions of appointment of the above Directors shall be open for inspection by the Members at the Registered Office of the Company between 9.30 a.m. and 12.30 p.m. and between 2.30 p.m. and 4.30 p.m. on any working day, excluding Saturday. The Directors recommend the Resolutions at Item Nos. 3 and 4 of the Notice for your approval.

Mr. Atul Kumar Chaturvedi (DIN: 01759365), and Ms. Rajni Sharma (DIN 07865466) are not disqualified from being appointed as a Director in terms of Section 164 of the Act and has given her consent to act as a Director. They holds “nil” equity shares in the Company.

The Company has also received declarations from Mr. Atul Kumar Chaturvedi (DIN: 01759365), and Ms. Rajni Sharma (DIN 07865466) that they meets with criteria of independence as prescribed both under sub section (6) of Section 149 of the Act and regulation 17 & 25 SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

Mr. Atul Kumar Chaturvedi (DIN: 01759365), and Ms. Rajni Sharma (DIN 07865466) may be deemed to be interested in the resolution set out respectively at Item No 5 & 6.

None of the other Directors / Key Managerial Personnel of the Company and their relatives is/are, in any way, concerned or interested, financially or otherwise, in the aforesaid Resolution Nos. 5 and 6 of the Notice.

This Explanatory Statement may also be regarded as a disclosure under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

---

## MANAGEMENT DISCUSSION AND ANALYSIS

### Overview

**Coventry Coil-o-Matic (Haryana) Limited (CCHL)** is one of India's leading integrated spring solutions Company offering a comprehensive range of products and solutions catering to multiple industries. It is a leading manufacturer of Auto Suspension Springs as well as Power Brake Actuator Springs for Commercial Vehicles and is one of the leading market players in springs for other Industrial Applications. Business from the Auto Suspension Springs and Power Brake Actuator Springs accounted for more than 90% of the total turnover.

### Macro-Economic Review

#### Global

The pick-up in global economic growth, gained further momentum in 2017, with the global output is estimated to have grown by 3.7% in 2017, which is 0.6% higher than in 2016. The pickup in growth has been broad based, with notable upside surprises in Europe and Asia. More importantly, the growth momentum is expected to continue in the short-term, with the International Monetary Fund revising its global growth forecasts for 2018-19 upward by 0.2% to 3.9%. According to IMF forecasts, after the period of economic crisis from 2007 to 2012, and the instability in many regions up to 2017, the global economy will show a trend towards stable growth up to 2022.

Among the major emerging and developing economic regions, Asia is estimated to grow at around 6.5% over 2018 and 2019, broadly the same pace as in 2017. The region continues to account for over half of world growth. Growth is expected to gradually moderate in China, pick up in India and remain stable in the ASEAN region. The World Bank's Global Economic Prospects report has put out a cautious note, saying that although the near-term growth could surprise on the upside, the global outlook is still subject to substantial downside risks, including the possibility of financial stress, increased protectionism, and rising geopolitical tensions. The recent surge in crude oil prices is expected to further add uncertainties in the global economic growth prospects in the short-term.

#### India

The Indian economy continued to be a bright spot globally, with the FY 2017-18 GDP growing at 6.6%. The growth rate, however, was lower than the 7.1% achieved in the previous fiscal. However, with strong fundamentals and good demography, the Indian economy holds bright prospects. GDP growth (year-on-year in %) among the major economic indicators, inflation rate, which remained below 4% from April till October 2017, took a sudden upward turn from November onwards, and rose to 4.9%, peaking at 5.2% in December and decelerating to 4.3% in March 2018. Index of Industrial Production (IIP) growth for FY 2017-18 was stagnant at 4.4%, same as in the previous fiscal, while manufacturing sector posted an improvement to 4.4% from 3.3% in FY 2017-18. The lingering impact of demonetization and the hiccups in the early phase of GST implementation are said to have impacted the overall performance of the industrial sector. The country's fiscal deficit is expected to be contained at the revised target of 3.5%, while the forex reserve has reached \$ 424.36 billion towards the close of FY 2017-18. The repo rate has further declined by 25 basis points to 6% in the fiscal.

Riding on the pick-up in global trade, India's exports rose 9.8% to \$ 302.8 billion during FY 2017-18, the highest growth rate in six years. Imports during the period grew 19.6% to touch \$ 459.7 billion as commodity prices pushed up the value of shipments in and out of the country, resulting in widening of India's trade deficit to \$ 156.9 billion in FY 2017-18 from \$ 108.6 billion in the previous fiscal. The outlook for FY 2018-19 economic growth is slated to be more buoyant, with the IMF projecting the Indian economy to grow by 7.4% in FY 2018-19 and further accelerate to 7.8% in FY 2020, which would make India as the world's fastest-growing economy in 2018 and 2019, the top ranking it briefly lost in 2017 to China. Major downside risks to India's economic outlook include fiscal slippages, especially in view of the surging oil prices, which could adversely impact India's oil import bill and looming protectionist threats on the trade front.





## Industry

**Automotive Spring Market size** will witness growth owing to increasing focus on passenger safety, convenience and comfort. Positive outlook for automotive industry drives the auto parts and components demand. Expanding automobile sector in developing countries coupled with rise in disposable income and increasing spending on comfort and luxury will support the automotive spring market.

Based on products, automotive spring market is categorized in to Coil, Leaf, Balance and Flat spring. Coil springs acquires substantial share owing to its use in passenger cars and two wheelers for smooth vehicle experience. Leaf spring can bear high weight of cargo, absorbs vehicle shocks and carry tons of cargo for longer distance. Increasing demand of commercial vehicle will fuel product demand.

Based on vehicle type, automotive spring market is categorized in to PCV, LCV and HCV. PCV dominates the overall market owing to highest demand across the globe. OEMs focusing on improving driver experience and convenience will support the demand. Demand from LCV is driven by increasing public transport and taxi hire services.

The app-cab aggregators are expanding their operations extensively, resulting in higher demand for passenger vehicles.

The Company has received 4 Nos certifications from its United Registrar of Systems.

- I) TS 16949 : 2009 for Management System.
- II) ISO 9001 : 2008 for Management System.
- III) ISO 14001 : 2015 for Environmental Management System.
- IV) ISO 18001 : 2007 for Health and safety Management System.

### Financial Performance:

There was increase in the turnover of your Company for the financial year 2017-18 and the Company performed well during the year, it was extremely stressful due to increase in Labour costs coupled with increase in Legal fees. Added to this were huge Volume & Cash Discounts given to Customers for increasing its sales for now and also for the future.

The Net Sales of the Company increased by about 18.7% amounting to Rs. 5629,21 lakhs (including the GST for nine months) for the 2017-18. However the Company could manage to keep the expenditure at Rs. 5899.21 and thereby improving the Operating Loss (before Interest, Depreciation and Taxes) of Rs. 70.07 lakhs as against an Operating Loss (PBIDT) of Rs. 102.97 lakhs during 2016-17, improving it by 46.95%. The Net Loss (PAT) was at Rs. (109.40) lakhs compared with the Net Loss (PAT) of Rs. (140.48) lakhs for the previous year, resulting thereby an increase of 28.40% over the last year.

With new spring manufacturers coming into the Passenger Vehicle segment, thereby increasing huge competition, CCHL had to offer huge volume and cash Discounts to its Customers to retain and increase its Order Books. The Company's operations were under pressure to generate profits as this contributed to the Company's losses and put a lot of stress on its cash flow. Also with developing of new segment and to maintain quality and delivery schedules, there was high stress on internal efficiencies resulting in spurt in elevation of raw material and operational costs. Concerted efforts are being made to reduce and control the raw material and operational costs in the current fiscal.

### Industry Development

FY 2017-18 witnessed another re-run of robust performance by the domestic auto industry, with sales registering an increase of 12%. The sale of Passenger Vehicles grew by 7.9% in 2017-2018 over the same period last year Within the Passenger Vehicles segment, Passenger Cars and Utility Vehicle grew by 3.5% and 21% respectively in FY 2017-18 compared to the previous fiscal.

Overall Commercial Vehicles segment grew by 20.7% in FY 2017-18, as compared to the same period last year. Medium & Heavy Commercial Vehicles (MHCVs) grew by 14.4% and Light Commercial Vehicles (LCVs) grew by 23.8% in 2017-2018 over the same period last year.



The Company's focus is on enhancing its product offerings through constant innovation. The Company also initiated design engineering improvements to enhance the optical properties and reflection quality of its products.

#### **Product Development:**

Because of high operational costs as explained above, CCHL was not able to adapt the new technology to increase its foray in the Front Suspension Springs for passenger cars and MUVs so as to further enable it to increase its presence in this segment again. However, with better control on its operational costs and reduction in raw material, the Company expects to start generating profits and be able to adapt the newer technology.

#### **OPPORTUNITIES:**

In the Budget 2018, Government of India has plans to complete 9,000 km of national highways by Fiscal 2019 and 35,000 km under the Bharatmala project at Rs. 5.35 lac crore. With the allocation of funds to improve national highways; people will see values in personal transportation and increase in sentiments towards purchasing new vehicles. Even the commercial vehicle industry will benefit from this increased connectivity. The Automotive Mission Plan 2016-26 aims at 13% share of automotive industry in GDP, along with implementation of BS6 vehicles effective April 1, 2020 and increase in Value added services. National Electric Mobility Mission, aims at providing 7 million electric cars 2020, along with concession in manufacturing of selected parts for electric cars.

### **BUSINESS OUTLOOK AND OVERVIEW**

#### **Outlook**

The future for automobile industry looks bright because of rising global automobile production and consumption along with rapid urbanisation. The Indian Auto-component makers are well positioned to benefit from the globalisation and have the potential to achieve \$40 billion of exports by 2020.

#### **Automotive Mission Plan 2016-26**

- Indian automotive industry to grow 3.5-4 times of the current value of USD 74 billion to USD 260 -300 billion by 2026
- India to be among top three automakers in the world along with China and US Auto Component to grow from the current levels of Rs120 billion to Rs 593.5 –732 billion
- Passenger vehicles likely to increase between 9.4 -13.4 million units from the current level of 3.2 million units Generate 65 million jobs (both direct and indirect) by 2026
- OEM Domestic to touch 9.32 lakh and component market to 6.62 lakh by 2026
- BSV norms to be adopted by 2019 and BSVI norms to be implemented by 2023 for passenger vehicles

#### **Risks**

Risk management is an important aspect of CCHL operations. Dedicated measures are undertaken to mitigate CCHL from the unforeseen external and internal adversities. It strengthens business operations and keeps CCHL prepared to face any such challenges.

#### **Human Resources**

CCHL considers employees to be the most important assets that can guide the Company to growth. Comprehensive and well-structured HR policies of CCHL ensure growth of employees at personal and professional levels. CCHL focuses on attaining the highest levels of employee involvement by increasing their participation in QC (quality control) circles, kaizen and suggestion schemes. CCHL also focuses on providing regular knowledge up-gradation and training to employees to enhance their work skills and contribute towards its growth. These trainings also inculcate leadership skills that enable CCHL to identify key management personnel. CCHL emphasises on integrating key function areas across different functions ensuring better synergy and intra and inter-functional effectiveness.

*The Company assumes no responsibility in respect of forward looking statements herein which may undergo changes in future on the basis of subsequent development, information or events.*



## DIRECTORS' REPORT

Your Directors have pleasure in presenting the **30<sup>th</sup> Annual Report** together with the audited accounts and the Reports of the Auditors for the year ended **31<sup>st</sup> March 2018**.

### OPERATIONS AND FINANCIAL RESULTS:

The financial working results for the year are as under: -

(Rs. In lakhs)

Particulars	For the year ended 31 <sup>st</sup> March 2018	For the year ended 31 <sup>st</sup> March 2017
Net Turnover	5629.21	4741.45
Other Income	18.78	9.08
Increase/(Decrease) in Stock	(14.99)	(0.93)
TOTAL	5633.00	4749.60
Profit before Interest, Depreciation & Taxes	(70.07)	(102.97)
Profit before Tax	(109.40)	(140.48)
Less : Provision for Tax (including deferred tax)	-	-
Profit after Tax	(109.40)	(140.48)
Balance from Balance Sheet	(1187.18)	(1046.70)
Balance carried to Balance Sheet	(1296.58)	(1187.18)

There was increase in the Turnover of your Company for the financial year 2017-18 and the Company performed well during the year, it was extremely stressful due to increase in Labour costs coupled with increase in Legal fees. Added to this were huge Volume & Cash Discounts given to Customers for increasing its sales for now and also for the future.

The Net Sales of the Company increased by about 18.7% amounting to Rs. 5629,21 lakhs (including the GST for nine months) for the 2017-18. However the Company could manage to keep the expenditure at Rs. 5899.21 and thereby improving the Operating Loss (before Interest, Depreciation and Taxes) of Rs. 70.07 lakhs as against an Operating Loss (PBIDT) of Rs. 102.97 lakhs during 2016-17, improving it by 46.95%. The Net Loss (PAT) was at Rs. (109.40) lakhs compared with the Net Loss (PAT) of Rs. (140.48) lakhs for the previous year, resulting thereby an increase of 28.40% over the last year.

### DIRECTORS'

In terms of Article 136 of the Articles of Association of the Company, Mr. R M Bafna, Managing Director & CEO will retire by rotation at the ensuing Annual General Meeting and being eligible, offers himself for re-appointment.

#### a. Retirement by rotation

Pursuant to Section 149, 152 and other applicable provisions if any of the Companies Act, 2013, one third of such of the Directors as are liable to retire by rotation, shall retire every year at the, and if eligible, offer themselves for re-appointment at every Annual General Meeting. Consequently Mr. R M Bafna, Managing Director & CEO will retire by rotation at the ensuing Annual General Meeting and being eligible offers himself for re-appointment in accordance with the provisions of Companies Act, 2013.

Your Directors recommend their appointment /reappointment at the ensuing Annual General meeting.

#### b. Changes in Directors and Key Managerial Personnel

During the year Mr. Arun Mittal resigned from the position of Independent Director because of some personal reasons. Moreover, the Board has appointed one more Additional Director Ms. Rajni Sharma as Independent Women Director. There was no other change in the Directors and Key Managerial Personnel of the Company.