

**DIRECTORS' REPORT**

To,  
The Members,

Your Directors are pleased to present the 12<sup>th</sup> Annual Report of your Company together with the Audited Financial statements and Auditors' Report for the year ended 31<sup>st</sup> March, 2020.

**1. FINANCIAL PERFORMANCE:-**

The financial performance of the Company is summarized below:

Particulars	F.Y. 2019-20	F.Y. 2018-19
<b>Revenue from Operations</b>	<b>1,74,26,87,912</b>	<b>1,94,42,75,338</b>
Other Income	20,26,483	15,02,942
<b>Total Income</b>	<b>1,74,47,14,395</b>	<b>1,94,57,78,280</b>
Profit/(Loss) Before Tax & Exceptional/Extraordinary Items	1,01,08,024	1,00,73,632
Less:		
Exceptional/Extraordinary items	84,491	72,652
<b>Profit/(Loss) Before Tax</b>	<b>1,00,23,533</b>	<b>1,00,00,980</b>
Less: Tax Expense :		
- Current Tax	26,85,069	24,84,746
- Deferred Tax Liabilities/(Assets)	(1,07,588)	1,64,589
<b>Net Profit/(Loss) After Tax</b>	<b>74,46,052</b>	<b>73,51,645</b>

**2. REVIEW OF OPERATIONS: -**

The Total Income of your Company for the current year was decreased to Rs. 1,74,47,14,395/- as against Total Income of Rs. 1,94,57,78,280/- of the previous year. However, the Company's Net Profit after tax has been increased to Rs. 74,46,052/- for the current year as against the Net Profit after tax of Rs. 73,51,645 /- of the previous year.

**3. TRANSFER TO RESERVES: -**

During the year under review, your Directors have not proposed to transfer any amount to Reserves.

**4. DIVIDEND: -**

During the year under review, your Directors have not recommended any Dividend on Equity Shares of the Company.

**5. DEPOSITS: -**

During the year under review, your Company has neither invited nor accepted any Public Deposits within the meaning of Section 73 of the Companies Act, 2013 read with Companies (Acceptance of Deposit) Rules, 2014.

**6. BOARD OF DIRECTORS: -**

Mr. Rohitkumar Kapadia, Mrs. Ilaben Kapadia, Mrs. Shhalu Kapadia, Mrs. Nidhi Joshi and Mr. Kantilal Patel were the Directors on the Board at the beginning of financial year.

However, the following changes were occurred after the closure of Financial Year till the date of approval of Directors Report:

- Mr. Rohitkumar Kapadia, Chairman and Whole Time Director of the Company have resigned from the post of Chairmanship and Directorship of the Company w.e.f. 28<sup>th</sup> August, 2019 and the same has been accepted by the Board of Directors in Board Meeting held on 28<sup>th</sup> August, 2019.

- The Board in its Board Meeting held on 28<sup>th</sup> August, 2019 has appointed Mrs. Ilaben Kapadia, as Chairperson of the Company w.e.f. 29<sup>th</sup> August, 2019.
- As per the provisions of the Companies Act, 2013, Mrs. Shhalu Kapadia, Non-Executive Director of the Company retires by rotation at the ensuing Annual General Meeting and being eligible, offer herself for re-appointment.

As on 31<sup>st</sup> March, 2020, Your Company has 4 (Four) Directors, namely:

(i)	Ilaben Kapadia	Chairperson & Director
(ii)	Shhalu Kapadia	Non-Executive Director
(iii)	Nidhi Joshi	Independent Director
(iv)	Kantilal Patel	Independent Director

#### **7. KEY MANAGERIAL PERSONNEL: -**

The Key Managerial Personnel (KMP) in the Company as per Section 2(51) and Section 203 of the Companies Act, 2013 are as follows:

- Tejushkumar Kapadia                      Chief Executive Officer
- Mineshkumar Shah                      Chief Financial Officer
- Ankita Raj Bhikadia                      Company Secretary & Compliance Officer

#### **8. DECLARATION FROM INDEPENDENT DIRECTORS AND FAMILIARISATION PROGRAMME THEREON: -**

The Company has received necessary declaration from each Independent Directors under Section 149(7) of the Companies Act, 2013, that he/she meets the criteria of independence as laid down in Section 149(6) of the Companies Act, 2013 and Regulation 25 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. The Board relies on their declaration of independence. Pursuant to the provisions of Regulation 25 of the SEBI Listing Regulations, the Company has formulated a programme for familiarising the Independent Directors with the Company, their roles, rights, responsibilities in the Company, nature of the industry in which the Company operates, business model of the Company etc. through various initiatives.

#### **9. DIRECTORS' RESPONSIBILITY STATEMENT: -**

Pursuant to the provisions of Section 134 of the Companies Act, 2013, the Directors confirm that-

- in the preparation of the Annual Accounts for the year ended 31<sup>st</sup> March, 2020, the applicable accounting standards have been followed and no material departures have been made for the same;
- appropriate accounting policies have been selected and applied them consistently and judgments and estimates have been made 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 31<sup>st</sup> March, 2020 and of the profit of the Company for that period;
- 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 fraud and other irregularities;
- the annual accounts have been prepared on a "going concern" basis;
- the proper internal financial controls are laid down and are adequate and operating effectively;
- the proper systems to ensure compliance with the provisions of all applicable laws have been devised and such systems were adequate and operating effectively.

#### **10. EXTRACT OF ANNUAL RETURN: -**

Pursuant to Section 92(3) of the Companies Act, 2013 read with Companies (Management and Administration) Rules, 2014, the extract of the Annual Return in form MGT-9 is attached to this report as **Annexure-1**. The same is being made available on the Company's website [www.titaaniumten.co.in](http://www.titaaniumten.co.in).

**11. SHARE CAPITAL:-**

During the year under review, the Board with the approval of Members at the 11<sup>th</sup> AGM held on 27<sup>th</sup> September, 2019 had approved to increase the Authorised Share Capital of the Company from Rs. 8,00,00,000/- divided into 80,00,000 equity shares of Rs. 10/- each to Rs. 9,00,00,000/- divided into 90,00,000 equity shares of Rs. 10/- each.

However, there was no change in the Paid up equity share capital of the Company.

**12. PARTICULARS OF LOANS, GUARANTEES AND INVESTMENTS: -**

During the year under review, Company has granted loans to any person or body corporate directly or indirectly and also made investments under Section 186 of the Companies Act, 2013. Details of the same are provided in the notes of Financial Statements.

However, no guarantees have been given to any person or body corporate.

**13. RELATED PARTY TRANSACTIONS: -**

During the year under review, there were related party transactions entered into by the Company with Promoters, Directors, Key Managerial Personnel or other designated person. Accordingly, details of the same that are required to be reported in form AOC-2 in terms of Section 134 of the Companies Act, 2013 is attached herewith as **Annexure-2**.

A policy on the related party transactions was framed and approved by the Board of Directors of the Company and posted on the Company's website [www.titaniumten.co.in](http://www.titaniumten.co.in).

**14. MEETINGS OF BOARD OF DIRECTORS & COMMITTEE: -**

During the year, 4 (Four) Board Meetings were held. The intervening gap between the Meetings did not exceed the period prescribed under the Companies Act, 2013 and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. The details of which are provided in **Annexure-3**.

The details pertaining to the constitution and composition of the Audit Committee, Nomination & Remuneration Committee and Stakeholders Relationship Committee and meetings held during the year are provided in **Annexure-3**.

**15. MEETINGS OF MEMBERS: -**

During the year under review, 11<sup>th</sup> Annual General Meeting of the Company was held on 27<sup>th</sup> September, 2019 and an Extra-Ordinary General Meeting was held on 20<sup>th</sup> March, 2020.

**16. PREFERENTIAL ALLOTMENT: -**

The Board of Directors of your Company in their Meeting held on 20<sup>th</sup> February, 2020 has proposed and decided to raise funds through preferential allotment of equity shares. The Shareholders in their Extra Ordinary General Meeting held on 20<sup>th</sup> March, 2020 has approved the said agenda.

The Company has made an application to BSE Limited for availing In-Principle approval for the Listing of Equity Shares raised through Preferential Allotment. The Company is yet to receive the In-Principle approval.

The Company requires funds to meet long term working capital requirement and general deleveraging purposes. To augment the growth and improve the financial performance of the Company, the Company has approached Mr. Rohitkumar Kapadia, Promoter and Mrs. Ilaben Kapadia, Chairperson & Director cum Promoter of the Company to infuse fresh funds in the Company.

**17. BOARD EVALUATION: -**

The Board of Directors has carried out an annual evaluation of its own performance, board committees and Individual Directors pursuant to the provisions of the Act and the corporate governance requirements as prescribed by SEBI (Listing Obligations and Disclosure Requirements), Regulations 2015 ("SEBI listing Regulations").

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, etc.

The performance of the committees was evaluated by the Board after seeking inputs from the committee members on the basis of the criteria such as the composition of committees, effectiveness of committee meetings, etc.

The Board and the Nomination and Remuneration Committee reviewed the performance of the individual Directors on the basis of the criteria such as the contribution of the Individual Director to the Board and Committee Meetings like preparedness on the issues to be discussed, meaningful and constructive contribution and inputs in meetings, etc. In addition, the Chairman was also evaluated on the key aspects of his role.

In a separate meeting of Independent Directors, performance of Non-Independent Directors, performance of the Board as a whole and performance of the Chairman was evaluated, taking into account the views of Executive Directors and Non-Executive Directors. The same was discussed in the Board meeting that followed the meeting of the Independent Directors, at which the performance of the Board, its Committees and Individual Directors was also discussed. Performance evaluation of Independent Directors was done by the entire Board, excluding the Independent Director being evaluated.

#### **18. CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNING AND OUTGO: -**

The particulars required to be included in terms of Section 134(3)(m) of the Companies Act, 2013 with regard to Conservation of Energy, Technology absorption, Foreign Exchange earnings and outgo are given below:

##### **a. Conservation of Energy:**

The Company is engaged in production. However, the Company is using electricity, generators and invertors in office and Regular steps have been taken to improve energy consumption by using LED lights in office premises. Further, during the year, your Company has made additions to the Plant and Machinery, details of which are provided in the notes attached to the Financial Statements. Your Company is using Electricity as source of energy only.

##### **b. Technology Absorption:**

The project of your Company has no technology absorption, hence no particulars are offered.

##### **c. Foreign Exchange Earning and Outgo:**

The details of foreign Exchange earnings and expenditure of the Company is provided in the notes attached to the Financial Statements.

#### **19. INTERNAL FINANCIAL CONTROL SYSTEM AND THEIR ADEQUACY: -**

The Board of your Company has laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and operating effectively. Your Company has adopted policies and procedures for ensuring the orderly and efficient conduct of its business, including adherence to the Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial disclosures.

#### **20. CORPORATE GOVERNANCE: -**

As per Regulation 15 (2) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, Para C of Schedule V relating to Corporate Governance Report, shall not apply to company listed on SME Exchange. The Company being a company listed on BSE SME Platform, Corporate Governance is not applicable.

**21. POLICY: -****❖ VIGIL MECHANISM (WHISTLE BLOWER POLICY): -**

The Company has adopted Vigil Mechanism/Whistle Blower Policy in accordance with the provisions of Section 177 of the Companies Act, 2013 read with Rule 7 of the Companies (Meetings of Board and its Powers) Rules, 2014 and Regulation 22 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

Under this policy, your Company encourages its employees to report any reporting of fraudulent financial or other information to the stakeholders, and any conduct that results in violation of the Company's code of business conduct, to the management (on an anonymous basis, if employees so desire). Further, your Company has prohibited discrimination, retaliation or harassment of any kind against any employees who, based on the employee's reasonable belief that such conduct or practice have occurred or are occurring, reports that information or participates in the investigation. The Vigil Mechanism/Whistle Blower Policy is being made available on the Company's website [www.titaniumten.co.in](http://www.titaniumten.co.in).

**❖ REMUNERATION POLICY: -**

Pursuant to provision of Section 178(3) of the Companies Act, 2013, the Board has framed a Policy for selection, appointment and remuneration of Directors and Key Managerial Personnel including criteria for determining qualifications, positive attributes and independence of Directors. The Remuneration Policy has been uploaded on the Company's website [www.titaniumten.co.in](http://www.titaniumten.co.in).

**22. JOINT VENTURES, SUBSIDIARIES AND ASSOCIATES: -**

As on 31<sup>st</sup> March, 2020, your Company does not have any Joint Ventures, Subsidiaries and Associates Company.

**23. CORPORATE SOCIAL RESPONSIBILITY [CSR]: -**

The provisions of the CSR expenditure and Composition of Committee as provided in the Section 135 of the Companies Act, 2013 is not applicable to the Company.

**24. PARTICULARS OF EMPLOYEES: -**

Information on particulars of employees' remuneration as per Section 197 of the Companies Act, 2013, read with Rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 is reported to be NIL as there are no employees who are in receipt of remuneration above the prescribed limit.

**25. RATIO OF DIRECTORS' REMUNERATION TO MEDIAN EMPLOYEES' REMUNERATION AND OTHER DISCLOSURES: -**

The table containing the names and other particulars of ratio of Directors' Remuneration to Median Employees' Remuneration in accordance with the provisions of Section 197(12) of the Companies Act, 2013, read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 is attached to this report as **Annexure-4**.

**26. DISCLOSURES UNDER SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION & REDRESSAL) ACT, 2013: -**

During the year under review, no complaints were received by the Company relating to sexual harassment at workplace. Further, the Company ensures that there is a healthy and safe atmosphere for every women employee/s at the workplace.

**27. AUDITORS: -****(A) STATUTORY AUDITORS :-**

M/s. Tamakuwala & Associates, Chartered Accountants, Surat were appointed as Statutory Auditors of the Company at the 10<sup>th</sup> Annual General Meeting to hold office for the period of five years from the conclusion of that Annual General Meeting till the conclusion of the 15<sup>th</sup> Annual General Meeting to be held in the year 2023. The Ministry of Corporate Affairs vide its Notification dated 7<sup>th</sup> May, 2018, has dispensed with the requirement

of ratification of Auditor's appointment by the shareholders, every year. Hence, the resolution relating to ratification of Auditor's appointment is not included in the Notice of the ensuing Annual General Meeting.

The Company has received a certificate from M/s. Tamakuwala & Associates confirming that they are not disqualified from continuing as Statutory Auditors of the Company.

The Auditors' Report does not contain any qualification. Notes to Accounts and Auditors remarks in their report are self-explanatory and do not call for any further comments. The Auditors has not reported any matter of an offence of fraud to the Company required to be disclosed under Section 143(12) of the Companies Act, 2013.

**(B) INTERNAL AUDITORS :-**

The Board of the Company has appointed M/s. Monika Jain & Co., Chartered Accountants, Surat as Internal Auditors of the Company.

**(C) COST AUDITORS :-**

Provisions related to Cost Auditor is not applicable to the Company.

**28. MAINTENANCE OF COST RECORDS**

The company is not required to maintain Cost Records as specified by Central Government under section 148(1) of the Companies Act, 2013, and accordingly such accounts and records are not made and maintained.

**29. SECRETARIAL AUDIT: -**

Pursuant to the provisions of Section 204 read with Section 134(3) of the Companies Act, 2013 and Rule 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Company has appointed Dhiren R. Dave & Co., Company Secretary in Practice, Surat as Secretarial Auditor to undertake the secretarial audit of the Company. The Secretarial Audit Report in form MR-3 is attached to this report as **Annexure-5**.

**30. MANAGEMENT'S DISCUSSION AND ANALYSIS REPORT: -**

The Management's Discussion and Analysis Report provides a perspective of economic and social aspects material to your Company's strategy and its ability to create and sustain value to your Company's key stakeholders. Pursuant to the provisions of Regulation 34 read with Schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Management's Discussion and Analysis Report capturing your Company's performance, industry trends and other material changes with respect to your Company is attached to this report as **Annexure-6**.

**31. CEO / CFO CERTIFICATION:-**

In terms of Regulation 17(8) of the SEBI (listing Obligations and Disclosure Requirements) Regulations, the CEO and CFO has certified to the Board of Directors of the Company with regard to the financial statements and other matters specified in the said regulation for the financial year 2019-20. The certificate received from CEO and CFO is attached herewith as per **Annexure - 7**.

**32. AUDITORS' CERTIFICATE ON CORPORATE GOVERNANCE:-**

As per Regulation 15 of the SEBI (Listing Obligation And Disclosure Requirement) Regulations, 2015, the compliance with the Corporate Governance provisions shall not apply in respect of (a) listed entity having paid up equity share capital not exceeding Ten Crore and net worth not exceeding rupees Twenty Five Crore as on the last day of previous year (b) the listed entity which has listed its specified securities on the SME Exchange. Hence, Auditors' Certificate on Corporate Governance is not provided.

**33. CODE OF CONDUCT:-**

The Board has laid down a specific code of Conduct for all Board Members and Senior Management of the Company. All the Board Members and Senior Management Personnel have affirmed compliance with the Code on annual basis. In this regard certificate from Managing Directors as required under Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 has been received by the Board and the same is attached herewith as per **Annexure - 8**.



**34. MATERIAL CHANGES AND COMMITMENTS AFFECTING THE FINANCIAL POSITION OF THE COMPANY BETWEEN THE END OF THE FINANCIAL YEAR AND THE DATE OF THE BOARD REPORT: -**

COVID-19: In the Last Month of FY 2019-20, the COVID-19 pandemic developed rapidly into a global crisis, forcing governments across the globe to enforce lock-downs of all economic activity. For the Company, the focus immediately shifted to ensuring the health and well-being of all Employees, and on minimizing disruption to services for all our Customers globally. In order to ensure smooth functioning, work from home facility was extended to many of the Employees of the Company. Although there were uncertainties due to the pandemic in the last quarter of FY 2019-20, inherent resilience of the business model will position the Company well to navigate the challenges ahead. But then also the Covid-19 will impact the finances of the Company and its impact can be ascertained only after lifting of lockdown and life coming to stable position.

There have been no material changes and commitments, which affect the financial position of the company which have occurred between the end of the financial year to which the financial statements relate and the date of this Report.

**35. RISK MANAGEMENT: -**

The Company has been exempt under Regulation 21 of the SEBI (Listing Obligation and Disclosure requirements) Regulations, 2015 from reporting of risk management.

A well-defined risk management mechanism covering the risk mapping and trend analysis, risk exposure, potential impact and risk mitigation process is in place. The objective of the mechanism is to minimize the impact of risks identified and taking advance actions to mitigate it. The mechanism works on the principles of probability of occurrence and impact, if triggered. A detailed exercise is being carried out to identify, evaluate, monitor and manage both business and non-business risks.

**36. CHANGE IN THE NATURE OF BUSINESS: -**

For sustained growth in the future, Company wants to rely on its main business only. Hence, there is no change in the nature of the business of the Company during the year.

**37. LISTING FEES: -**

The Equity Shares of the Company are listed on SME Platform of BSE Limited and the Company has paid the necessary listing fees to the Stock Exchange till date.

**38. INSURANCE:**

All the properties and the Insurable Interest of the company Including building, plants and machinery and stocks wherever necessary and to the extent required have been adequately insured. The company keeps reviewing the insurance amount every year as per requirement.

**39. SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS OR COURTS OR TRIBUNALS: -**

During the year under review, no significant or material orders were passed by the Regulators or Courts or Tribunals which would impact the going concern status of the Company and its operations in future.

**40. SECRETARIAL STANDARDS COMPLIANCE: -**

During the year under review, your Company has complied with all the applicable Secretarial Standards issued by The Institute of Company Secretaries of India and approved by the Central Government pursuant to Section 118 of the Companies Act, 2013.

**41. HUMAN RESOURCES: -**

The Company treats its "Human Resources" as one of its most important assets. The Company's culture promotes an environment that is transparent, flexible, fulfilling and purposeful. The Company is driven by passionate and highly engaged workforce. This is evident from the fact that the Company continues to remain the industry benchmark for talent retention.

Your Company continuously invests in attraction, retention and development of talent on an ongoing basis. A number of programs that provide focused people attention are currently underway. The Company thrust is on the promotion of talent internally through job rotation and job enlargement.

During the year under review, there was a cordial relationship with all the employees. The Directors would like to acknowledge and appreciate the contribution of all employees towards the performance of the Company.

**42. ACKNOWLEDGEMENT: -**

Your Directors take this opportunity to thank the customers, shareholders, suppliers, bankers, business partners/associates, auditors, consultants, financial institutions and Central and State Governments for their consistent support and encouragement to the Company. The Directors appreciate and value the contribution made by every members of the company.

Your Company has been able to perform efficiently because of the culture of professionalism, creativity, integrity and continuous improvement in all functions and areas as well as the efficient utilization of the Company's resources for sustainable and profitable growth.

By Order of the Board of Directors  
**TITAANIUM TEN ENTERPRISE LIMITED**

Place: Surat  
Date: 28/08/2020

**ILABEN KAPADIA**  
Chairperson & Director  
DIN: 03507916

