

DIRECTORS' REPORT

Dear Members,

The Directors of your Company have pleasure in presenting Annual Report together with the Audited Accounts and Auditors' Report for the year ended 31st March, 2019.

1. Financial Performance:-

The financial performance of the Company for the Year ended 31st March, 2019 is as summarized below:-

(In Lacs)

Particulars	2018-19	2017-18
Gross Turnover & Other Income	8221.91	2242.61
Profit before Interest, Depreciation & Taxation	347.52	153.73
Less - Interest	-	-
Profit / (Loss) before Depreciation & Taxation	347.52	153.72
Less - Depreciation	19.15	9.92
Profit / (Loss) before tax	328.37	143.81
Less- Provision for Taxation (Incl. Deferred Tax)	102.04	41.87
Net Profit / (Loss) for the year	226.33	101.94
Add/ (less) - Balance brought forward from previous Year	122.17	20.23
Balance Carried to Balance Sheet	348.50	122.17

2. Performance Review:-

Your directors report that for the year under review, your Company has been able to achieve Turnover of Rs. 8221.91 Lakhs as compared to Rs. 2242.61 Lakhs in the previous year. The revenue from operations for the year 2019 increased by 366.62% and Net Profit has Increased from Rs 101.94 Lakhs to Rs 226.33 Lakhs.

3. Capital Structure:-

There was no change in the Authorised Capital Structure during the Year.

However the Company Converted 19,97,727 Warrants into Equity Shares pursuant to this Paid up Share Capital of the Company Increased from Rs. 4,18,83,000 (Rupees Four Crore eighteen Lakh eighty three thousands) Divided into 41,88,300 (Fourty one lakh eighty eight thousands three hundred Shares) 6,18,60,270 (Rupees Six Crore Eighteen Lakh Sixty thousands two seventy) to Divided into 61,86,027 (Sixty one Lakh Eighty six thousands twenty seven Shares).

During the year under review, the Company Converted 19,97,727 Warrants into Equity Shares and allotted Equity Shares as per the following table:-

Sr. No.	Date of Allotment	Number of Warrants Converted into Equity Shares	Nominal Amount Per Shares	Premium Amount per share	Value of Warrants Converted into Equity Shares
1.	18/07/2018	5,46,800	10/-	12/-	1,20,29,600
2.	20/07/2018	4,05,927	10/-	12/-	89,30,394
3.	16/01/2019	4,85,000	10/-	12/-	1,06,70,000
4.	21/01/2019	5,60,000	10/-	12/-	1,23,20,000
Total		19,97,727	-	-	4,39,49,994

During the year under review, the Company forfeited Rs. 50,006 (Rupees fifty thousands and six rupees) pursuant to not exercising of right to convert Warrants into Equity Shares within the due date.

4. Dividend:-

“The Board of Directors of your company, after considering holistically the relevant circumstances and keeping in view the company’s dividend distribution policy, has decided that it would be prudent, not to recommend any Dividend for the year under review.”

5. Reserve:-

The Company has transferred current year's profit of Rs. 226.23 Lakhs to the Reserve & Surplus and the same is in compliance with the applicable provisions prescribed under the Companies Act, 2013.

6. Directors and KMP:-

Mrs. Rashi Gupta (DIN: 06997278) Director, retire from the Board by rotation and being eligible has offered herself for re-appointment at the ensuing Annual General Meeting.

Mr. Kamal Beriwal (DIN: 00310692) Re-appointed as Whole Time Director of the Company for the period of 3 Year w.e.f. 12th April, 2019.

During the year under review, there was no Change in the Composition of Board of Directors.

During the year under review, Ms. Poonam Gupta was appointed as Company Secretary and Compliance Officer of the Company w.e.f. 04th January, 2019

Ms. Apurwa Singh resigned as Company Secretary and Compliance Officer of the Company w.e.f. 04th January, 2019.

7. Directors’ Responsibility Statement:-

In terms of Section 134(5) of the Companies Act, 2013, the directors would like to state that:-

- a) In the preparation of the annual accounts for the financial year 2018-19, the applicable accounting standards read with requirements set out under Schedule III of the Companies Act, 2013, have been followed and there are no material departures from the same;
- b) Appropriate accounting policies have been selected and applied consistently and such judgments & 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 as at 31st March, 2019 and of the Profit of the Company for the accounting year ended on that date;
- c) Proper & sufficient care has been taken 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 & detecting fraud and other irregularities; and
- d) The annual accounts of the Company have been prepared on a going concern basis.
- e) 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.
- f) 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.

8. Auditor:-

Pursuant to provisions of Sections 139, 142 and other applicable provisions, if any, of the Companies Act, 2013 and rules made there under and pursuant to the recommendations of Audit Committee, it is proposed to appoint M/S Goyal & Dedania, Chartered Accountants, Mumbai (Firm Registration No. 127312W), as the Statutory Auditors of the Company to hold office from the conclusion of Twelveth Annual General Meeting until the conclusion of next Annual General Meeting in the financial year 2019-20.

The Board of Directors recommended appointment of M/S Goyal & Dedania, Chartered Accountants, Mumbai (Firm Registration No. 127312W), as the Statutory Auditors of the Company from the conclusion of forthcoming Annual General Meeting till the conclusion of 14th Annual General Meeting of the Company. The Company has received an eligibility letter under section 141 of the Companies Act, 2013 and rules made thereunder that they are not disqualified.

9. Auditors' Report:-

The Notes on Financial statement referred to in the Auditors report are self – explanatory and do not call for any further comments. The Auditors Report does not contain any qualification, reservation or adverse remark.

10. Subsidiary Company:-

As on 31st March, 2019 the Company does not have any Subsidiary Company.

11. Secretarial Auditors Report:-

As per the provisions of Section 204 of the Companies Act, 2013, the Board of Directors of the Company have appointed M/s. Bhunwesh Bansal & Associates, Practicing Company Secretary firm (FCS -6526 & COP. No: 9089) as Secretarial Auditor to conduct Secretarial audit of the Company for the financial year ended on March 31, 2019. Secretarial Audit Report issued by M/s. Bhunwesh Bansal & Associate, Practicing Company Secretary firm in form MR-3 is enclosed as Annexure - II to this Annual Report.

12. Tax Provisions:-

The Company has made adequate provisions as required under the provisions of Income Tax Act, 1961 as well as other relevant laws governing taxation on the company.

13. Fixed Deposits:-

The Company has not accepted any deposits from the public in terms of Section 73,74, 75 and 76 of the Companies Act, 2013 and the Companies (Acceptance of Deposits) Rules, 2014.

14. Corporate Governance:-

Company is listed on BSE-SME. Hence, Corporate Governance Report is not applicable to the Company for financial year 2018-2019.

15. Conservation of energy, technology absorption and foreign exchange earnings and outgo:-

The particular as prescribed under sub-Section (3)(m) of section 134 of the Companies Act, 2013 read with Rule 8(3) the Companies (Accounts) Rules, 2014,

(i) Part A and B of the Rules, pertaining to conservation of energy and technology absorption, are not applicable to the Company.

(ii) Foreign Exchange Earnings and Outgo:

Foreign Exchange Earned - Rs. Nil

Foreign Exchange Used - Rs. Nil

16. Corporate Social Responsibility:-

The Company is not required to constitute a Corporate Social Responsibility Committee as it does not fall within purview of Section 135(1) of the Companies Act, 2013 and hence it is not required to formulate policy on Corporate Social Responsibility.

17. Particulars of Employees:-

None of the employee has received remuneration exceeding the limit as stated in Rules 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014

18. Number of Meetings of the Board of Directors:-

During the year ended March 31, 2019, Eighteen (18) Board Meetings were held. The dates on which the Board meetings were held are 15.05.2018, 18.05.2018, 29.05.2018, 18.07.2018, 20.07.2018, 27.07.2018, 17.08.2018, 12.09.2018, 04.10.2018, 10.11.2018, 06.12.2018, 04.01.2019, 16.01.2019, 21.01.2019, 24.01.2019, 25.01.2019, & 05.03.2019 .

19. Statement on Declaration Given By Independent Directors Under Sub-Section (6) of Section 149:-

The independent directors have submitted 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).

20. Particulars of Loan, Guarantees And Investments By Company:-

Details of Loans, Guarantees and Investments made, if any are disclosed in Notes to Financial Statements for the year ended 31st March 2019.

21. Related Party Transactions:-

During the year under review, besides the transactions reported in Notes to Accounts, forming part of the Annual Report. There were no other related party transactions with its promoters, directors, and management that had a potential conflict of interest of the Company at large.

22. Extract of Annual Return:-

The Extract of Annual Return is prepared in **Form MGT-9** as per the provisions of the Companies Act, 2013 and Rule 12 of Companies (Management and Administration) Rules, 2014 and the same is enclosed as **Annexure - I** to this Report.

23. Significant And Material Orders Passed By The Regulators or Court:-

There are no Significant and Material orders passed by the regulators or Courts that would impact the going concern status of the Company and its future operations.

24. Audit Committee:-

In accordance with the provisions of Section 177 of the Companies Act, 2013 the Company has constituted an Audit Committee comprising of the following Directors viz., Mr. Karan Mahesh Kapadia (Chairman), Mr. Neeraj Kumar Mishra and Mr. Vinod Harmukhrai Beriwal. Audit Committee acts in accordance with the terms of reference specified from time to time by the Board.

During the year 2018-19, Five (5) Audit Committee Meetings were held on 12.04.2018, 29.05.2018, 20.07.2018, 10.11.2018 & 21.01.2019.

25. Nomination and Remuneration Committee:-

In accordance with the provisions of Section 178(1) of the Companies Act, 2013, the Company has re-constituted a Nomination and Remuneration Committee comprising of the following Directors viz., Mr. Neeraj Kumar Mishra (Chairman), Mrs. Sangeeta Vinod Beriwal and Mr. Karan Mahesh Kapadia. Nomination and Remuneration Committee acts in accordance with the terms of reference specified from time to time by the Board.

During the year 2018-19, Two (2) Nomination and Remuneration Committee Meeting were held on 10.05.2018 and 04.01.2019.

26. Stakeholders Relationship Committee:-

In accordance with the provisions of Section 178(5) of the Companies Act, 2013, the Company has constituted a Stakeholders Relationship Committee comprising of the following Directors viz., Mr. Neeraj Kumar Mishra (Chairman), Mr. Karan Mahesh Kapadia and Mr. Vinod Harmukhrai Beriwal. Stakeholders Relationship Committee acts in accordance with the terms of reference specified from time to time by the Board.

During the year 2018-19, One (1) Stakeholders Relationship Committee Meeting were held on 04.01.2019.

27. Risk Management Policy:-

The Company has established a well-defined process of risk management, wherein the identification, analysis and assessment of the various risks, measuring of the probable impact of such risks, formulation of risk mitigation strategy and implementation of the same takes place in a structured manner. Though the various risks associated with the business cannot be eliminated completely, all efforts are made to minimize the impact of such risks on the operations of the Company. The Company on various activities also puts necessary internal control systems in place across the board to ensure that business operations are directed towards attaining the stated organizational objectives with optimum utilization of the resources.

28. Nomination And Remuneration policy of Directors, Key Managerial Personnel And other Employees:-

In adherence of Section 178(1) of the Companies Act, 2013, the Board of Directors of the Company in its Meetings, approved a policy on directors' appointment and remuneration including criteria for determining qualifications, positive attributes, independence of a director and other matters provided u/s 178(3), based on the recommendations of the Nomination and Remuneration Committee. The broad parameters covered under the Policy are – Company Philosophy, Guiding Principles, Nomination of Directors, Remuneration of Directors, Nomination and Remuneration of the Key Managerial Personnel (other than Managing/Whole-time Directors), Key-Executives and Senior Management and the Remuneration of Other Employees.

29. Details in Respect of Adequacy of Internal Financial Controls with Reference to the Financial Statement:-

Internal Control Systems has been designed to provide reasonable assurance that assets are safeguarded, transactions are executed in accordance's with management's authorization and properly recorded and accounting records are adequate for preparation of financial statements and other financial information. Internal check is conducted on a periodical basis to ascertain the adequacy and effectiveness of internal control systems.

Further, the testing of such controls shall also be carried out independently by the Statutory Auditors as mandated under the provisions of the Companies Act, 2013.

In the opinion of the Board, the existing internal control framework is adequate and commensurate to the size and nature of the business of the Company.

30. Acknowledgement:-

The Board wishes to place on record its sincere appreciation for the assistance and co-operation received from Bankers, Government Departments and other Business Associates for their continued support towards the conduct of operations of the Company efficiently.

The Directors express their gratitude to the shareholders for their continuing confidence in the Company. The Directors also acknowledge the hard work and persuasive efforts put in by the employees of the Company in carrying forward Company's vision and mission.

**On behalf of the Board of Directors,
For G G Engineering Limited**

**Sd/-
Vinod Harmukhrai Beriwal
Chairman**

**Place: Mumbai,
Date: May 16, 2019**