

AMBITION MICA LIMITED**(10TH Annual Report 2019-2020)****Directors' Report**

To
The Members

Your Directors are pleased to present their 10th Annual Report and Audited Accounts for the year ended 31st March, 2020.

1. FINANCIAL RESULTS:

	(Rs. In Lakhs)	
Particulars	2019-20	2018-19
Sales & Other Income	6403.09	8391.95
Operating & Administrative Expenditure	5910.88	7778.88
Profit Before Depreciation Interest and Tax	492.21	613.07
Depreciation and amortization expense	91.95	84.40
Finance costs	388.67	381.39
Profit before tax (PBT)	11.59	147.28
Tax expense	85.97	(30.66)
Profit after tax for the year (PAT)	97.56	116.62
Other Comprehensive Income	0.67	0.59
Other Non-Operating (Income) Expenses/ Exceptional Items	-20.85	-13.85
Balance brought forward from previous year	577.71	475.47
Amount available for appropriation	655.09	578.83
Balance carried to balance sheet	655.09	578.83

2. Review of Operations

During the year under review, revenue of the company was Rs. 6403.09 Lakhs compared to Rs. 8391.95 Lakhs in the corresponding previous year. The Company earned a profit after tax of Rs. 97.56 Lakhs as compared to Rs. 116.62 Lakhs in the previous year. The profit of the company decreased due to increased competition in the market and extensive rise in the raw material prices. During the period under review the company's reserves and surplus stood at Rs. 655.09.

3. Dividend

The Directors have not recommended any dividend on equity shares for the year under review.

4. Share Capital

The Share capital of the company as on 31.03.2020 stood at Rs. 1492.20 Lakhs divided into 14922000 equity shares of Rs.10 /- each.

5. Management Discussion and Analysis Report

The Management Discussion and Analysis report prepared pursuant to SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, has been furnished separately in the Annual Report as Annexure-E.

AMBITION MICA LIMITED**(10TH Annual Report 2019-2020)****6. Finance**

During the year under review the company raised funds from bankers for its working capital. Thrust is put upon utilization and management of working capital, Term Loan, receivables, inventories and other finance sources.

7. Deposits

The company has not accepted any deposits falling within the meaning of Section 73 of the Companies Act, 2013 and rules made there under.

8. Particulars of Loan Guarantees and Investments

The company has not given any loans or guarantees falling within the provisions of Section 186 of the companies Act, 2013.

9. Internal Control Systems and their Adequacy

Your Company maintains appropriate systems of internal control including monitoring procedures. These internal control systems ensure reliable and accurate financial reporting, safeguarding of assets, keeping constant check on cost structure and adhering to management policies.

The internal controls are commensurate with the size, scale and complexity of our operations and facilitate timely detection of any irregularities and early remedial steps against factors such as loss from unauthorized use and disposition. Company policies, guidelines and procedures provide for adequate checks and balances which are meant to ensure that all transactions are authorized, recorded and reported correctly. The internal controls are continuously assessed and improved / modified to meet changes in business conditions, statutory and accounting requirements. Constant monitoring of the effectiveness of controls is ensured by periodical audits performed by an in-house internal audit team.

Periodical meetings between the Audit Committee and the Company Management also ensure the necessary checks and balances that may need to be built into the control system.

10. Conservation of Energy, Technology absorption, Foreign Exchange Earnings and Outgo.**A. Conservation of Energy**

The Company is making continuous effort for energy conservation. The company is continuously making aware its employees on effective utilization of power and energy in manufacturing process and at other places in factory. Also the employees are educate and encouraged to establish energy efficient practices whenever necessary on savings and proper consumption of power. Further the company has put in place the surveillance system to continuously monitor the manufacturing process and avoid wastage of energy. The quantitative details of energy consumption forms part of the Notes and significant accounting policies.

B. Technology absorption

In the wake of continuously changing the customer tastes and preferences, it is the prime concern and focus of the company to update and equip all the manufacturing process with the latest technology. Such stand on the part of the company has helped it in improved quality of product, efficient manufacturing process, launch of new designs and modification in the existing designs. Company takes help of outside agencies, whenever required, to improve manufacturing process or method which ultimately benefit to the quality and cost of product.

AMBITION MICA LIMITED**(10TH Annual Report 2019-2020)****C. Foreign Exchange Earnings and Outgo**

The particulars regarding foreign exchange earnings and outgo are as follows:

Particulars	2019-2020	2018-2019
Expenditure in Foreign Currency:		
CIF Value of Import of Raw Material	-	Rs. 85.92 Lakhs
CIF Value of Import of Capital Goods	-	-
Travelling expenses	-	-
Earning in Foreign Currency:		
FOB Value of Export of Finished Goods	-	Rs. 23.57 Lakhs

11. Industrial Relations

The company has generally enjoyed cordial relations with its employees and workers during the year at all levels of the company at its factory and at office. The Company is ensuring all the time a safe and healthy working environment to its employees.

12. Directors and Key Managerial Personnel

In accordance with the provisions of section 152 of the Companies Act, 2013 and the Articles of Association of the Company, Mr. Govindbhai Patel (DIN:02927165), retires by rotation at the ensuing Annual General Meeting and offers himself for reappointment.

Mr. Paresh Patel, and Mr. Vinod Patel were appointed as the Independent Directors with effect from March 27, 2020 for a period of 5 years in the Board Meeting, Subject approval of members in the General Meeting and not liable to retire by rotation.

During the year under review Mr. Abhisekh Patel retired as an Independent Director from the Board of the Company and shown his unwillingness to continue for a second term.

Mr. Rajdendrakumar M. Patel, was appointed as an additional Independent Director on board of the Company.

All the directors of the Company have confirmed that they are not disqualified from being appointed as director's in terms of Section 164 of the Companies Act, 2013.

13. Declarations by Independent Directors

All the independent directors have given declarations confirming the criteria of independence laid down under section 149(7) of the Companies Act, 2013 and Regulation 25 of the SEBI (Listing Obligations and Disclosure Requirement) Regulations, 2015.

14. Board Evaluation

In compliance with the provisions of the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirement) Regulations, 2015, the Board of Directors carried out the Evaluation of its performance, individually of each director and the committees formed.

The performance evaluations of independent directors also carried out and the same was noted. It was also assured by the independent directors to keep highest standard of transparency in performing their duty and also to be more responsible in carrying out their duties for the benefits of the shareholders.

15. Nomination and Remuneration Policy

On the recommendation of the Nomination and remuneration committee, the Board of has framed a policy for appointment of directors and senior management and their remuneration. The said policy is forming part of the Corporate Governance Report.

AMBITION MICA LIMITED**(10TH Annual Report 2019-2020)****16. Meeting of the Board**

Five meetings of the Board of Directors were held during the year, the details of which are provided in the report on corporate governance. The intervening gap between the meetings was within the period prescribed under the Companies Act, 2013.

17. Directors' Responsibility Statement As required under Section 134 (3) (c) of the Companies Act, 2013.

Pursuant to Sections 134 (3) (c) and 134 (5) of the Companies Act, 2013, (the "Act"), the Directors, to the best of their knowledge and belief and according to the information and explanations provided to them, confirm that:

- (a) in the preparation of the annual accounts for the financial year ended 31st March, 2020, the applicable accounting standards have been followed and no material departures have been made from the same;
- (b) 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 the end of the financial year and of the profit and loss of the Company for that period;
- (c) the Directors had 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 had prepared the annual accounts on a going concern basis;
- (e) the Directors had laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and were operating effectively; and
- (f) 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.

18. Related Party Transactions

All transactions entered into by the Company with related parties were in the ordinary course of business and on an arm's length basis. Each of these transactions was reviewed by the Audit Committee prior to being entered into and where necessary, was approved by the Board of Directors and members. In respect of transactions of a repetitive nature, an omnibus approval was obtained from the Audit Committee and Members where necessary. At every meeting, the Audit Committee reviews the transactions that were entered into during the immediately preceding period. Details of related party transactions have been disclosed under Notes to the financial statements.

19. Code of Conduct

The Board had laid down a code of conduct for all Board members and senior management of the Company. The Code of Conduct anchors ethical and legal behavior within the Company. The Code of Conduct has been hosted on the website (www.ambitionmica.com) of the Company. The Board members and senior management personnel have affirmed compliance with the Code of Conduct of the Company in the year under review.

20. Vigil Mechanism/ Whistle Blower Policy

As required under Section 177(9) of the Companies Act, 2013 read with Rule 7 of the Companies (Meetings of Boards and its Powers) 2014 and as per the provisions of SEBI (Listing Obligations and Disclosure Requirement) Regulations, 2015, the Company has adopted a policy on vigil mechanism/ whistle blower.

AMBITION MICA LIMITED**(10TH Annual Report 2019-2020)****21. Prevention of Insider Trading**

The company has framed the code of conduct for prevention of insider trading by the Directors and designated employees of the company. The code requires pre-clearance for dealing in the shares of the company and prohibition on purchase or sale of shares by the directors and designated employees while in possession of unpublished price sensitive information during the period when window is closed.

The Board of Directors and the designated employees have confirmed compliance with the Code.

22. Auditors

The Statutory Auditors of the Company M/s. Ashok Thakkar & Co., Chartered Accountants, Ahmedabad (Firm Regn. No.112754W) were appointed as Statutory Auditors of the Company for a period of five years, up to the conclusion of the 14th Annual General Meeting of the company, subject to ratification by members at every Annual General Meeting of the company. They have confirmed their eligibility under section 141 of the companies Act, 2013 and the rules framed there under for reappointment.

The Auditors' Report does not contain any qualification, reservation or adverse remark.

The audit committee has considered and recommended the appointment of M/s. Ashok Thakkar & Co., Chartered Accountants, Ahmedabad, as statutory Auditors of the company, to the Board of Director at its meeting held on 31st July, 2020. The directors have accepted the same and recommend to the shareholders for ratification of re-appointment of M/s. Ashok Thakkar & Co., Chartered Accountants, Ahmedabad, as the statutory auditors of the company to hold office for a period of Five years, from the conclusion of this Annual General Meeting, subject to ratification of appointment at each Annual General Meeting of the Company.

23. Secretarial Audit

In terms of Section 204 of the Companies Act, 2013 and Rules made there under M/s. V.B. Patel & Co. Practising Company Secretary, Ahmedabad have been appointed as a Secretarial Auditors of the Company in the meeting of the Board of Directors held on August 31, 2020 to conduct the secretarial audit for the financial year 2020-21. The report of the Secretarial Auditor for the financial year ended 31.03.2020 is enclosed as "Annexure-D".

The Secretarial Audit Report does not contain any qualification, reservation or adverse remark.

24. Statement pursuant to Listing agreement

The Company's equity shares are listed at Bombay Stock Exchange Limited. The Annual listing Fee for the year 2020-21 has been paid.

25. Extract of Annual Return

The details forming part of the extract of the Annual Return in form MGT-9 is annexed herewith as **Annexure-A**. The MGT-9 can also be accessed from the link <http://ambitionmica.com/mgt-9.html>

26. Risk Management

The company has well-defined risk management framework in place. The company has established procedures to periodically place before the Audit Committee and the Board, the risk assessment and prevention cum minimization procedures being followed by the company.

27. Particulars of Employees

Disclosures pertaining to the remuneration and other details as required under section 197(12) of the companies Act, 2013, read with rule 5(1) of the Companies (Appointment and Remuneration of

AMBITION MICA LIMITED**(10TH Annual Report 2019-2020)**

Managerial Personnel) Rules, 2014 are provided in the Annual Report and is marked as “**Annexure-B**” to this report.

Further during the year, no employees of the company were in receipt of remuneration in terms of the provisions of Section 197(12) of the Companies Act, 2013, read with Rules 5(2) and 5(3) of the Companies Appointment and Remuneration of Managerial Personnel) Rules, 2014.

28. Corporate Governance

Corporate Governance Report prepared pursuant to SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 forms part of this Directors’ Report.

A separate report on Corporate Governance (**Annexure C**) is provided together with a Certificate from the Statutory Auditors of the Company regarding compliance with conditions of Corporate Governance as Annexure D.

29. Acknowledgments

The Directors place on record the collective contribution and support received from Company’s employees. The Directors would also like to thank the shareholders, customers, dealers, suppliers, bankers, Government and all the other business associates for the continuous support given by them to the Company and their confidence in its management.

For and On Behalf of the Board of Directors

**Place : Ahmedabad
Date : 31st August, 2020**

 **Govindbhai Patel**
Managing Director
DIN: 02927165