

## CONNECTING TO PROSPERITY ULTRACAB FOR ETERNITY



ANNUAL  
REPORT | **2016-17**

**ULTRACAB (INDIA) LIMITED**



10th Annual Report Of  
**ULTRACAB (INDIA) LIMITED**  
2016 – 2017

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DAY: FRIDAY  
DATE: 29TH SEPTEMBER 2017  
TIME: 11.00 AM  
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. Bhavin Associates</b> Chartered Accountants 709- Everest Complex, Opp. Shastri Ground, Rajkot 360 001 Tel: 0281-2220123 /2223153 Firm Registration No.: 101383W
<b>COMPANY SECRETARY &amp; COMPLIANCE OFFICER</b>	<b>CS MAYUR GANGANI</b>
<b>CHIEF FINANCIAL OFFICER</b>	<b>MR. DILJEET BHATTI</b>
<b>CONSULTING COMPANY SECRETARY &amp; SECRETARIAL AUDITOR</b>	<b>M/s. PIYUSH JETHVA</b> Practicing Company Secretary 603, Star Plaza, Phulchaab Chowk, Rajkot. - 360001. Tel: 0281 3045288 FCS 6377 CP No. 5452
<b>BANKERS</b>	<b>AXIS BANK</b> TITAN, Nr. KKV Circle, Kalawad Road, Rajkot – 360005.
<b>REGISTER OFFICE OF COMPANY, CIN, EMAIL ID &amp; WEBSITE</b>	<b>ULTRACAB (INDIA) LIMITED</b> Survey No. 262, B/h. Galaxy Bearings Ltd., Shapar (Veraval) - 360024 Dist.- Rajkot. Gujarat. CIN : L31300GJ2007PLC052394 Tel.: 02827 – 253122 / 23 Fax: 02827 – 252725 e-mail: info@ultracab.in web: www.ultracab.in

<b>CORPORATE OFFICE OF COMPANY</b>	<b>ULTRACAB (INDIA) LIMITED</b> C – 303, Imperial Heights, Opp. Big Bazar, 150ft. Ring Road, Rajkot – 360005. Gujarat. Tel.: 0281 2588236 / 136 e-mail: ho@ultracab.in
<b>HEAD OFFICE</b>	<b>ULTRACAB (INDIA) LIMITED</b> Office No. 1801, Haware Infotek Park, Plot No. - 39/3, Sector No. 30-A, Vashi, Navi Mumbai - 400 703. Maharashtra. India. Tel.: 022 20870306 / 07 e-mail: mumbai@ultracab.in
<b>REGISTRAR &amp; SHARE TRANSFER AGENT</b>	<b>BIGSHARE SERVICES PRIVATE LIMITED</b> 1st Floor, Bharat Tin Works Building, Opp. Vasant Oasis, Makwana Road, Marol, Andheri (East) Mumbai - 400059. Maharashtra Tel : 022 62638200
<b>LISTING</b>	<b>BSE LIMITED</b> Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai – 400001.

<b>COMMITTEES OF THE BOARD</b>			
<b>POSITION</b>	<b>AUDIT COMMITTEE</b>	<b>NOMINATION &amp; REMUNERATION COMMITTEE</b>	<b>STAKEHOLDERS RELATIONSHIP COMMITTEE</b>
CHAIRMAN	Mr. Bipinbhai Sangani	Mr. Kanjibhai Patel	Mr. Kanjibhai Patel
MEMBER	Mr. Jayshankar Dave	Mr. Bipinbhai Sangani	Mr. Jayshankar Dave
MEMBER	Mr. Nitesh Vaghasiya	Mrs. Sangeetaben Vaghasiya	Mrs. Sangeetaben Vaghasiya

## DIRECTORS' REPORT

For the Financial Year ended on 31st March, 2017.

TO THE MEMBERS OF  
**ULTRACAB (INDIA) LIMITED**

Dear Shareholders,

The Directors have pleasure in presenting the 10th Annual Report along with the audited financial statements for the year ended March 31, 2017.

### FINANCIAL RESULTS

The Company's Financial Performance, for the year ended March 31, 2017 is summarized below:

No.	Particulars	2016-2017 (Amt. in ₹)	2015-2016 (Amt. in ₹)
1	Net Total Income	390,976,477	413,574,954
2	Less: Total Expenses	386,614,698	406,447,816
3	Profit before Exceptional & Extraordinary items	4,361,779	7,127,139
4	Exceptional item	-	(225,191)
5	Profit before Tax (PBT)	4,361,779	7,352,330
6	Less: Tax Expenses:		
	1) Current Tax	1,351,277	2,271,870
	2) Deferred Tax	(45,492)	(1,023,721)
7	Profit After Tax (PAT)	3,055,994	6,104,181
8	Net Profit carried to Balance Sheet	3,055,994	6,104,181
9	Earnings per equity share	0.28	0.72

### FINANCIAL PERFORMANCE

Your Directors are pleased to report that for the year under review, your Company has total revenue during the financial year 2016-17 at ₹3909.76 Lakh as compared to last year (₹ 4135.74 Lakh in 2015-16) while the Profit after tax (PAT) for the year was ₹ 30.55 Lakh, as compared to the Profit after Tax (PAT) of ₹ 61.04 Lakh in 2015-16.

### CAPITAL STRUCTURE

The Authorised Share Capital of the Company is ₹ 150,000,000/- (Rupees Fifteen Crore) divided into 1,50,00,000 (One Crore Fifty Lac) Equity shares of ₹ 10/-

During the Financial year, the paid up share capital of the Company is increased from ₹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 ₹ 10 each to ₹12,72,30,000 (Rupees Twelve Crore Seventy Two Lakh Thirty Thousand) divided into 12,72,3000 (One Crore Seventy Two Lac Three Thousand) equity shares of ₹ 10 each.

The Paid-up share capital increase due to issue and allotment of equity shares through Bonus Issue of 84,82,000 (Eighty Four Lakh Eighty Two Thousand) Equity Shares of face value of ₹ 10 each on 14.09.2016. Bonus Shares to the equity shareholders by issue of 1 (One) Equity Shares of face value of ₹10 (Rupees Ten) for every 2 (Two) Equity Shares credited as fully paid up to the equity shareholders of the company in proportion of 1:2.

## **DIVIDEND**

As per observation of the Board of Directors for strengthening the position of the company no dividend is recommended for the financial year 2016-17.

## **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. The eligible employees will be allowed to exercise the granted option after competition of One year from the date of option granted.

## **DIRECTORS**

### **• Re-appointment of Director**

As per the provisions of the Companies Act, 2013, Mr. Pankaj Vasantbhai Shingala Whole-time Director (DIN:03500393) retires by rotation at the ensuing 10th AGM and being eligible offers himself for re-appointment. The Board recommends the reappointment of Mr. Pankaj Vasantbhai Shingala Whole-time 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 45 years is Chief Financial Officer of our company. He has an experience of 28 years in the field of accounts, excise and export. He has joined our company on January 01, 2009. Mr. Diljeet Bhatti 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 31 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 a part 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 Six 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**

Pursuant of the Provision of Section 139 of the Companies Act, 2013 and rules made thereunder M/s. J. A. Sheth & Associates, Statutory Auditors hold office up to the conclusion of the ensuing AGM of the company and as they have completed their term, the company is required to appoint another firm as statutory Auditor in their place. The Board of Directors places on record its appreciation of the services rendered by M/s. J. A. Sheth & Associates, as Statutory Auditor of the Company.



Further, the Report of the Statutory Auditors, M/s. J. A. Sheth & Associates, Chartered Accountants, forms part of the Annual Report. The observations made in Auditor's Report are self explanatory and therefore do not call for any further comments.

It is proposed to appoint M/s. Bhavin Associates, Chartered Accountants, (FRN: 101383W), as a Statutory Auditors of the Company to hold office from the conclusion of this AGM till the conclusion of the 15th AGM to be held in the year 2022. As required under section 139 of the Companies Act, 2013, the has obtained written consent from M/s. Bhavin Associates, Chartered Accountants, that their appointment, if made, would be in conformity with the limits specified in the said section. Resolution for their appointment is placed before the members of the company at the ensuring AGM. Members are requested to approve their appointment as Auditors of the company.

#### **(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 2016-17. 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, 2017 is annexed herewith marked as Annexure B to this Report.

#### **(C) Internal Auditor**

Pursuant to Section 138 of the Companies Act, 2013, The company has not appointed an Internal Auditor due to not meet any qualified professional as per the eligibilities mentioned under the Companies Act, 2013 to act as Internal Auditor. Further Company is in process to find qualified person and will appoint a professional as full-time employee to act as Internal Auditor in this year.

#### **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. Your Company's Policy on related Party Transactions, as adopted by the Board, can be accessed on the company's website at [http://www.ultracab.in/pdf/Policy\\_Relate\\_Party\\_Transactions.pdf](http://www.ultracab.in/pdf/Policy_Relate_Party_Transactions.pdf)

### **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, 2017 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.

### **PARTICULARS OF EMPLOYEES**

The information pertaining to Section 197(12) read with Rule 5(1) of the companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 is annexed herewith as Annexure D

### **ENERGY CONSERVATION, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO:**

The details of conservation of energy, technology absorption, foreign exchange earnings and outgo are as follows:

#### **A) Conservation of energy:**

Steps taken or impact on conservation of energy, utilizing alternate sources of energy and capital investments on energy conservation equipment :

Installation of energy efficient LED Panel and Tube Lights, LED street lights and high bay lights.

Replacing of old Transformers with more energy efficient and having facility of Auto tap changing which gives linear voltage supply to reduce energy consumption and losses.

Improved preventive maintenance of machines to reduce energy loss.

Utilized 125 KVA Generator as alternate source of Energy.

#### **(B) Technology absorption:**

(i) Following new cables have been designed, developed and type approvals obtained/successfully launched in the market:

- New Range of Automotive Wires developed for Higher Temperature application