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# 2015-2016 9th Annual Report

ULTRACAB (INDIA) LIMITED

9th Annual Report of  
**ULTRACAB (INDIA) LIMITED**  
2015 – 2016

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**DAY** : FRIDAY  
**DATE** : 12th, AUGUST 2016  
**TIME** : 11.00 A.M.  
**VENUE** : Survey No. 262, B/h. Galaxy Bearings Ltd.,  
 Shapar (Veraval) - 360024  
 Dist. - Rajkot. Gujarat

## COMPANY INFORMATION

| BOARD OF DIRECTORS            |                 |                              |
|-------------------------------|-----------------|------------------------------|
| Mr. Nitesh P. Vaghasiya       | (DIN: 01899455) | Chairman & Managing Director |
| Mr. Pankaj V. Shingala        | (DIN:03500393)  | Whole-time Director          |
| Mrs. Sangeetaben N. Vaghasiya | (DIN:06910845)  | Non-executive Director       |
| Mr. Bipinchandra M. Sangani   | (DIN:06945854)  | Independent Director         |
| Mr. Jayshanker B. Dave        | (DIN:06945842)  | Independent Director         |
| Mr. Kanjibhai G. Patel        | (DIN:06945882)  | Independent Director         |

|  |  |
|--|--|
| <b>STATUTORY AUDITOR</b>                                       | <b>M/s. J. A. Sheth &amp; Associates</b><br>Chartered Accountants<br>507, Aalap – A, Limda Chowk,<br>Subhash Road, Rajkot. - 360001.<br>Tel: 0281 2481180<br>Firm Registration No.: 119980W<br>Membership No.: 107067  |
| <b>COMPANY SECRETARY &amp; COMPLIANCE OFFICER</b>              | <b>CS MAYUR GANGANI</b>  |
| <b>CHIEF FINANCIAL OFFICER</b>                                 | <b>MR. DEELJIT BHATTI</b>  |
| <b>CONSULTING COMPANY SECRETARY &amp; SECRETARIAL AUDITOR</b>  | <b>M/s. PIYUSH JETHVA</b><br>Practicing Company Secretary<br>603, Star Plaza, Phulchaab Chowk,<br>Rajkot. - 360001.<br>Tel: 0281 3045288<br>FCS 6377 CP No. 5452   |
| <b>BANKERS</b>   | <b>AXIS BANK</b><br>TITAN, Nr. KKV Circle,<br>Kalawad Road, Rajkot – 360005.   |
| <b>REGISTER OFFICE OF COMPANY, CIN, EMAIL ID &amp; WEBSITE</b> | <b>ULTRACAB (INDIA) LIMITED</b><br>Survey No. 262, B/h. Galaxy Bearings Ltd.,<br>Shapar (Veraval) - 360024<br>Dist.- Rajkot. Gujarat.<br>CIN : L31300GJ2007PLC052394<br>Tel.: 02827 – 253122 / 23<br>Fax: 02827 – 252725<br>e-mail: info@ultracab.in<br>web: www.ultracab.in |

|   |   |
|---|---|
| <b>CORPORATE OFFICE OF COMPANY</b>          | <b>ULTRACAB (INDIA) LIMITED</b><br>C – 303, Imperial Heights,<br>Opp. Big Bazar, 150ft. Ring Road,<br>Rajkot – 360005. Gujarat.<br>Tel.: 0281 2588236 , 2588136<br>e-mail: ho@ultracab.in                                       |
| <b>MUMBAI OFFICE</b>                        | <b>ULTRACAB (INDIA) LIMITED</b><br>Office No. 1801, Haware Infoteck Park,<br>Plot No. - 39/3, Sector No. 30-A,<br>Vashi, Navi Mumbai - 400 703.<br>Maharashtra. India.<br>Tel.: 022 20870306 / 07<br>e-mail: mumbai@ultracab.in |
| <b>REGISTRAR &amp; SHARE TRANSFER AGENT</b> | <b>BIGSHARE SERVICES PRIVATE LIMITED</b><br>E/2, Ansa Industrial Estate,<br>Saki Vihar Road, Saki Naka,<br>Andheri (East), Mumbai - 400072<br>Tel: 022 40430200   |
| <b>LISTING</b>                              | <b>BSE LIMITED – SME PLATFORM</b><br>Phiroze Jeejeebhoy Towers,<br>Dalal Street, Mumbai – 400001.<br>w.e.f. 10.10.2014  |

## COMMITTEES OF THE BOARD

| POSITION        | AUDIT COMMITTEE       | NOMINATION &<br>REMUNERATION<br>COMMITTEE | STAKEHOLDERS<br>RELATIONSHIP<br>COMMITTEE |
|-----------------|-----------------------|---|---|
| <b>CHAIRMAN</b> | Mr. Bipinbhai Sangani | Mr. Kanjibhai Patel                       | Mr. Kanjibhai Patel                       |
| <b>MEMBER</b>   | Mr. Jayshankar Dave   | Mr. Bipinbhai Sangani                     | Mr. Jayshankar Dave                       |
| <b>MEMBER</b>   | Mr. Nitesh Vaghasiya  | Mrs. Sangeetaben Vaghasiya                | Mrs. Sangeetaben Vaghasiya                |

## ACHIEVEMENTS

### National Productivity & Innovation Awards

Ultracab (India) Limited is awarded First Price for "National Productivity and Innovation Awards" by Shri Kalraj Mishra (Honorable Union Minister of MSME, Govt of India) to our Chairman & Managing Director Shree Niteshbhai Vaghasiya, on 03.08.2015 at New Delhi,



### BSE Awarded on Top Seven Performers of SME Platform

Ultracab (India) Limited is awarded by Bombay Stock Exchange on being one of the BSE's top Seven performers of SME Platform for the year 2014-15 to Mr. Nitesh Vaghasiya, CMD of the Company from Mr. Ashish Chauhan, MD of BSE Limited, on Diwali Muhurat trading function at BSE Limited, Mumbai.

## DIRECTORS' REPORT

For the Financial Year ended on 31st March, 2016.

TO THE MEMBERS OF  
ULTRACAB (INDIA) LIMITED

Dear Shareholders,

The Directors have pleasure in presenting the 9th Annual Report along with the audited financial statements for the year ended March 31, 2016.

### FINANCIAL RESULTS

The Company's Financial Performance, for the year ended March 31, 2016 is summarized below:

| No. | Particulars                                      | 2015-2016<br>(Amt. in Rs.) | 2014-2015<br>(Amt. in Rs.) |
|-----|--|----------------------------|----------------------------|
| 1   | Net Total Income                                 | 413,574,954                | 352,650,906                |
| 2   | <b>Less:</b> Operating and Admin. Expenses       | 377,874,099                | 313,897,268                |
| 3   | Profit before Interest, Depreciation and taxes   | 35,700,855                 | 38,753,638                 |
| 4   | <b>Less:</b> Depreciation & Amortisation         | 6,145,455                  | 4,594,939                  |
| 5   | <b>Add :</b> Extra-ordinary and Exceptional item | 225,191                    | -                          |
| 6   | Profit before Interest and Tax <b>(PBIT)</b>     | 29,780,591                 | 34,158,699                 |
| 7   | <b>Less :</b> Interest                           | 22,428,261                 | 27,467,595                 |
| 8   | Profit Before Tax <b>(PBT)</b>                   | 7,352,330                  | 6,691,104                  |
| 9   | <b>Less:</b> Tax Expenses:                       |                            |                            |
|     | 1) Current Tax                                   | 2,271,870                  | 2,067,551                  |
|     | 2) Deferred Tax                                  | (1,023,721)                | 1,258,334                  |
| 10  | Profit After Tax <b>(PAT)</b>                    | 6,104,181                  | 3,365,219                  |
| 11  | Balance brought forward from Previous Year       | -                          | -                          |
| 12  | <b>Net Profit carried to Balance Sheet</b>       | 6,104,181                  | 3,365,219                  |
| 13  | <b>Earnings per equity share</b>                 | 0.72                       | 0.59                       |



## FINANCIAL PERFORMANCE

Your directors are pleased to report that for the year under review, your Company has been able to achieve, The total revenue during the financial year 2015-16 at Rs.4135.74 Lakh was higher by 17.28% over last year ( Rs. 3526.50Lacs in 2014-15) while the Profit after tax (PAT) for the year was Rs. 61.04 Lakh, a recording growth of 81.40 % over the Profit after Tax (PAT) of Rs 33.65 Lakh in 2014-15.

## CAPITAL STRUCTURE

The Authorised Share Capital of the Company is Rs 100,000,000/- (Rupees Ten Crore) divided into 1,00,00,000 (One Crore) Equity shares of Rs 10/-

During the Financial year, the paid up share capital of the Company is increased from Rs. 8,01,40,000 (Rupees Eight crore one lakh fourty thousand) divided into 80,14,000 (Four lakh Sixty eight thousand) equity shares of Rs. 10 each to Rs.8,48,20,000 (Rupees Eight Crore Fourty eight Lakh twenty Thousand) divided into 84,82,000 (Eighty Four lakh eighty two thousand) equity shares of Rs 10 each.

Due to issue of equity shares through Preferential allotment of 4,68,0000 (Four lakh sixty eight thousand) equity shares of face value of Rs 10 each at a premium of Rs. 39.30 on 30th April 2015.

## DIVIDEND

As per observation of the Board of Directors for strengthening the position of the company no dividend is recommended for the financial year 2015-16.

## SUBSIDIARIES

Presently, there is no subsidiary of the Company.

## EXTRACT OF THE ANNUAL RETURN

The details forming part of the extract of the Annual Return in form MGT-9 is annexed herewith as “Annexure A”.

## PUBLIC DEPOSITS

During the year under review, the Company has not accepted or renewed any fixed deposits from the public.

## Employee Stock Option Scheme

In order to retain, reward, motivate desired talent for high level of individual performance, to create a culture of ownership, alignment with shareholder's interests and to align employees' objectives towards critical goals/ milestone of the Company, it is proposed to introduce “Ultracab (India) Ltd Employees Stock Option Scheme 2016” (“ESOP Scheme 2016” or “the Scheme”). Under the ESOP Scheme 2016, Company received an approval to grant an option of total 4,50,000 equity shares to the eligible employees of the company. During the year 2,00,000 Options are granted to the eligible employees of the company.

## ■ DIRECTORS

### Re-appointment of Managing Director

In accordance with the provisions of the Companies Act, 2013 and Articles of Association of the Company, Mr. Nitesh Vaghasiya, Chairman cum Managing Director (DIN: 01899455), whose tenure as Managing Director expires on 31st March, 2016. Accordingly, Mr. Nitesh Vaghasiya, Managing Director being eligible and offers himself for Re-appointment. The Board recommends re-appointment of Mr. Nitesh Vaghasiya for the further tenure of three years.i.e. 1st April, 2016 upto 31st March, 2019 and his appointment will be subject to the approval of the members in the ensuing General Meeting.

## ■ Re-appointment of Non-Executive Director

As per the provisions of the Companies Act, 2013, Mrs. Sangeetaben Vaghasiya Non-Executive Director (DIN: 06910845) retires by rotation at the ensuing 9th AGM and being eligible offers herself for re-appointment. The Board recommends the reappointment of Mrs. Sangeetaben Vaghasiya as Non-Executive Director of the company.

## Independent Directors

In terms of the definition of 'Independence' of Directors as prescribed under Clause 16(1)(b) of SEBI (listing Obligation and Disclosure Requirement) Regulation, 2015 entered with Stock Exchanges and Section 149(6) of the Companies Act, 2013, company has obtained declaration from independent directors as per above Regulations. The following Independent Directors were appointed for a period of 5 years with effect from 9th August, 2014:-

1. Mr. Kanjibhai G. Patel
2. Mr. Jayshankarbhai B. Dave
3. Mr. Bipinchandra M. Sangani

## ■ Key Managerial Personnel

Our Company is managed by our Board of Directors, assisted by qualified professionals, who are permanent employees of our company, below are the details of the Key Managerial personnel of our company:

### Mr. Diljeet Bhatti

Diljeet Bhatti aged 44 years is Chief Financial Officer of our company. He has an experience of 27 years in the field of accounts, excise and export. He has joined our company on January 01, 2009. Deeljit was initially appointed as a senior accountant and has been promoted to the post of CFO on August 9, 2014.

### Mr. Mayur Gangani

Mayur Gangani aged 30 years is a Company Secretary and Compliance Officer of our company. He is an associate member of an ICSI. He has joined our company on August 14th, 2014. He has more than 9 years of experience in secretarial matters.

## ■ Committees of the Board

The Company has constituted various committees. Following committees has been established as apart of the best corporate governance practices and are in compliance with the requirements of the relevant provisions of Companies Act, 2013 and SEBI (LODR) Regulation, 2015:

- 1) Audit Committee**
- 2) Shareholder and Investor Grievance Committee**
- 3) Nomination and Remuneration Committee**

A detailed note on the board and its committees is provided in the Corporate Governance Report forming part of this Annual Report.

## ■ Board Evaluation

Pursuant to the section 134 (p) of Companies Act, 2013 read with Rule 8 (4) of Companies Accounts Rules, 2014 and the SEBI (Listing Obligations 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 Board Committees.

The performance of the Board was evaluated by the Board after seeking inputs from all the directors on the basis of the criteria such as the Board composition and structure, effectiveness of board processes, information and functioning,



### Remuneration Policy

The Board has, on the recommendation of the Nomination & Remuneration Committee framed a policy for selection and appointment of Directors, Senior Management and their remunerations provided in Section 178(3) of the Companies Act 2013, The Remuneration Policy is stated in the Corporate Governance Report.

### ■ Meetings

During the year nine Board Meetings were convened and held. The details of which are given in the Corporate Governance Report. The intervening gap between the Meetings was within the period prescribed under the Companies Act, 2013.

### Management Discussion and Analysis

The Management Discussion and Analysis Report for the year under review as stipulated under the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 is presented in a separate section forming part of this Annual Report.

### Internal Financial Control Systems and their Adequacy

The Company has proper and adequate system of internal control to ensure that all assets are safeguarded and protected against loss from unauthorized use or disposition and that transaction are authorized, recorded and reported correctly. The Company has effective system in place for achieving efficiency in operations, optimum and effective utilization of resources, monitoring thereof and compliance with applicable laws.

### ■ Auditors

#### (A) Statutory Auditors

The Company in its Board meeting held on 17th May, 2016 appointed M/s. J. A. Sheth & Associates, Chartered Accountants, Rajkot, (Firm Registration No. : 119980W), as Statutory Auditors of the Company to fill the casual vacancy caused by the resignation of M/s. R. Harsoda & Co., Chartered Accountants, (Firm Registration No.: 128513W) Rajkot. The appointed Statutory Auditor has hold the office from the board meeting held on 17th May, 2016 to the conclusion of 09th Annual General Meeting subject to Re-appointment from the conclusion of 09th Annual General Meeting until the conclusion of the 10th Annual General Meeting of the Company, However their term of Appointment and remuneration shall be ratified by the members of the company in this AGM.

#### (B) Secretarial Auditors and Secretarial Audit Report

Pursuant to Section 204 of the Companies Act 2013, The Board has appointed M/s Piyush Jethva, Practising Company Secretary, Rajkot to conduct Secretarial Audit for the financial year 2015-16. The Company provided all assistance and facilities to the Secretarial Auditor for conducting their audit. The Secretarial Audit Report for the financial year ended March 31, 2016 is annexed herewith marked as **Annexure B** to this Report.

### AUDITORS' REPORT

The report of the Statutory Auditor along with Notes to Accounts are enclosed to this report. The observations made in the Auditors' Report are self-explanatory and therefore do not call for any further comments.

### CORPORATE SOCIAL RESPONSIBILITY (CSR)

The Company is not coming under the criteria as mentioned in Section 135 of the Companies Act, 2013 which specifies the requirement of forming the Corporate Social Responsibility Committee .

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

Details of Loans, Guarantees and Investments covered under the provisions of Section 186 of the Companies Act, 2013 are given in the notes to the Financial Statements.

## **CORPORATE GOVERNANCE**

The Company is committed to maintain the highest standards of corporate governance and adhere to the corporate governance requirements set out by SEBI. The Company has also implemented several best corporate governance practices as prevalent globally. The report on Corporate Governance as stipulated under the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 forms part of this Annual Report .

## **CONTRACTS AND ARRANGEMENTS WITH RELATED PARTIES**

All contracts / arrangements / transactions entered by the Company during the financial year with related parties were in the ordinary course of business and on an arm's length basis. The Policy on materiality of related party transactions and dealing with related party transactions as approved by the Board and Audit committee.

The particulars of every contract or arrangements entered into by the Company with related parties referred to in sub-section (1) of section 188 of the Companies Act, 2013 including certain arm's length transactions under third proviso thereto is disclosed in Form No. AOC -2 annexed as Annexure C with this report.

## **PREVENTION OF INSIDER TRADING**

The Company has adopted a Code of Conduct for Prevention of Insider Trading with a view to regulate trading in securities by the Directors and designated employees of the Company. The Code requires per-clearance for dealing in the Company's shares and prohibits the purchase or sale of Company shares by the Directors and the designated employees while in possession of unpublished price sensitive information in relation to the Company and during the period when the Trading Window is closed. The Board is responsible for implementation of the Code. All Board of Directors and the designated employees have confirmed compliance with the Code.

## **DECLARATION OF THE DIRECTORS ON THE CODE OF CONDUCT**

This is to inform that the Company has adopted a Code of Conduct for its employees including the Directors. We confirm that the Company has in respect of the financial year ended 31st March, 2016, received from the senior management team of the Company and the Members of the Board, a declaration of compliance with the Code of Conduct.

## **VIGIL MECHANISM / WHISTLE BLOWER POLICY:**

The Company has adopted a vigil mechanism under Section 177(9) of the Companies Act, 2013 read with Companies (Meetings of Board And Its Powers ) Rule, 2014 and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company has adopted a Whistle Blower Policy to provide a mechanism to its directors, employees and other stakeholders to raise concerns violation of legal or regulatory requirements, misrepresentation of any financial statement and to report actual or suspected fraud or violation of the Code of Conduct of the Company.

## **Disclosure under Workplace (Prevention, Prohibition & Redressal) Act, 2013**

The Company has in place an Anti Sexual Harassment Policy in line with the requirements of The Sexual Harassment of Women at the Workplace (Prevention, Prohibition & Redressal) Act, 2013. Internal Complaints Committee (ICC) has been set up to redress complaints received regarding sexual harassment. All employees (permanent, contractual, temporary, trainees) are covered under this policy.