



## **3<sup>rd</sup> ANNUAL REPORT 2017-18**

### CORPORATE INFORMATION

#### **Board of Directors**

- |                                  |  |
|----------------------------------|--|
| ▪ Mr. Kirit Kumar Madhavlal Shah | Chairman & Managing Director                       |
| ▪ Mr. Chandu Jain                | Executive Director                                 |
| ▪ Mr. Jitendra Jain              | Independent Director                               |
| ▪ Ms. Nilamben V Mehra           | Independent Director                               |
| ▪ Mr. Praful Jain                | Chief Financial Officer                            |
| ▪ Ms. Rekha Narniwal             | Company Secretary (Upto 8 <sup>th</sup> May, 2018) |

#### **Bankers**

UCO Bank

#### **Statutory Auditor**

M/s. A. Puri & Co.  
Chartered Accountants  
E/ 614, Crystal Plaza,  
New Link Road,  
Andheri (West)  
Mumbai 400 053.

#### **Registered Office**

4, Sawant Sadan,,  
Nehru Road,  
Vile Parle (East),  
Mumbai- 400057  
Maharashtra, India  
**CIN:** U74999MH2015PLC269095  
**Email:** info@mrcexim.co.in  
**Website:** [www.mrcexim.com](http://www.mrcexim.com)

#### **Registrar and Transfer**

**M/s. Purva Share Registry Pvt Ltd,**  
Unit no. 9, Shiv Shakti Ind. Estt.  
J .R. Boricha Marg, Lower Parel (E),  
Maharashtra, India  
Tel No.: 91-22-2301 2518 / 6761

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## NOTICE

Notice is hereby given that the Third Annual General Meeting of M/s. MRC Exim Limited will be held on Thursday, 27th September, 2018 at 9.00 a.m. at Registered Office No.4, Sawant Sadan, Nehru Road, Vile Parle (East), Mumbai- 400057 to transact the following business:

### **Ordinary Business:**

1. To receive, consider and adopt the Audited Financial Statements of the Company for the financial year ended 31st March, 2018, together with the Reports of the Board of Directors and the Auditors thereon;
2. To appoint a Director in place of Mr. Chandu Jain (DIN: 02412955), who retires by rotation and, being eligible, offers himself for re-appointment.
3. To continue the appointment of the auditors without ratification and in this regard to pass the following resolution as an Ordinary Resolution

**“RESOLVED THAT** in partial modification of the Ordinary Resolution passed at the Annual General meeting held on September 29, 2017 and in accordance with the amended Section 139 of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014 (including any statutory enactments or modifications thereof), the approval of the shareholders be and is hereby accorded to continue the appointment of M/s. A.Puri & Co. Chartered Accountants (Firm registration No.: 108231W), as the statutory Auditors of the Company, at such remuneration as may be decided by the Board of Directors as per the recommendations of the Audit Committee, till the conclusion of the 8<sup>th</sup> Annual General Meeting to be held in the year 2022 and that the said appointment shall not be subject to ratification at every subsequent Annual General Meeting.

**By Order of the Board of Directors  
For MRC Exim Limited**

Sd/-  
**Kirit M Shah**  
Director

**Place: Mumbai**

**Date: September 5, 2018**

### **NOTES:**

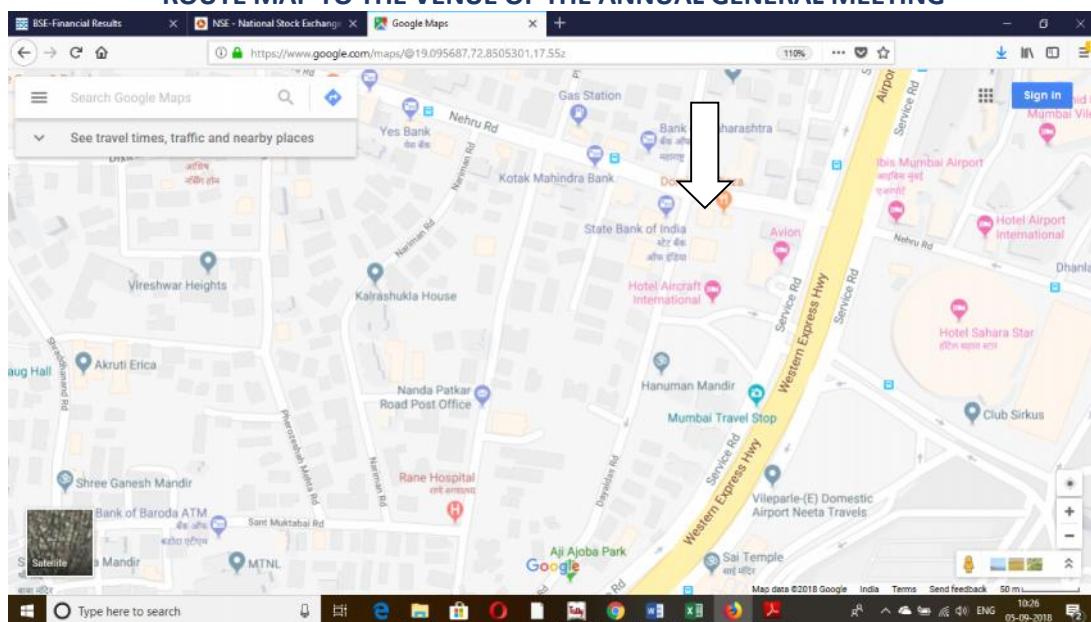
1. A member entitled to attend and vote at the Third Annual General Meeting (the “Meeting”) is entitled to appoint a proxy/ proxies to attend and vote instead of him/her and the proxy/proxies need not be a member of the Company. A person can act as proxy on behalf of members not exceeding fifty (50) and holding in the aggregate not more than ten percent of the total share capital of the company. 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 cannot act as a proxy for any other person or shareholder.

2. The instruments 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 sent herewith. Proxies submitted on behalf of the Companies, Societies etc., must be supported by an appropriate resolution/authority, as applicable.
3. The members / proxies & Authorized Representative are requested to bring duly filled in Attendance Slips for attending the Meeting and Members/proxies are also requested to bring a copy of the Annual Report along with them at the Meeting.
4. This Notice is being sent with Annual Report along with attendance slip, proxy form and route map of the venue of the Meeting.
5. Green Initiative - Members, who have registered their email addresses for receipt of documents in electronic mode under the Green Initiative of Ministry of Corporate Affairs, are being sent Notice by email and others are being sent by courier.
6. In case of joint holders attending the AGM, the Member whose name appears as the first holder in the order of names as per the Register of Members of the Company will be entitled to vote.
7. Relevant documents under Section 170, and 189 of the Companies Act, 2013 will be available for inspection by the members at the Registered Office of the Company on all working days (i.e., except Saturdays, Sundays and Public Holidays) between 3.00 p.m. to 5.00 p.m. up to the date of AGM. The aforesaid documents will also be available for inspection by the members at the meeting.
8. The Register of Members and Share Transfer Books of the Company will remain closed from Thursday, September 20 2018 to Thursday, September 27, 2018 (both days inclusive)
10. Members are requested to send all their documents and communications pertaining to shares to M/s. Purva Share Registry Private Limited at their address at Unit no. 9, Shiv Shakti Ind. Estt, J .R. Boricha Marg, Opp. Kasturba Hospital Lane, Lower Parel (E), Mumbai 400 011, Telephone No : 91-22-2301 6761 / 8261, Fax : 91-22-2301 2517 and Email id- busicomp@vsnl.com for both physical and demat segments of Equity Shares. Please quote on all such correspondence- "Unit- MRC Exim Limited." For Shareholders queries Telephone, 022- 26124294.
11. Members holding shares in dematerialized form are requested to intimate all changes pertaining to their bank details, National Electronic Clearing Service ("NECS"), Electronic Clearing Service ("ECS"), mandates, nominations, power of attorney, change of address, change of name and email address, etc., to their Depository Participant only and not to the Company's Registrar and Transfer Agent M/s. Purva Share Registry Private Limited, Changes intimated to the Depository Participant will then be automatically reflected in the Company's records which will help the Company and M/s. Purva Share Registry Private Limited to provide efficient and better services. Members holding shares in physical form are requested to intimate such changes to M/s. Purva Share Registry Private Limited.
12. In terms of circulars issued by Securities and Exchange Board of India (SEBI), it is now mandatory to furnish a copy of PAN card to the Company or its RTA in the following cases viz. Transfer of shares, Deletion of name, Transmission of shares and Transposition of shares. Shareholders are requested to furnish a copy of PAN card for all the above-mentioned transactions.
13. 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 Registrars and Share Transfer Agents, M/s. Purva Share Registry Private Limited.

14. The Notice of the AGM along with the Annual Report 2017-18 is being sent by electronic mode to those Members whose e-mail addresses are registered with the Company / Depositories, unless any member has requested for a physical copy of the same. For other Members, physical copies are being sent. To support “Green Initiative”, Members who have not registered email addresses are requested to register the same with the Company’s Registrar and Transfer Agent M/s. Purva Share Registry Private Limited/ Depository Participants, in respect of shares held in physical /electronic mode respectively.
15. Members may also note that the Notice of the 3<sup>rd</sup> Annual General Meeting, Attendance Slip, Proxy Form and Annual Report will also available on the Company’s website [www.mrcexim.co.in](http://www.mrcexim.co.in) for their download.
16. The route map showing directions to reach the venue of the 3<sup>rd</sup> Annual General Meeting is annexed to this notice.
17. In terms of Section 152 of the Act, Mr. Chandu Jain (DIN: 02412955), retires by rotation at the Meeting and being eligible, had offered themselves for reappointment,. The Board of Directors of the Company commends their re-appointment. Details of Directors, as required pursuant to 36(3) of the SEBI
18. Pursuant to the provisions of section 108 of the Companies Act, 2013, rules 20 and 21 of the Companies (Management & Administration) Rules 2014 and sub Reg. (1) & (2) of Reg. 44 of SEBI (LODR) Regulations, 2015, the Company is not required to provide mandatorily to its members the electronic facility to exercise their right to vote at the AGM. Therefore, the facility for voting through polling paper shall be made available at the meeting and the members attending the Meeting shall be able to exercise their right at the Meeting through polling paper. A Proxy can vote in the ballot/poll process.

#### ROUTE MAP TO THE VENUE OF THE ANNUAL GENERAL MEETING



## DIRECTOR'S REPORT

**DEAR SHAREHOLDERS,**

Your Directors are pleased to present the 3<sup>rd</sup> Annual Report of the Company, along with the Audited Financial Statements for the year ended 31<sup>st</sup> March, 2018.

### **1. FINANCIAL HIGHLIGHTS**

(Rs. in Lakhs)

Particulars	2017-18	2016-2017
Net Sales/ Income from Operations	2364.61	1612.08
Other Income	75.96	60.49
<b>Total Income</b>	<b>2440.57</b>	<b>1672.58</b>
Less: Expenditure	(2411.56)	(1653.45)
<b>Profit/(Loss) before Interest &amp; Exceptional Items</b>	<b>29.01</b>	<b>19.12</b>
Less: Interest	(4.67)	(1.86)
Profit/(Loss) before Tax	24.34	17.27
Extra Ordinary Items	18.77	
Profit/(Loss) before Tax	5.57	17.27
Less: Tax provisions	(5.30)	(5.03)
Deferred Tax	(4.60)	(0.30)
Profit/(Loss) After Tax	(4.33)	11.93

### **2. OPERATIONS REVIEW**

The Income from operation for the financial year 2017-18, for the year under review was at Rs. 2365 Lakhs as compared to Rs. 1612 Lakhs during the financial year 2016-17 showing an increase of 46.68% . The company revenue has decreased by 16.05%. The EBIDTA excluding exceptional items, stood at Rs. 5.57 lakhs during financial 2017-18, as compared to Rs. 17.27 lakhs in the Previous Financial year 2016-17. The Profit Before Tax in terms of value went up from Rs. 17.27 Lakhs to Rs.24.34 Lakhs showing an increase of 40.94% and in terms of percentage of sales it marginally went up from 1.19% to 1.23%.As far as Net Profit is concerned however the current year a loss of Rs.4.33Lakhs has been reported as compared to Rs. 11.93 Lakhs in the previous year. Had the write off of Public Issue Expenses to the extent Rs.18.77 Lakhs not taken place the profit would have been Rs.14.44 Lakhs showing an increase in value terms of 21.01% and % of sales there has been a slight fall in profitability from 0.74% to 0.61% mainly due to increase in Loading and Unloading expenses.

### **3. SUCCESSFUL INITIAL PUBLIC ISSUE (IPO) OF THE COMPANY**

Your Directors are pleased to inform you that the Initial Public Offering (IPO) of the Company was successfully completed. The company entered the capital market with its maiden initial public offering (IPO) of 30,00,000 Nos equity shares of face value of Rs. 10/- and at a premium of Rs 5/- per share, aggregating to Rs15/-. The issue opened for subscription on 6<sup>th</sup> December, 2017 and closed on 8<sup>th</sup> December ,2017. Application was received for Rs. 1,55,76,000 and was oversubscribed by 5.19 times. The equity shares have been listed on the BSE SME platform w.e.f 18<sup>th</sup> December, 2017.

**4. SHARE CAPITAL**

During the year under review the shares of the Company were listed on the BSE SME Stock Exchange. The paid-up Equity Share Capital as on 31<sup>st</sup> March 2017 was Rs. 2,96,83,600. The company issued bonus shares in the ratio of 3 shares for every two shares held in the company on 18<sup>th</sup> August, 2017 and accordingly 44,52,540 Equity Shares of Rs. 10/- each were allotted. Thereafter at the IPO 30,00,000 equity shares were allotted and shares were listed. The share capital as at March 31, 2018 was Rs. 10,42,09,000/-. During the year under review, the Company has not issued shares with differential voting rights nor has granted any stock options or sweat equity. Your Company's equity shares 9830650 are in demat form representing 94.34% and the rest i.e. 590250Nos representing 5.66% in physical mode.

**5. DIVIDEND**

With a view to strengthen the financial position of the Company, Your Board of Director's have not recommended any dividend for the financial year 2017-2018.

**6. RESERVES**

Directors have not transferred any amount to general or other reserves.

**7. DIRECTORS & KEY MANAGERIAL PERSONNEL**

At the beginning of the year the Promoters viz. Chandu Jain and Kirit M Shah were the Directors who still are continuing as Directors.

During the year Ms. Nilamben Vijaykumar Mehra joined the Board on 18<sup>th</sup> August, 2017 and Mr. Jitendra Jain joined the Board on 10<sup>th</sup> May, 2017. In addition, Mr. Santosh Paste resigned from the Board on 10<sup>th</sup> May, 2017.

Ms. Rekha Narniwal, Company Secretary was appointed in the Company on 1<sup>st</sup> August, 2017 of the Company has resigned wef 8<sup>th</sup> May, 2018.

Mr. Praful Jain, Chief Financial Officer of the Company was appointed on 1<sup>st</sup> August, 2017.

**8. BOARD COMMITTEES FORMED DURING THE YEAR**

During the year under review, the following committees have been formed by the Company:

- a) Audit Committee
- b) Nomination and Remuneration Committee
- c) Stakeholder Relationships Committee

The details of all the Committees of the Board along with their composition and meetings held during the year are provided below which :

**1) Audit Committee:**

Our Audit Committee was constituted pursuant to a resolution of our Board dated September 1, 2017.



The Audit Committee comprises:

Name of the Director	Status in Committee	Nature of Directorship
Mr. Jitendra Jain	Chairman	Independent Director
Ms. Nilamben Vijaykumar Mehra	Member	Independent Director
Mr. Chandu K Jain	Member	Director

The Company Secretary of the Company shall act as the Secretary of the Audit Committee.

The Audit Committee shall have powers, including the following: • To investigate any activity within its terms of reference;

- To seek information from any employee;
- To obtain outside legal or other professional advice; and
- To secure attendance of outsiders with relevant expertise, if it considers necessary. B. Role of Audit Committee

The role of the Audit Committee shall include the following:

- Oversight of our Company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible;
- Recommendation for appointment, re-appointment and replacement, remuneration and terms of appointment of auditors of our Company;
- Approval of payment to statutory auditors for any other services rendered by the statutory auditors;
- Reviewing, with the management, the annual financial statements and auditor's report thereon before submission to the board for approval, with particular reference to:
  - Matters required to be included in the Director's Responsibility Statement to be included in the Board's report in terms of clause (c) of sub-section 3 of section 134 of the Companies Act, 2013;
  - Changes, if any, in accounting policies and practices and reasons for the same;
  - Major accounting entries involving estimates based on the exercise of judgment by management;
  - Significant adjustments made in the financial statements arising out of audit findings;
  - Compliance with listing and other legal requirements relating to financial statements; disclosure of any related party transactions; and o Modified opinion(s) in the draft audit report.
- Reviewing, the quarterly financial statements with the management before submission to the Board for approval;
- Reviewing, with the management, the statement of uses / application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document / prospectus / notice and the report submitted by the monitoring agency monitoring the utilisation of proceeds of a public or rights issue, and making appropriate recommendations to the Board to take up steps in this matter;
- Review and monitor the auditor's independence and performance, and effectiveness of audit process;
- Approval or any subsequent modification of transactions of our Company with related parties;
- Scrutiny of inter-corporate loans and investments;
- Valuation of undertakings or assets of our Company, wherever it is necessary;
- Evaluation of internal financial controls and risk management systems;
- Monitoring the end use of funds raised through public offers and related matters;
- Reviewing, with the management, performance of statutory and internal auditors, adequacy of the internal control systems;



- Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit;
- Discussion with internal auditors of any significant findings and follow up there on;
- Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the Board;
- Discussion with statutory auditors before the commencement of the audit, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern;
  - To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors;
  - To establish and review the functioning of the whistle blower mechanism;
  - Approval of appointment of the chief financial officer (i.e., the whole-time finance director or any other person heading the finance function or discharging that function) after assessing the qualifications, experience and background, etc. of the candidate;
- Carrying out any other terms of reference as may be decided by the Board or specified/ provided under the Companies Act, 2013 or the SEBI (LODR) Regulations or by any other regulatory authority; and
- Review : (1) management discussion and analysis of financial condition and results of operations; (2) statement of significant related party transactions (as defined by the audit committee), submitted by management; (3) management letters / letters of internal control weaknesses issued by the statutory auditors; (4) internal audit reports relating to internal control weaknesses; (5) the appointment, removal and terms of remuneration of the chief internal auditor shall be subject to review by the audit committee; (6) statement of deviations including (a) quarterly statement of deviation(s) including report of monitoring agency, if applicable, submitted to stockexchange(s) in terms of Regulation 32(1) of the SEBI (LODR) Regulations; (b) annual statement of funds utilized for purposes other than those stated in the offer document/prospectus/notice in terms of Regulation 32(7) of the SEBI (LODR) Regulations

The Committee was set up on September, 2017 and met three times in which all the members attended,

## **2) Stakeholders Relationship Committee:**

The Stakeholders Relationship Committee was constituted pursuant to a resolution of our Board dated September 1, 2017.

The Committee comprises:

Name of the Director	Status in Committee	Nature of Directorship
Mr. Chandu K Jain	Chairman	Director
Ms. Nilamben Vijaykumar Mehra	Member	Independent Director
Mr. Jitendra Jain	Member	Independent Director

The Company Secretary of the Company shall act as the Secretary of the Committee.

The terms of reference of our Stakeholders' Relationship Committee is as follows :

- To look into the redressal of grievances of shareholders, debenture holders and other security holders;
- To investigate complaints relating to allotment of shares, approval of transfer or transmission of shares;

- To consider and resolve the grievances of the security holders of the company including complaints related to transfer of shares, non-receipt of balance sheet, non-receipt of declared dividends; and
- To carry out any other function as prescribed under the SEBI (LODR) Regulations as and when amended from time to time.

The Committee met two times and all the members attended.

### 3) **Nomination & Remuneration Committee:**

The Nomination & Remuneration Committee was constituted pursuant to a resolution of our Board dated September 1, 2017.

The Committee comprises:

Name of the Director	Status in Committee	Nature of Directorship
Ms.Nilamben Vijaykumar Mehra	Chairman	Independent Director
Mr. Chandu Jain	Member	Director
Mr. Jitendra Jain	Member	Independent Director

The Company Secretary of the Company shall act as the Secretary of the Committee

The terms of reference of the Committee.

- Formulation of the criteria for determining qualifications, positive attributes and independence of a director and recommend to the Board a policy, relating to the remuneration of the directors, key managerial personnel and other employees. The Nomination and Remuneration Committee shall, while formulating such policy ensure that
  - the level and composition of remuneration is reasonable and sufficient to attract, retain and motivate directors of the quality required to run the company successfully;
  - relationship of remuneration to performance is clear and meets appropriate performance benchmarks; and
  - remuneration to directors, key managerial personnel and senior management involves a balance between fixed and incentive pay reflecting short and long-term performance objectives appropriate to the working of the company and its goals;
- Devising a policy on diversity of board of directors;
- Identify persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down, recommend to the Board their appointment and removal and shall carry out evaluation of every director's performance;
- To extend or continue the term of appointment of the independent director, on the basis of the report of performance evaluation of independent directors.

The Committee met three times during their tenure and all the members were present.