

## DIRECTORS' REPORT

To,

The Members,

Relicab Cable Manufacturing Limited

The Directors present the Tenth Annual Report of the Company together with the Audited Statement of Accounts for the year ended **31<sup>st</sup> March, 2019**.

### 1. **FINANCIAL RESULTS:**

The financial performance of the Company, for the year ended March 31, 2019 is summarized below:

Particulars	(Rs. In Lacs)	
	For the year ended 31 <sup>st</sup> March 2019	For the year ended 31 <sup>st</sup> March 2018
Revenue from Operations	2254.43	2099.65
Other Income	29.34	23.28
Profit before Depreciation and Tax	179.09	87.81
(Less): Depreciation	22.63	17.93
Profit for the year before tax	156.46	69.88
(Less): Exceptional/ Extraordinary Items	Nil	Nil
Add/(Less): Provision for Taxation	45.95	(18.23)
<b>Profit after Tax</b>	<b>110.51</b>	<b>51.64</b>

### 2. **REVIEW OF OPERATIONS:**

During the year under review, the Sales have increased from Rs. 2,099.65lakhs in previous year to Rs.2254.43 lakhs in current year due to a favorable market conditions and due to expansion in the operation of the Company. The Profit after Tax has also increased from Rs. 51.64 Lakhs to Rs. 110.51 lakhs. Your Directors are hopeful of much better results in future.

### 3. **DIVIDEND:**

In view to conserve resources, your Directors do not recommend any dividend for the financial year ended 2018-19.

### 4. **RESERVES:**

The Board does not propose to carry any amounts to reserves.

### 5. **CHANGE IN THE NATURE OF BUSINESS, IF ANY:**

There was no change in nature of business during the Financial Year 2018-19.

### 6. **MATERIAL CHANGES AND COMMITMENTS, IF ANY, AFFECTING THE FINANCIAL POSITION OF THE COMPANY WHICH HAVE OCCURRED BETWEEN THE END OF THE FINANCIAL YEAR OF THE COMPANY TO WHICH THE FINANCIAL STATEMENTS RELATE AND THE DATE OF THE REPORT:**

No material changes have occurred subsequent to the close of the financial year of the Company to which the balance sheet relates and the date of the report.

### 7. **DETAILS OF SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS OR COURTS OR TRIBUNALS IMPACTING THE GOING CONCERN STATUS AND COMPANY'S OPERATIONS IN FUTURE:**

There were no significant and material orders passed by the regulators or courts or tribunals impacting the going concern status and Company's operations in future.

**8. DETAILS OF SUBSIDIARY/ JOINT VENTURES/ ASSOCIATE COMPANIES:**

The Company did not have any Subsidiary Company/Joint Venture/Associate Company during the year under review.

**9. AUDITORS:**

At the Annual General Meeting held on September 30, 2017, M/s. Jain JagawatKamdar& Co., Chartered Accountants, were appointed as the Statutory Auditors of the Company for a period of five years to examine and audit the accounts of the Company for the financial year 2017-18, 2018-19, 2019-20, 2020-21 and 2021-22

M/s. Jain JagawatKamdar& Co., Chartered Accountants (Firm Reg. No.122530W) being eligible, offer themselves for ratification of their appointment for the year 2019-2020. Your Directors' recommend their ratification until the conclusion of the 11<sup>th</sup> Annual General Meeting of the Company.

**10. SECRETARIAL AUDIT AND SECRETARIAL AUDIT REPORT**

Pursuant to the provisions of Section 204 of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Board of Directors have appointed M/s Shah Patel & Associates, Company Secretaries in Practice to carry out the Secretarial Audit of the Company. The Report of the Secretarial Auditor is annexed herewith as **Annexure-I**.

**11. EXTRACT OF THE ANNUAL RETURN:**

In accordance with Section 134(3)(a) of the Companies Act, 2013, an extract of the Annual Return in Form MGT – 9 is appended as **Annexure-II** of the Board's Report.

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

Detailed information on conservation of energy, technology absorption, foreign exchange earnings and outgo as required to be disclosed in terms of section 134(3)(m) of the Companies Act, 2013, read with Rule 8 of the Companies (Accounts) Rules 2014 is set out in **Annexure-III** and forms a part of this Report.

**13. DIRECTORS AND KEY MANAGERIAL PERSONNEL:**

**A. Changes in Directors and Key Managerial Personnel:**

Mr. MohitGoyal, who was appointed as the Company Secretary and Compliance Officer of the Company has resigned w.e.f. April 1, 2019.

Mrs. Khushboo Desai, an Associate Member of the Institute of Company Secretaries of India (ICSI) was appointed as the Company Secretary and Compliance Officer of the Company by the Board at their meeting held on April 26, 2019.

The Company has received declarations u/s 149(7) of the Act from all the Independent Directors of the Company confirming that they meet the criteria of Independence as prescribed both under the Act and SEBI (LODR) Regulation, 2015. The Company has also received Disclosure of Interest by Directors as per the provisions of Section 184 of Companies Act, 2013.

**B. Board Evaluation:**

Pursuant to the provisions of the Companies Act, 2013 and SEBI (LODR) Regulation, 2015, the Board has carried out an annual performance evaluation of its own performance, of individual Directors as well as the evaluation of the working of its Audit, Nomination & Remuneration and Compliance Committees. The Board approved the evaluation results as collated by the Nomination and Remuneration Committee from time to time.

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**DIRECTORS:****i. Independent Directors:**

In accordance with the criteria suggested by the Nomination and Remuneration Committee, the performance of each independent director was evaluated by the entire Board of Directors (in the absence of the director getting evaluated) on various parameters like engagement, leadership, analysis, decision making, communication, governance, interest of Stakeholders, etc. The Board was of the unanimous view that every Independent Director was a reputed professional and brought his rich experience to the deliberations of the Board. The Board also appreciated the contribution made by all Independent Directors in guiding the management to achieving higher growth and continuance of each independent director on the Board will be in the interest of the Company.

**ii. Non-Independent Directors:**

The performance of all the non-independent directors was evaluated by the Independent Directors at their separate meeting. Further, their performance was also evaluated by the Board of Directors. The various criteria considered for the purpose of evaluation included leadership, engagement, transparency, analysis, decision making, functional knowledge, governance, stakeholders etc. The Board was of the unanimous view that all the non-independent directors were providing good business and people leadership.

**iii. Declaration by an Independent Director(s) and re-appointment, if any:**

All the Independent Directors have provided the declaration of Independence, as required pursuant to Section 149(7) of the Companies Act, 2013, stating that they meet the criteria of independence as provided in sub-section (6).

**iv. Familiarization Programme to Independent Directors:**

Though it is not mandatory for the Company to provide any formal familiarization programme, however the Company provides suitable familiarization programme to Independent Directors so as to associate themselves with the nature of the industry in which the company operates and business model of the company in addition to regular presentation on technical operations, marketing and exports and financial statements. In addition to the above, Directors are periodically advised about the changes effected in the Corporate Law, Listing Agreement with regard to their roles, rights and responsibilities as Directors of the company. Weblink of the company is [www.relicab.net](http://www.relicab.net) where all the requisite information is available.

**14. DETAILS OF COMMITTEES OF THE BOARD:**

Currently the Board has 3 Committees: the Audit Committee, Nomination and Remuneration Committee and Stakeholders' Relationship Committee. The Composition of various committees and compliances, as per the applicable provisions of the Companies Act, 2013 and the Rules thereunder and SEBI (LODR) Regulation, 2015, are as follows:

**A. Audit Committee:****i. Constitution of Audit committee:**

The Audit Committee comprises of 3 Directors - Ms. Vijaya More (DIN-07283800), Independent Director and the Chairman of the Committee, Mr. Rajesh Gor (DIN 07302407), Independent Director and Mr. Suhir Shah (DIN-02420617), Managing Director as the members of the Committee. The recommendations of the Audit Committee is always welcomed and accepted by the Board and all the major steps impacting the financials of the Company are undertaken only after the consultation of the Audit Committee.

**ii. Details of establishment of vigil mechanism for directors and employees:**

The Company has established vigil mechanism pursuant to Section 177(9) of the Companies Act, 2013 for Directors and Employees to report their concerns and has also taken steps to safeguard any person using this mechanism from victimization and in appropriate and exceptional cases; there is direct access to approach Ms. Vijaya More (DIN-07283800), Chairperson of the Audit Committee.

**B. Nomination and Remuneration Committee:**

The Board has constituted Nomination and Remuneration Committee under Section 178 of the Companies Act, 2013. Mr. Mushtaque Khan (DIN 07295171), Independent Director is the Chairman of the said Committee and Mr. Rajesh Gor (DIN 07302407) and Ms. Vijaya More (DIN 07283800), Independent Directors are the members of the Committee. The Committee has framed a policy to determine the qualification and attributes for appointment and basis of determination of remuneration of all the Directors, Key Managerial Personnel and other employees. A copy of the policy is annexed as **Annexure-VI**.

*Details of remuneration paid to the Directors during 2018-19 are given below:*

Name of the Directors	Directors' Position Directors	Relationship with other (Rs.)	Salary & allowances (Rs.)	Contribution to P.F. (Rs.)	Insurance (Rs.)	Sitting Fees
Mr. Suhir Shah (DIN 02420617)	Managing Director	—	10,56,000	1,44,000	1,05,500	NIL
Mr. Parag Shah (DIN 02485384)	Whole-time Director & CFO	—	10,56,000	1,44,000	1,05,500	NIL
Ms. Vijaya More (DIN 07283800)	Independent and Non-Executive Director	—	NIL	NIL	NIL	12,000
Mr. MushtaqueKhan (DIN 07295171)	Independent and Non-Executive Director	—	NIL	NIL	NIL	12,000
Mr. Rajesh Gor (DIN 07302407)	Independent and Non-Executive Director	—	NIL	NIL	NIL	12,000

**Non-executive/ Independent Directors do not hold any shares in the Company.**

**C. Stakeholder's Relationship Committee:**

The Stakeholder's Relationship Committee comprises of Ms. Vijaya More (DIN 07283800), Independent Director as the Chairman of the said Committee, Mr. Mushtaque Khan (DIN 07295171), Independent Director and Mr. Parag Shah (DIN 02485384), Whole-time Director and CFO as the member of the Committee. The role of the Committee is to consider and resolve securities holders' complaint and to consider, approve/ratify transfer of securities, if any received. The meetings of the Committee are held once in a quarter and the complaints and transfers are executed and responded within the time frame provided.

**15. NUMBER OF MEETINGS OF THE BOARD OF DIRECTORS AND COMMITTEES:**

The Board of Directors met Five (5) times during the Financial Year. The intervening gap between any two meetings was not more than 120 days as prescribed by the Companies Act, 2013. Details of dates of Board meeting are as under:

Sr. No	Type of Meeting	Date
1	Board Meeting	May 30, 2018
2	Board Meeting	August 29, 2018
3	Board Meeting	November 14,2018
4	Board Meeting	February 12, 2019

The members of Audit Committee met Four (4) times during the Financial Year. Details of dates if Audit Committee meeting are as under:

Sr. No	Type of Meeting	Date
1	Audit Committee Meeting	May 30, 2018
2	Audit Committee Meeting	August 29, 2018
3	Audit Committee Meeting	November 14,2018
4	Audit Committee Meeting	February 12, 2019

The members of Shareholders' Relationship Committee met Four (4) times during the Financial Year. Details of dates of Shareholders' Relationship Committee meeting are as under:

Sr. No	Type of Meeting	Date
1	Shareholders' Relationship Committee Meeting	May 30, 2018
2	Shareholders' Relationship Committee Meeting	August 29, 2018
3	Shareholders' Relationship Committee Meeting	November 14, 2018
4	Shareholders' Relationship Committee Meeting	February 12, 2019

The members of Nomination and Remuneration Committee met Once during the Financial Year. Details of date of Nomination and Remuneration Committee meeting are as under:

Sr. No	Type of Meeting	Date
1	Nomination & Remuneration Committee Meeting	August 29, 2018

The Independent Directors of the Company met on 20<sup>th</sup> March, 2019.

#### **16. PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS UNDER SECTION 186:**

The particulars of loans, guarantees and investments are disclosed in the financial statements which also form part of this report.

#### **17. DEMATERIALIZATION OF SHARES**

100% Shareholding of the Company is in dematerialized form and the Company has entered into Tripartite Agreement with NSDL and CDSL for providing demat facilities to its shareholders. Sharex Dynamic (India) Pvt. Ltd. continue to be our Registrar and Share Transfer Agent.

#### **18. PARTICULARS OF CONTRACTS OR ARRANGEMENTS WITH RELATED PARTIES:**

All related party transactions that were entered into during the financial year have been disclosed by the board in the report annexed to this Board's Report for enabling the Members of the Company to give true and fair view of the related party transactions entered by the Company with its related party during the year under review as per the provisions of Section 188 of the Companies Act, 2013 and the rules made thereunder. The details of the same are provided in **Form AOC-2**, which is annexed as **Annexure-IV**.

#### **19. DIRECTORS' RESPONSIBILITY STATEMENT:**

As stipulated under clause (c) of sub-section (3) of Section 134 of the Companies Act, 2013, your Directors subscribe to the Directors Responsibility Statement and state that:

- a) In preparation of the annual accounts, the applicable accounting standards had been followed and there are no material departures from them;
- 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 Companies Act, 2013 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 & 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.

**20. PARTICULARS OF EMPLOYEES:**

Disclosure pertaining to 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 Managerial Personnel) Rules, 2014 are provided in the Annual Report and is marked as “**Annexure-V** “ 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) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.

**21. MANAGEMENT DISCUSSION AND ANALYSIS:**

The Management Discussion and Analysis Report for the financial year under review is annexed as a part of this Annual Report as **Annexure-VII**.

**22. REPORT ON CORPORATE GOVERNANCE:**

At Relicab, it is imperative that our company affairs are managed in a fair and transparent manner. This is vital to gain and retain the trust of our stakeholders.

The Company has committed to maintain the highest standards of Corporate Governance as set out by SEBI. Disclosure of report on Corporate Governance is not mandatorily required to be disclosed as per SEBU (LODR) Regulation, 2015 however as a prudent practice the company has voluntarily disclosed the same under Annexure – VIII.

**23. CORPORATE SOCIAL RESPONSIBILITY (CSR):**

In line with the provisions of the Companies Act, 2013 and the rules framed there under with respect to the Corporate Social Responsibility (CSR), your company is not governed by the provisions of Section 135 of the Companies Act, 2013 and Companies (Corporate Social Responsibility Policy) Rules, 2014. So, the Company is not required to formulate a policy on CSR and also has not constituted a CSR Committee.

**24. RISK ASSESSMENT AND MANAGEMENT:**

Your Company has a well defined Risk Management System in place, as a part of its good Corporate Governance practices. Your Company has assigned the ownership of key risks to various Risk Owners and has made the concerned departments and officials responsible for mitigation plans and review of these risks from time to time. All the risks are identified at various departmental levels and suitable mitigation measures are thereafter adopted. These are subjected to a quarterly review by the Board.

**25. INTERNAL FINANCIAL CONTROL SYSTEM AND THEIR ADEQUACY:**

Adequate internal controls, systems, and checks are in place, commensurate with the size of the Company and the nature of its business. The scope and authority of the Internal Audit function is defined by the Audit committee. To maintain its objectivity and independency, the Audit function reports to the Chairman of the Audit Committee of the board & to the Managing Director.

The Accounts Department monitors and evaluates the efficacy and adequacy of internal control system in the Company, its compliance with operating systems, accounting procedures and policies of the Company. Based on the report of internal audit function, process owners undertake corrective action in their respective areas and thereby strengthen the controls. Significant audit observations and corrective actions thereon are presented to the Audit Committee of the Board.

**26. DISCLOSURE UNDER THE SEXUAL HARASSMENT OF WOMEN AT WORK PLACE (PREVENTION, PROHIBITION AND 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. An 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. The Policy is gender neutral.

No complaints pertaining to sexual harassment were received during the F. Y. 2018-19.

**27. VIGIL MECHANISM/WHISTLE BLOWER POLICY:**

The Company has a vigil mechanism named Whistle Blower Policy (WBP) to deal with instances of fraud and mismanagement, if any. This mechanism is looked after by the Audit Committee of the Company.

**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 and their relatives. The Code requires pre-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 Company Secretary is responsible for implementation of the Code.

All Board Directors and the designated employees have confirmed compliance with the code.

**29. SHARE CAPITAL:**

There were no change in the Share capital of the Company.

**30. OTHER DISCLOSURES / REPORTING:**

Your Directors state that no disclosure or reporting is required in respect of the following items as there were no transactions on these items during the year under review:

- a) Details relating to deposits covered under Chapter V of the Act.
- b) Issue of equity shares with differential rights as to dividend, voting or otherwise.
- c) Issue of shares (including sweat equity shares) to employees of the Company under any scheme.
- d) The Company does not have any Subsidiaries and/or Joint Venture and/or Associate Company.
- e) Details of payment of remuneration or commission to Managing Director or Joint Managing Director of the Company from any of its subsidiaries as the Company does not have any Subsidiaries/Joint Venture/Associate Company.
- f) Voting rights which are not directly exercised by the employees in respect of shares for the subscription/purchase of which loan was given by the Company (as there is no scheme pursuant to which such persons can beneficially hold shares as envisaged under section 67(3)(c) of the Companies Act, 2013).

- g) The Company is not required to maintain cost records as specified by the Central Government under sub-section (1) of section 148 of the Companies Act, 2013.

**31. SECRETARIAL STANDARDS**

The Company has duly complied with the Secretarial Standards as may be applicable.

**32. ACKNOWLEDGEMENTS:**

The Board of Directors expresses their deep gratitude for the co-operation and support extended to the Company by its customers, suppliers, Bankers and various Government agencies. Your Directors also place on record the commitment and involvement of the employees at all levels and looks forward to their continuous co-operation.

**By Order of the Board of Directors  
For Relicab Cable Manufacturing Limited**

**Suhir Shah  
Managing Director  
DIN-02420617**

**Place: Mumbai**

**Date: May 30, 2019**

**Registered Office:**

57/1,(4-B) Benslore Industrial Estate

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CIN: L27201DD2009PLC004670