

DIRECTOR'S REPORT

For the Financial Year ended on 31st March, 2023

TO THE MEMBERS OF ULTRACAB (INDIA) LIMITED

Dear Shareholders,

The Directors have pleasure in presenting the 16th Annual Report along with the Audited Financial Statements for the year ended March 31, 2023.

1. FINANCIAL HIGHLIGHTS

The Company's Financial Performance, for the year ended March 31, 2023 is summarized below:

Particulars	2022-23 (Rs. In lakh)	2021-22 (Rs. In lakh)
Revenue from Operations	10735.98	8513.46
Other Income	31.21	12.44
Total Income	10767.19	8525.90
Less: Cost of Materials Consumed	9087.61	7251.64
Less: Employees Benefits Expense	263.85	285.86
Less: Finance Cost	389.16	366.79
Less: Depreciation & Amortisation Expenses	77.70	74.99
Less: Other Expenses	853.91	573.47
Profit Before Tax	777.12	448.54
Tax Expenses	195.42	134.37
Profit After Tax (PAT)	581.70	314.17
Other Comprehensive Income (Net of tax)	-	(0.51)
Total Comprehensive Income after tax	581.70	313.65
Earnings per equity share		
a. Basic	0.61	1.82
b. Diluted	0.61	1.82

2. FINANCIAL PERFORMANCE

Your Directors are pleased to report that for the year under review, your Company has been able to achieve, total revenue during the financial year 2022-23 at Rs.10735.98 Lakh which was increase by approx. 26% over last year (Rs.8513.46 Lakh in 2021-22) while the

Profit after tax (PAT) for the year was Rs.581.70 Lakh of higher by approx 85% as compared to the Profit after Tax (PAT) of Rs.314.17 Lakh in 2021-22.

3. RESERVE

During the year under review, there was no amount transferred to any of the reserves by the company. You may refer notes to the financial statements of the company.

4. CHANGE IN THE NATURE OF BUSINESS

There is no change in the nature of the business of the Company during the financial year ended 31st March, 2023.

5. CAPITAL STRUCTURE

The Authorised Share Capital of the Company is Rs 20,00,00,000/- (Rupees Twenty Crore only) divided into 10,00,00,000 (Ten Crore only) Equity shares of Face Value of Rs 02/- (Rupees Two only)

The Paid Up Equity Share Capital as at March 31, 2023 was Rs. 19,08,45,000/- divided into 9,54,22,500 Equity Shares, having value of Rs.02/- each fully paid up. During the year under review, the Company has not issued any shares with differential voting rights nor granted any employee stock options and sweat equity.

6. INDIAN ACCOUNTING STANDARDS

The Financial Statements for the year ended on 31st March, 2023 have been prepared in accordance with the Companies (Indian Accounting Standard) Rules, 2015, prescribed under Section 133 of the Companies Act, 2013 ('the Act') and other recognized accounting practices and policies to the extent applicable.

7. DIVIDEND

Your Directors feel that it is prudent to plough back profit for future growth of the company hence do not recommend any dividends for the year ended 31st March, 2023.

Pursuant to the Requirements of Regulation 43A of the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 ('the Listing Regulations'), the Company has formulated its Dividend Distribution Policy, the details of which are available on the Company's website at www.ultracabwires.com

8. EXTRACT OF THE ANNUAL RETURN

The details forming part of the extract of the Annual Return in Form MGT-9, as required under Section 92 of the Companies Act, 2013 in the prescribed format is available at company's website www.ultracab.in/investor/corporategovernance

9. PUBLIC DEPOSITS

Your Company has not accepted any deposits from the public within the meaning of Section 73 of the Companies Act, 2013 and the Companies (Acceptance of Deposits) Rules, 2014 (including any statutory modification(s) or re-enactment(s) for the time being in force).

10. LISTING OF SHARES

The Company's equity shares are actively traded on BSE Limited (BSE). Further, the applicable listing fees for the financial year 2023-24 have been paid to the Bombay Stock Exchange.

11. DETAILS OF DIRECTORS AND KEY MANAGERIAL PERSONNEL (KMPs)

The details of Directors and KMPs as on March 31, 2023 are as follows:

Sr. No.	Name of Directors / KMPs	Designation	Appointment Date
1	Mr. Nitesh P. Vaghasiya	Chairman & Managing Director	19/12/2007
2	Mr. Pankaj V. Shingala	Whole-time Director	25/03/2011
3	Mrs. Aartiben P. Shingala	Non-executive Director	22/03/2021
4	Mr. Bipinchandra Sangani	Independent Director	09/08/2014
5	Mr. Kanjibhai Hirpara	Independent Director	09/08/2014
6	Mr. Prashant Sawant	Independent Director	28/09/2019
7	Mr. Pravin Pansuriya	Chief Financial Officer	10/05/2018
8	*CS Khushbu Kalpit Shah	Company Secretary & Compliance officer	27/01/2023

**appointed as company secretary & compliance officer w.e.f. 27.01.2023.*

**CS Mayur Gangani was tendered his resignation from the post of Company Secretary which was accepted by Board of Director w.e.f. 25th November 2022*

● Director liable to retire by rotation

As per the provisions of Section 152 of the Companies Act, 2013, not less than two-third of the total number of Directors, other than Independent Directors shall be liable to retire by rotation. One-third of these Directors are required to retire every year and if eligible, these Directors qualify for re-appointment. At the ensuing AGM, Mr. Pankaj Vasantbhai Shingala (DIN: 03500393) Whole-time Director, retires by rotation and being eligible, offers himself for re-appointment.

A detailed profile of Mr. Pankaj Vasantbhai Shingala, Whole-time Director along with additional information required under Regulation 36(3) of the Listing Regulations and Secretarial Standard on General Meetings is provided separately by way of an Annexure to the Notice of the AGM.

- **Independent Directors**

The following are the Independent Directors of the Company as on 31.03.2023:

1. Mr. Kanjibhai Hirpara (DIN: 06945882)
2. Mr. Bipinchandra Sangani (DIN: 06945854)
3. Mr. Prashant Sawant (DIN: 08503935)

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 Exchange and Section 149(6) of the Companies Act, 2013. Company has obtained declaration from independent directors as per above Regulations.

12. COMMITTEES

The Company has duly constituted the following mandatory Committees in terms of the provisions of the Companies Act, 2013 & SEBI (LODR) Regulations 2015 read with rules framed there under viz.

- a) Audit Committee**
- b) Nomination and Remuneration Committee**
- c) Shareholder and Investor Grievance Committee**

The Composition of all such Committees, number of meetings held during the year under review, brief terms of reference and other details have been provided in the Corporate Governance Report which forms part of this Annual Report. All the recommendations made by the Committees were accepted by the Board.

- **Audit Committee**

As of March 31, 2023 the Audit committee of the Board of Directors of the Company comprises of 3 (Three) members namely:

1. Mr. Bipinchandra Sangani - Chairman (Independent Director)
2. Mr. Nitesh Vaghasiya - Member (Managing Director)
3. Mr. Prashant Sawant - Member (Independent Director)

The Board accepted the recommendations of the Audit Committee whenever made by the Committee during the year. The details of number of meetings held by the Audit Committee in the year under review and other related details are given in the Corporate Governance Report.

13. BOARD EVALUATION

Pursuant to the section 134 (3) (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.

14. DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to the requirement under Section 134(3) (c) of the Companies Act, 2013, it is hereby confirmed that:

- a)** In the preparation of the annual accounts for the year ended on 31st March 2023, the applicable accounting standards read with requirements set out under Schedule III to the Act, have been followed and there are no material departures from the same;
- b)** The Directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at 31st March, 2023 and of the profit of the Company for the year ended on that date;
- c)** The Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- d)** The Directors have prepared the annual accounts on a 'going concern' basis;
- e)** The Directors have laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and are operating effectively; and
- f)** The Directors have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems are adequate and operating effectively.

15. BOARD MEETINGS

During the year 7 (Seven) Board Meetings were convened and held. The details of which are given in the Corporate Governance Report. The maximum interval between any two meetings did not exceed 120 days as prescribed in the Companies Act, 2013.

16. INDEPENDENT DIRECTORS' MEETING

The Independent Directors met on 23rd March 2023, without the attendance of Non-Independent Directors and members of the Management. The Independent Directors reviewed the performance of non-independent directors and the Board as a whole; the performance of the Chairperson of the Company, taking into account the views of Executive Directors and Non-Executive Directors and assessed the quality, quantity

and timeliness of flow of information between the Company Management and the Board that is necessary for the Board to effectively and reasonably perform their duties.

17. 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.

18. AUDITORS

(A) Statutory Auditor

M/s. Bhavin Associates, Chartered Accountants (Firm Registration No.101383W) were re-appointed as the Statutory Auditors of the Company for a period of 5 years to hold office for a second term commencing from the conclusion 15th Annual General Meeting till the conclusion of the 20th Annual General Meeting of the Company to be held in the year 2027.

M/s. Bhavin Associates, Chartered Accountants, are eligible to be re-appointed for a further term of 5 (five) years, in terms of provisions of Sections 139 and 141 of the Act.

The Company has received written consent and certificate of eligibility in accordance with Sections 139, 141 and other applicable provisions of the Act and Rules issued thereunder, from M/s. Bhavin Associates, Chartered Accountants. They have confirmed to hold a valid certificate issued by the Peer Review Board of the Institute of Chartered Accountants of India (ICAI) as required under the Listing Regulations.

The Auditors have issued an unmodified opinion on the Financial Statements for the financial year ended March 31, 2023. The said Auditors' Report for the financial year ended March 31, 2023 on the financial statements of the Company forms part of this Annual Report.

There were no frauds reported by the Statutory Auditors under provisions of Section 143(12) of the Companies Act, 2013 and Rules made there under.

(B) Secretarial Auditors

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 2022-23. The Company provided all assistance and facilities to the Secretarial Auditor for conducting their audit. The Secretarial Auditors have submitted their Report for the financial year ended 31st March, 2023 in the prescribed Form MR-3 of the Companies Act, 2013 and is annexed to this report as **"Annexure A"**.

Some observations by Secretarial Auditor under report for FY2022-23 are as under:

- 1) The Company has not filed IEPF-2 within due date after completion of Annual General Meeting which was held on 29th September 2022.

Reply by Board: In respect of non-filing of form, the company has noted the same and file it with applicable additional filing fee and ensure its due compliance.

- 2) The Company has not filed Form MGT-14 for approval of Director's Report and Change in Key Managerial Personnel.

Reply by Board: It is late due to over site however company had filed it with payment of additional fees.

- 3) Two meeting dated 15th November 2022 & 25th November 2022 are missing in the corporate Governance Report filed for the quarter ended on 31st December 2022.

Reply by Board: It is due to some clerical error, however it is mentioned and noted in corporate governance report attached herewith.

- 4) The Comment on remarks of Secretarial Audit for the year ended on 31st March 2022 was not found in the Director Report.

Reply by Board: The Board take the not on same.

The management of the Company assure you to comply all the provisions of the applicable law in true spirit in future and is under process of making all the default good.

(C) Internal Auditor

Pursuant to Section 138 of the Companies Act, 2013, The Company has appointed a professional to act as Internal Auditor.

(D) Cost Audit

As the Companies (Cost Records and Audit) Rules are not applicable to your Company, therefore cost records as specified by the Central Government under sub-section (1) of Section 148 of the Companies Act, 2013, is not required, therefore such accounts and records are not made and maintained by the Company. Accordingly, the Company had not appointed any Cost Auditor for the financial year 2022-23.

19. INTERNAL 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.

20. 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.

21. CORPORATE GOVERNANCE

In compliance with Regulation 34 of the Listing Regulations, a separate report on Corporate Governance along with a certificate from the Auditors on its compliance forms an integral part of the Annual Report.

22. ANNUAL SECRETARIAL COMPLIANCE REPORT

The Company has filed Annual Secretarial Compliance Report under regulation 24 (A) of SEBI (LODR) Regulations, 2015 within due its due date and issued by M/s. Piyush Jethva, Practicing Company Secretary, Rajkot for the year ended 31 March 2023 by confirming compliance of SEBI Regulations/guidelines/circulars issued there under and applicable to the Company.

23. 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.

24. PARTICULARS OF EMPLOYEES

None of the employee has received remuneration exceeding the limit and 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 B**”

25. REMUNERATION POLICY

The Board has, on the recommendation of Nomination and Remuneration Committee framed a policy for selection and appointment of Directors, Senior Management and their remuneration. The Remuneration Policy is stated in the Corporate Governance Report.

Particulars of Information as per Section 197 of the Act read with Rule 5(2) of The Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, a Statement showing the names and other particulars of the Employees drawing remuneration in excess of the limits set in the Rules and Disclosures pertaining to remuneration and other details as required under Section 197 (12) of the Act read with Rule 5 (1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.

26. CONTRACTS AND ARRANGEMENTS WITH RELATED PARTIES

All related party transactions that were entered into during the financial year were on an arm's length basis and were in the ordinary course of business. There are no materially significant related party transactions made by the Company with Promoters, Directors, Key Managerial Personnel or other designated persons which may have a potential conflict with the interest of the Company at large.

Form AOC-2 relating to Disclosure of Particulars of Contracts/ arrangements entered into by the Company with related parties is annexed as “**Annexure - C**” and forming part of Directors' Report.

All Related Party Transactions are placed before the Audit Committee as also the Board for approval. A statement giving details of all related party transactions is placed before the Audit Committee and the Board of Directors for their approval on a quarterly basis. The policy on Related Party Transactions as approved by the Board has been uploaded on the Company's website.

27. RISK MANAGEMENT POLICY

Risk management is a very important part of business. The main aim of risk management is to identify, monitor and take precautionary measures in respect of the events that may pose risk for the business. Company's risk management is embedded in the business processes and thereby reduces the risk to its possible extent.

The Board periodically reviews the operations of the Company and identifies the risk / potential risk, if any to the Company and implement the necessary course of action(s) which the Board deems fit in the best interest of the Company. Further almost all the business operations are being carried out directly under the supervision and control of the Managing Director leaving no scope of any fraud or irregularities.

28. 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.

29. INVESTOR EDUCATION AND PROTECTION FUND (IEPF)

During the year under review, there is no amount which is required to be transferred to the Investors Education and Protection Fund as per the provisions of Section 125(2) of the

Companies Act 2013.

However, pursuant to Section 124 (5) of the Companies Act, 2013, the unpaid dividends that will be due for transfer to the Investor Education and Protection Fund are as follows:

Type & Year of Dividend Declared/Paid	Date of Declaration of Dividend	% of Dividend Declared	Unclaimed Dividend Amount as on 31.03.2023	Due date for transfer to IEPF
Interim Dividend 2017-18	18/11/2017	1% of FV of Share	Rs.640.20	17/11/2024
Final Dividend 2017-18	22/09/2018	1% of FV of Share	Rs.3939.20	22/09/2025

30. 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, 2023 received from the senior management team of the Company and the Members of the Board, a declaration of compliance with the Code of Conduct.

31. 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.

32. ENVIRONMENT, HEALTH AND SAFETY

Considering Environment, Health and Safety as top most priority, we strive to provide a safe and healthier work environment for our workforce. Our Manufacturing unit is maintaining highest system standards like Occupational Health & Safety Management System ISO 45001:2018.

The Company is conscious of the importance of environmentally clean & safe operations. The Company's policy requires conduct of operation in such a manner, so as to ensure safety of all concerned, compliances environmental regulations and preservation of natural resources. We celebrate days of importance like World Environment Day, National Safety Day etc. to create awareness and educate our workforce.

33. CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO:

Particulars of Conservation of Energy, Technology Absorption and Foreign Exchange