

**BOARDS'S REPORT , MANAGEMENT DISCUSSION AND ANALYSIS**

To  
The Members

Your company has delivered another year of steady performance in the backdrop of continuing sluggishness in the macro-environment. Your Director have pleasure in presenting before you fifteen Annual Report of the business and operation of the company and the audited annual accounts for the financial year ended 31<sup>st</sup> March, 2018.

**FINANCIAL RESULT**

Particulars	(` In Lakhs)	
	2017-18	2016-17
Sales	2217.06	1421.53
Less : Excise Duty	14.13	3.47
<b>Total Income</b>	<b>2202.93</b>	<b>1418.06</b>
Less : Expenditure	2199.16	1579.47
<b>Operating Earnings / (Loss) before Financial cost, Depreciation &amp; Tax</b>	<b>3.77</b>	<b>(161.41)</b>
Less : Financial cost	0.32	9.10
: Depreciation	100.54	121.20
Add : Other Income	28.22	269.06
<b>Earnings / (Loss) before Tax</b>	<b>(68.88)</b>	<b>(22.65)</b>
Less : Provision for Taxation	22.35	7.78
<b>Profit/(Loss) after Tax</b>	<b>(91.23)</b>	<b>(30.43)</b>
Add : Profit/(Loss) Brought Forward	(68.71)	(38.28)
<b>Amount available for Appropriation</b>	<b>(159.94)</b>	<b>(68.71)</b>
<i>Less : Appropriation</i>		
Proposed Dividend	0.00	0.00
<b>Surplus Carried Forward to Balance Sheet</b>	<b>(159.94)</b>	<b>(68.71)</b>
<b>Basic Earnings per share (face value of ` 10/- each)</b>	<b>(0.37)</b>	<b>(0.16)</b>

**RESULT OF OPERATION AND STATE OF COMPANY'S AFFAIRS**

The highlights of the Company's performance are as under:

During the current year of operations, your company has shown a loss as the turnover has increased from Rs 1418.06 Lakhs during F.Y.2016-2017 to Rs 2202.93 Lakhs during F.Y.2017-2018

Company has witnessed a bit of slowdown as global aluminium prices reduced however, on a result company faced losses.

## **FUTURE PROSPECTS**

Our Company based on its experience and its standards, conforms to major specifications and customer requirements. The fortunes of the Aluminum extrusion is closely linked with those of the user industry. The Aluminum industry had been impacted during the year due to a considerable slowdown of the manufacturing sector and particularly the end user companies of aluminum. The industry has faced its most formidable challenge .

Your Company's main business is to manufacture aluminum extrusions, ingots, and billets for varied industries. Your company has seen considerable resilience, grit and determination during the year by taking various initiatives to keep its pace to enlarge the market base and share in particular. And your company is also planning to provide high quality products to our clients and grow our business by leveraging our strengths.

Your company expects that the policies of the new government at the center will use a framework which shall act as a booster to user industries which in turn will be beneficial to your company's fortune. Your company is confident that it will surmount the macro environment obstacles and achieve improved profitability in coming years.

On the horizon we see good days to start again at your Company.

## **DIVIDEND**

The Board has not recommended any dividend for the year ended 31<sup>st</sup> March, 2018.

## **ENVIRONMENT, HEALTH, SAFETY AND SOCIAL RESPONSIBILITY**

The Company's commitment to preserve and enrich environment by conducting all operations in an environment-friendly and safe manner continues. We are continuing our initiatives to touch the lives of communities in and around manufacturing units by supporting environmental and health care projects as also educational programs.

Every plant is focused on drive safety work place initiatives, which resulted in achieving a no fatal accident record. Regarding environmental performance, we continued to strictly adhere to all environmental conformances.

## **INTERNAL CONTROL SYSTEM AND ADEQUACY**

Your company maintains adequate internal control system in all area of operations. Services of internal and external auditors are utilized from time to time, as also in-house expertise and resources. The company continuously upgrades these systems in line with the best available practices.

These reports and deviation are regularly discussed with Management and Committee Members and action taken whenever necessary.

An Independent Audit Committee of the Board reviews the adequacy of internal control.

## **MAJOR EXPANSION PLANS**

Projects are proceeding at place considered appropriate in the prevailing economic situation global scenario and the company's business strategy.

**STEPS IN MANUFACTURING AND PROCUREMENT**

Your company continues to focus on various initiatives to improve operational efficiencies like improving yields, exploring new geographies for entering new areas of business.

**CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNINGS AND OUTGO**

As required under provisions of Section 134 of the Companies Act, 2013 and read with Rule 8(3) of Companies (Accounts) Rules, 2014 details relating to conservations of Energy, and foreign Exchange Earnings and Outgo are given below:

**Kala-Amb (HP)**

**A. POWER & FUEL CONSUMPTION:-**

<b>Conservation of Energy</b>	<b>2017-2018</b>	<b>2016-2017</b>
<b>a) Electricity Purchased</b>		
(In Units)	<b>983828</b>	<b>1318680</b>
Total Amount in (₹ In Lakhs)	<b>60.32</b>	<b>77.08</b>
Rate/Unit (₹)	<b>6.13</b>	<b>5.85</b>
<b>b) Furnace Oil &amp; Other Fuel</b>		
Quantity (in Ltr)	<b>233456</b>	<b>168666</b>
Total Amount in (₹ In Lakhs)	<b>68.27</b>	<b>58.89</b>
Rate/ Litre (₹)	<b>29.24</b>	<b>34.92</b>
<b>c) Gas</b>		
Quantity (in Kgs.)	<b>67950</b>	<b>18506.5</b>
Total Amount in (₹ In Lakhs)	<b>31.79</b>	<b>9.44</b>
Rate/ Kgs (₹)	<b>46.78</b>	<b>51.00</b>

The Company has been continuously attempting to create a conscious awareness against excessive consumption and wastage at all levels.

**B. CONSUMPTION PER UNIT OF PRODUCTION:-**

<b>Particulars</b>	<b>2017-2018</b>	<b>2016-2017</b>
<b>a) Electricity Purchased</b>		
Total Amount in (₹ In Lakhs)	<b>60.32</b>	<b>77.08</b>
Production at Kala-Amb (in Kgs.)	<b>1443245</b>	<b>2063988</b>
Rate/Kgs. (₹)	<b>4.18</b>	<b>3.73</b>
<b>b) Furnace Oil &amp; Other Fuel</b>		
Total Amount in (₹ In Lakhs)	<b>68.27</b>	<b>58.89</b>
Production at Kala-Amb (in Kgs.)	<b>1443245</b>	<b>643849</b>
Rate/Kgs. (₹)	<b>4.73</b>	<b>9.15</b>
<b>c) Gas</b>		
Total Amount in (₹ In Lakhs)	<b>31.79</b>	<b>9.44</b>
Production at Kala-Amb (in Kgs.)	<b>1443245</b>	<b>2063988</b>
Rate/ Kgs (₹)	<b>2.20</b>	<b>0.46</b>

The Company is not in a position to compile and give information relating to consumption per unit of production, since products are having different processes of production. But efforts have been put to compile the data presented.

**Sangli (Maharashtra)**

**A. POWER & FUEL CONSUMPTION:-**

<b>Conservation of Energy</b>	<b>2017-2018</b>	<b>2016-2017</b>
<b>a) Electricity Purchased</b>		
(In Units)	<b>NIL</b>	<b>NIL</b>
Total Amount in (₹ In Lakhs)	<b>NIL</b>	<b>2.31</b>
Rate/Unit (₹)	<b>NIL</b>	<b>NIL</b>
<b>b) Furnace Oil &amp; Other Fuel</b>		
Quantity (in Ltr)	<b>NIL</b>	<b>NIL</b>
Total Amount in (₹ In Lakhs)	<b>NIL</b>	<b>NIL</b>
Rate/ Litre (₹)	<b>NIL</b>	<b>NIL</b>

<b>Conservation of Energy</b>		
	<b>2017-2018</b>	<b>2016-2017</b>
<b>c) Coke</b>		
Quantity (in Kgs.)	<b>NIL</b>	<b>NIL</b>
Total Amount in ( ` In Lakhs)	<b>NIL</b>	<b>NIL</b>
Rate/ Litre ( `)	<b>NIL</b>	<b>NIL</b>

The Company has been continuously attempting to create a conscious awareness against excessive consumption and wastage at all levels.

**B. CONSUMPTION PER UNIT OF PRODUCTION:-**

<b>Particulars</b>	<b>2017-2018</b>	<b>2016-2017</b>
<b>a) Electricity Purchased</b>		
Total Amount in ( ` In Lakhs)	<b>NIL</b>	<b>NIL</b>
Production at Sangli (in Kgs.)	<b>NIL</b>	<b>NIL</b>
Rate/Kgs. ( `)	<b>NIL</b>	<b>NIL</b>
<b>b) Furnace Oil &amp; Other Fuel</b>		
Total Amount in ( ` In Lakhs)	<b>NIL</b>	<b>NIL</b>
Production at Sangli (in Kgs.)	<b>NIL</b>	<b>NIL</b>
Rate/Kgs. ( `)	<b>NIL</b>	<b>NIL</b>
<b>c) Coke</b>		
Total Amount in ( ` In Lakhs)	<b>NIL</b>	<b>NIL</b>
Production at Sangli (in Kgs.)	<b>NIL</b>	<b>NIL</b>
Rate/Kgs. ( `)	<b>NIL</b>	<b>NIL</b>

The Company is not in a position to compile and give information relating to consumption per unit of production, for each product separately, since products are having different processes of production.

**A. TECHNOLOGY ABSORPTION, RESEARCH & DEVELOPMENT:-**

The Company has incurred expenditure towards quality management, quality control, and to improve the production capacity. The Company has also undertaken cost reduction and cost control program to manage and reduce the cost of production.

**B. FOREIGN EXCHANGE INFLOWS & OUTFLOWS**

( ` In Crores)

<b>Particulars</b>	<b>2017-2018</b>	<b>2016-2017</b>
<b>a) Foreign Exchange Inflows</b>	<b>Nil</b>	<b>Nil</b>

b) Foreign Exchange Outflows	Nil	1.26
(Actual Paid)	Nil	(1.26)

## SHARE CAPITAL

The Paid up Equity Share Capital as on 31<sup>st</sup> March, 2018 was Rs 18.52 Crores. During the year under Review, the company has not issued shares with differential voting rights, neither granted stock options nor sweat equity shares.

## DETAILS OF SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS, COURTS AND TRIBUNALS

No Significant and material orders has been passed by the regulator, courts, tribunals impacting the going concern status and company's operation in future.

## AUDI T COMMITTEE

The Audit Committee of the Board of Directors of the company comprises Mrs. Nikita Sand as Chairman, Mr. Sunderlal Bothra and Mr. Vasudev Sharma as members. The Company Secretary acts as Secretary of the Committee. The Statutory Auditor, The Cost Auditor and Chief Financial Officer are permanent invitees to the meeting. The details of all related party transactions, if any, are placed before the Audit Committee. During the Year there were no instances where the board has not accepted the recommendation Audit Committee.

The Audit Committee has also been the responsibility of monitoring and reviewing risk management assessment and minimization procedures, implementing and monitoring the risk management plan and indentifying, reviewing and mitigating all elements of risks which the Company may be exposed to.

## NOMINATION AND REMUNERATION COMMITTEE

A Nomination and Remuneration Committee was constituted which comprises of Mrs. Nikita Sand as Chairman, Mr. Sunderlal Bothra and Mr. Vasudev Sharma as members of the Committees. The Company Secretary acts as the Secretary of the Committee. The Company has delegated the responsibility for share transfer and other routine share maintenance work to the Company Secretary and to M/s Sharex Dynamics (India) Pvt Ltd, The Registrar and Share Transfer Agent of the Company. All requests for dematerialization and rematerialisation of shares, transfer or transmission of shares and other shares maintenance matters are completed within 10 days of receipt of valid and complete documents. Minutes of the committee meeting are circulated to all Directors and discussed at the Board Meeting.

## VIGIL MECHANISM/WHISTLE BLOWER POLICY

In Compliances with provisions of Section 177(9) of the Companies Act, 2013 and Clause 49 of the Listing Agreement, the Company has framed a Whistle Blower Policy/Vigil Mechanism to report concerns about the Company's working or about any violation of its policies.

## BOARD EVALUATION

Pursuant to the provisions of the Companies Act, 2013 and Clause 49 of the Listing Agreement, the Board has carried out an annual performance evaluation of its own performance, the director's individually as well as the evaluation of the working of its Audit, Nomination and Remuneration Committees.

### **RISK MANGEMENT**

Risk Management is the process of identification, assessment, and prioritization of risks followed by coordinated efforts to minimize, monitor and mitigate/control the probability and/or impact of unfortunate events or to maximize the realization of opportunities. The Company has laid a comprehensive Risk Assessment and Minimization Procedure, which is reviewed by the Audit Committee and approved by the Board from time to time. These procedures are reviewed to ensure that executive management control risks through means of a properly defined framework.

### **EXTRACTS OF ANNUAL REPORT**

The details forming part of the extracts of the Annual Return in Form MGT-9 as required under section 92 of Companies Act, 2013, is marked as Annexure "A" which is annexed hereto and forms part of the Board Report.

### **DECLARATION BY INDEPENDENT DIRECTOR**

Mrs Nikita Sand, Mr. Vasudev Sharma and Mrs Lubdha Porwal are Independent Directors on the Board of the Company. The company has received declaration from all Independent Directors of the company conforming that they meet the criteria of Independence as prescribed both under the Companies Act, 2013 and Clause 49 of Listing Agreement.

### **SECRETARIAL AUDITORS**

Pursuant to the provisions of Section 204 of Companies Act, 2013 and Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 the company has appointed M/s Vinesh K Shah & Associates practicing Company Secretaries to undertake the Secretarial Audit of the Company. The Secretarial Audit Report for the financial year ended 31<sup>st</sup> March, 2018 is annexed herewith.

### **DIRECTORS' RESPONSIBILITY STATEMENT**

Pursuant to Section 134(3) (c) of the Companies Act, 2013, the Directors to the best of their knowledge and belief confirm that :

- i) in the preparation of the annual accounts for the financial year ended 31st March, 2018, the applicable accounting standards have been followed;
- ii) appropriate accounting policies have been selected and applied consistently and made judgment 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 the end of the financial year and of profit and loss of the company for the period.
- iii) proper and sufficient care have been taken 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 frauds and other irregularities.
- iv) the annual accounts have been prepared on a going concern basis.
  - v) Internal financial controls laid down by the Directors have been followed by the company and such internal financial controls are adequate and were operating effectively.
  - vi) proper system to ensure compliance with the provision of all applicable laws were in place and were adequate and operating effectively.

#### **FORWARD LOOKING STATEMENT**

This Report contains forward- looking statement that involves risks and uncertainties. Actual results, performance or achievement could differ materially from those expressed or implied in such forward looking statement. Significant factors that could make a difference to the Company's operations include domestic and international economic condition affecting demand-supply and price conditions, foreign exchange fluctuations, and change in government regulations, tax regime and other statutes. The company undertakes no obligation to publicly update or revise any forward-looking statements, whether as a result of new information, future events or otherwise. Readers are cautioned not to place undue reliance on these forward-looking statements that speaks only as of their dates. This Report should be read in conjunction with the financial statements included herein and the notes thereon.

#### **ACKNOWLEDGEMENT**

Your Directors record their deep appreciation for the encouragement, assistance and co-operation received from members, government authorities, banks and customers. They also thank them for the trust reposed in the Management and wish to thanks all employees for their commitment and contributions.

For and on Behalf of the Board

Sunderlal Bothra    Sardarmal Suthar  
Managing Director    Director

Place: Mumbai  
Date: 5<sup>th</sup> September, 2018