

## Textual information (1)

### Disclosure in board of directors report explanatory [Text Block]

#### DIRECTORS' REPORT

Dear Members,

Your Directors present the 24th ANNUAL REPORT together with the Audited Financial Statements for the Financial Year 2018-19 ended 31st March, 2019.

#### 1. FINANCIAL RESULTS:

(Rs. In Lakh)

Particulars	2018-19	2017-18
Income from Operation	3659.60	2591.14
Other Income	134.02	68.83
Profit before Finance Cost, Depreciation and Tax	897.79	660.28
Less: Finance Cost	157.35	142.54
Profit before Depreciation	740.44	567.05
Less: Depreciation	443.58	319.41
Profit before Exceptional Items	296.86	247.64
Less: Exceptional Items	-	-
Profit before Tax	296.86	247.64
Less: Provision for Tax	60.93	50.00
Less: Deferred Tax	46.64	84.60
(Add): MAT Credit	(27.70)	(50.00)
Profit after Tax	216.99	163.04



There are no material changes and commitment affecting the financial position of the Company which have occurred between 1stApril, 2019 and date of this report.

## 2. DIVIDEND:

In view of accumulated losses, the Directors are unable to recommend any dividend on the Equity Shares for the year under review.

## 3. SHARE CAPITAL:

The paid up Share Capital of the Company as on 31stMarch, 2019 was Rs. 1386.90 Lakhs. As on 31stMarch, 2019, the Company has not issued shares with differential voting rights nor granted stock options nor sweat equity and none of the Directors of the Company hold any convertible instruments.

## 4. RESERVES:

Your Company does not propose to transfer any amount to general reserve.



## 5. BUSINESS SCENARIO:

The Company has focused on margins since last 3 years instead of volumes. This policy has started showing benefits in terms of improved margins and profitability in spite of fall in turnover. The Company considers continuing the same policy in future and your directors expects that the same will result into improved profitability in future. During the year, the company has earned Net profit of Rs. 2.17 Crore.

## 6. DIRECTORS:

6.1 One of your Directors viz. Ms. Jasmine P. Vasani retires by rotation in terms of the Articles of Association of the Company. However, she being eligible offers herself for reappointment.

6.2 The Board of Directors duly met 8 times during the financial year 2018-19 on 4thApril, 2018, 9thApril, 2018, 18thJune, 2018, 27thAugust, 2018, 15thOctober, 2018, 29thOctober, 2018, 19thDecember, 2018 and 3rdJanuary, 2019 respectively.

6.3 The Company has received necessary declaration from each Independent Director of the Company under Section 149(7) of the Companies Act, 2013 (the Act) that they meet with the criteria of their independence laid down in Section 149(6) of the Act.

6.4 The Board, based on the recommendation of the Nomination and Remuneration Committee, had reappointed Mr. Paresh N. Vasani as Managing Director w.e.f. 1st February, 2019 to hold the office upto 31st January, 2022.

6.5 Brief profile of the Directors being appointed and re-appointed as required under Secretarial Standard on General Meetings are provided in the notice for the forthcoming AGM of the Company.

#### 6.6 DIRECTORS' RESPONSIBILITY STATEMENT:

Pursuant to the requirement of Section 134 of the Companies Act, 2013, it is hereby confirmed:

(i) that in the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures;

(ii) that the Directors had 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 at 31st March, 2019 being end of the financial year 2018-19 and of the Profit of the Company for the year;

(iii) that the Directors had taken proper and sufficient care for maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;

(iv) that the Directors had prepared the annual accounts on a going concern basis.

(v) the Directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

#### 7. INTERNAL FINANCIAL CONTROL AND ITS ADEQUACY:

The Board has adopted policies and procedures for ensuring the orderly and efficient conduct of its business, including adherence to the Company's policies, safeguarding of assets, prevention and detection of frauds and errors, accuracy and completeness of the accounting records and the timely preparation of reliable financial disclosures.

## 8 . MANAGERIAL REMUNERATION:

## REMUNERATION OF DIRECTORS:

Sr. No.	Name of the Director & Designation	Remuneration for the financial year 2018-19	Commission received from Holding/ Subsidiary
1.	Mr. Paresh Vasani , Managing Director	Rs. 133.33 Lakh	N.A.

The Board of Directors has framed a Remuneration Policy that assures the level and composition of remuneration is reasonable and sufficient to attract, retain and motivate Directors, Key Managerial Personnel and Senior Management to enhance the quality required to run the Company successfully.

All the Board Members and Senior Management personnel have affirmed time to time implementation of the said Remuneration policy.

The Nomination and Remuneration Policy are available on the Company's website -[www.mycsil.com](http://www.mycsil.com).

## 9. NET WORTH OF THE COMPANY:

The Net worth as on 31stMarch, 2019 is Rs. 2868.85 Lakh compared to Rs. 2651.86 Lakh as on 31stMarch, 2018.

## 10. PERSONNEL AND H. R. D.:

## 10.1INDUSTRIAL RELATIONS:

The industrial relations continued to remain cordial and peaceful and your Company continued to give ever increasing importance to training at all levels and other aspects of H. R. D.

## 10.2PARTICULARS OF EMPLOYEES:

Name & Designation of employee	Remuneration received during 2018-19	Nature of employment	Quali-fication	Expe-rience	Date of comme-ncement of employment	Age	Last employment	% of Equity Shares held	Relation of employee with Directors of the Company
Mr. Paresh Vasani, Managing Director	Rs. 133.33 Lakh	Regular	M.S. in Electronic Engineering	24 years	08/02/1995	52	Intel Corporation, USA	76.96	Husband of Ms. Jasmine Vasani, Director

Except him, there is no other Employee drawing remuneration requiring disclosure under Rule 5(2) of Companies Appointment & Remuneration of Managerial personnel) Rules, 2014.

#### 11. RELATED PARTY TRANSACTION AND DETAILS OF LOANS, GUARANTEES, INVESTMENT & SECURITIES PROVIDED:

Details of Related Party Transactions and Details of Loans, Guarantees and Investments covered under the provisions of Section 188 and 186 of the Companies Act, 2013 respectively are given in the notes to the Financial Statements attached to the Directors' Report.

All 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. During the year, the Company had not entered into any transactions with related parties which could be considered as material in accordance with the policy of the Company on materiality of related party transactions.

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

The information required under Section 134(3)(m) of the Companies Act, 2013 and rule 8(3) of Companies (Accounts) Rules, 2014, relating to the conservation of Energy and Technology Absorption forms part of this report and is given by way of Annexure- A.

#### 13. EXTRACT OF ANNUAL RETURN:

The extract of Annual return in Form - MGT-9 has been attached herewith as Annexure- B.

#### 14. AUDIT COMMITTEE:

14.1 The Board of Directors has constituted Audit Committee consisting of the following:

1. Mr. Jayesh Shah Chairman

2. Mr. Suresh Poojara Member

3. Mr. Paresh Vasani Member

#### 14.2 VIGIL MECHANISM:

The Board of Directors has laid down a policy on Vigil Mechanism for effective and smooth functioning of Company. All the Board Members and Senior Management personnel have affirmed compliance with the policy of Vigil Mechanism.

#### 15. NOMINATION AND REMUNERATION COMMITTEE:

The Company has also set up a Remuneration Committee of Directors, consisting of:

1. Mr. Jayesh Shah Chairman

2. Mr. Suresh Poojara Member

3. Mr. Jasmine P Vasani Member



The Committee identifies and ascertains the integrity, qualification, expertise and experience of the person for appointment as Director, KMP or at Senior Management level and recommend to the Board his / her appointment. The Committee has discretion to decide whether qualification, expertise and experience possessed by a person are sufficient / satisfactory for the concerned position.

The Committee fixes remuneration of the Directors on the basis of their performance and also practice in the industry. The terms of reference of the Nomination & Remuneration Committee include review and recommendation to the Board of Directors of the remuneration paid to the Directors. The Committee meets as and when required to consider remuneration of Directors.

#### 16. STAKEHOLDERS' RELATIONSHIP COMMITTEE:

The Board has constituted a Stakeholders' Relationship Committee for the purpose of effective Redressal of the complaints and concerns of the shareholders and other stakeholders of the Company.

The Committee comprises the following Directors as members as on the date of the Report:

1. Mr. Jayesh Shah Chairman
2. Mr. Paresh Vasani Member

The Company has not received any complaints during the year. There was no valid request for transfer of shares pending as on date.

Ms. Krupali H. Shah , Company Secretary is the Compliance Officer for the above purpose.

#### 17. GENERAL:

##### 17.1.AUDITORS:

##### STATUTORY AUDITORS:



At the Annual General Meeting held on 30th September, 2016 M/s. Rajendra D. Shah & Co , Chartered Accountants, Ahmedabad were appointed as statutory auditors of the Company to hold office till the conclusion of the Annual General Meeting to be held in the year 2021.

The remarks of Auditor are self explanatory and have been explained in Notes on Accounts.

##### 17.2.INSURANCE:

The movable and immovable properties of the Company including plant and Machinery and stocks wherever necessary and to the extent required have been adequately insured against the risks of fire, riot, strike, malicious damage etc. as per the consistent policy of the Company.

##### 17.3.DEPOSITS:

The Company has not accepted during the year under review any Deposits and there were no overdue deposits.

#### 17.4 SUBSIDIARIES/ ASSOCIATES/ JVS:

The Company has two subsidiaries viz. PCB Power (India) Limited and PCB Power Inc. USA. The Subsidiary Company's Goodwill is helping parent company to increase its business.

The information, pursuant to first proviso to Section 129(3) and rule 5 of Companies (Accounts) Rules, 2014, relating to the financial statement of subsidiaries/ associate companies/ joint ventures forms part of this report and is given by way of Annexure-C.

Financial accounts of our subsidiary for the financial year 2018-19 are available for inspection by any Member at the Registered Office of your Company, during normal business hours on working days, up to the date of the Annual General Meeting of the Company, a copy of which can also be sought by any Member on making a written request to the Secretarial Department of your Company in this regard.

The Company has prepared Consolidated Financial Statements of the Company and its subsidiary and is included in the Annual Report. The Financial Statements of the Subsidiary Company are not being attached with the Annual Report of the Company but are uploaded on website of the Company.

Apart from this, the Company has no other Subsidiaries/ Associates/ Jvs.



#### 17.5 RISKS MANAGEMENT POLICY :

The Company has a risk management policy, which from time to time, is reviewed by the Audit Committee of Directors as well as by the Board of Directors. The Policy is reviewed quarterly by assessing the threats and opportunities that will impact the objectives set for the Company as a whole. The Policy is designed to provide the categorization of risk into threat and its cause, impact, treatment and control measures. As part of the Risk Management policy, the relevant parameters for protection of environment, safety of operations and health of people at work and monitored regularly with reference to statutory regulations and guidelines defined by the Company.

#### 17.6 CODE OF CONDUCT:

The Board of Directors has laid down a Code of Conduct applicable to the Board of Directors and Senior Management. All the Board Members and Senior Management personnel have affirmed compliance with the code of conduct.

#### 17.7 SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS OR COURTS OR TRIBUNALS :

There has been no significant and material order passed by any regulators or courts or tribunals, impacting the going concern status of the



Company and its future operations.

#### 17.8 ENVIRONMENT AND SAFETY :

The Company is conscious of the importance of environmentally clean and safe operations. The Company's policy requires conduct of operations in such a manner, so as to ensure safety of all concerned, compliances of environmental regulations and preservation of natural resources.

#### 17.9 DISCLOSURES UNDER SEXUAL HARASSMENT OF WOMEN AT 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 Workplace (Prevention, Prohibition and Redressal) Act, 2013. During the year under review, the Company did not receive any complaint.

#### 17.10 INSTANCES OF FRAUD, IF ANY REPORTED BY THE AUDITORS:

There have been no instances of fraud reported by the Auditors under Section 143(12) of the Companies Act, 2013.



#### 17.11 CREDIT RATINGS:

The Company has not obtained any Credit Rating during the financial year 2018-19.

#### 17.12 SECRETARIAL STANDARDS:

The Company complies with the Secretarial Standards, issued by the Institute of Company Secretaries of India, which are mandatorily applicable to the Company.

#### 18. DISCLOSURE OF ACCOUNTING TREATMENT:

In the preparation of the financial statements, the Company has followed the Accounting Standards referred to in Section 133 of the Companies Act, 2013. The significant accounting policies which are consistently applied are set out in the Notes to the Financial Statements.

19. DEMATERIALISATION OF EQUITY SHARES:

Shareholders have an option to dematerialise their shares with either of the depositories viz NSDL and CDSL. The ISIN No. allotted is INE720H01010.

20. FINANCE:

The Company is enjoying financial assistance from HDFC Bank Limited. The Company is regular in payment of interest and principal.

21. ACKNOWLEDGMENT:

Your Directors express their sincere thanks and appreciation to Promoters and Shareholders for their constant support and co-operation. Your Directors also place on record their grateful appreciation and co-operation received from Bankers, Financial Institutions, Government Agencies and employees of the Company.



For and on behalf of the Board,

Place: Ahmedabad

Date: 29th August, 2019

Paresh Vasani    Jayesh Shah

Managing Director                  Director

ANNEXURE-A

FORM - A

Disclosure of particulars with respect to Conservation of Energy