

DIRECTORS' REPORT

To

The Members,

Your Directors have great pleasure in presenting the 17th Annual Report and the Audited Accounts of your Company for the year ended 31st March 2019.

FINANCIAL HIGHLIGHTS

(Amount In Rs)

Particulars	Year ended 31 st March, 2019	Year ended 31 st March, 2018
(a) Turnover	1,54,48,58,418.95	1,27,35,27,100.94
(b) other income	24,29,882.54	13,96,014.68
(c) Gross Profit/(Loss) (before depreciation and tax)	10,44,78,049.15	9,40,34,342.52
Less : Depreciation	6,43,59,378.00	5,88,50,883.85
(d) Net Profit/(Loss) before tax	40118671.15	3,51,83,458.67
Less : Provision for Tax (including for deferred tax)	94,90,869.00	1,14,69,826
(e) Net Profit/(Loss) After Tax	3,06,27,802.15	2,37,13,632.67

DIVIDEND

In view of continuous expansion activities, directors do not recommend any dividend.

TRANSFER TO RESERVES: The Company has transferred the profit to the reserves during the financial year.

SHARE CAPITAL

There was no change in the Authorized and Paid up share capital of the Company during the year. However, the Company has not issued shares with differential voting rights nor granted stock options nor sweat equity.

PUBLIC DEPOSITS

During the financial year 2018-19, your Company has not accepted any deposit within the meaning of Sections 73 and 74 of the Companies Act, 2013 read with the Companies (Acceptance of Deposits) Rules, 2014.

PARTICULARS OF LOANS, GUARANTEE OR INVESTMENTS

During the year under review, the Company has not made any Loans, Guarantees or Investments within the meaning of the provisions of Section 186 of the Companies Act, 2013.

CORPORATE SOCIAL RESPONSIBILITY

The provisions of Companies Act, 2013 regarding Corporate Social Responsibility are not attracted to the company. Therefore Company has not constituted a Corporate Social Responsibility Committee. The provisions of a Corporate Social Responsibility shall be complied by the Company as and when applicable

MATERIAL CHANGES AND COMMITMENTS AFFECTING THE FINANCIAL POSITION OF THE COMPANY WHICH HAVE OCCURRED BETWEEN 31ST MARCH, 2019 AND THE DATE OF THIS REPORT.

There were no material changes and commitments affecting the financial position of the Company between the end of financial year (31st March, 2019) and the date of this Report.

DISCLOSURE RELATING TO REMUNERATION OF DIRECTORS, KEY MANAGERIAL PERSONNEL

As per Annexure attached.

PARTICULARS OF EMPLOYEES & RELATED DISCLOSURES

The information required Pursuant to Section 197(12) of the Companies Act, 2013 read with Rule 5(2) & 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 and forming part of the Directors Report for the year ended 31st March, 2019.

Disclosure relating 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 as provided in the Annual Report.

Having regard to the provision of the first proviso to section 136 (1) of the Act and as advised the Annual Report excluding the aforesaid information is being sent to the Members of the Company. The said information is available for inspection by the Members at the Registered Office of the Company during business hours and any Member interested in obtaining such information may write to the Company Secretary and same will be furnished.

DIRECTORS AND KEY MANAGERIAL PERSONNEL

In accordance with the provisions of Companies Act, 2013 Mrs. Renu Mehra (DIN: 02033471), Director retires by rotation and being eligible has offered herself for re-appointment.

Mr. Mahesh Chandra Saxena, Independent Director Passed Away on 13.05.2019 Hence cease to be a Director.

None of the Directors of the company are disqualified for appointment or for continuation as Director of the Company in terms of the provisions of section 164 of the Companies Act, 2013.

DECLARATIONS GIVEN BY INDEPENDENT DIRECTORS

All the Independent Directors have confirmed to the Board that they meet the criteria of independence as specified under Section 149(6) of the Act and that they qualify to be independent directors pursuant to the Rule 5 of the Companies (Appointment and Qualification of Directors) Rules, 2014. They have also confirmed that they meet the requirements of 'Independent Director' as mentioned under Regulation 16(1)(b) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. The confirmations were placed before and noted by the Board.

ANNUAL EVALUATION OF BOARD'S PERFORMANCE

Pursuant to the provisions of companies Act, 2013 and in accordance with SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Board has carried out annual performance evaluation of its own performance, the Directors individually as well the evaluation of the working of its Audit, Nomination & Remuneration, and Stakeholder Relationship Committee.

The directors expressed their satisfaction with the evaluation process.

A CERTIFICATE FROM COMPANY SECRETARY IN PRACTICE THAT NONE OF THE DIRECTORS ON THE BOARD OF THE COMPANY HAVE BEEN DEBARRED OR DISQUALIFIED FROM BEING APPOINTED OR CONTINUING AS DIRECTOR OF THE COMPANY BY THE BOARD/MINISTRY OF CORPORATE AFFAIR OR ANY SUCH STATUTORY AUTHORITY.

The Certificate of the Company Secretary in practice is annexed herewith as a part of the report.

BUSINESS RISK MANAGEMENT

Pursuant to the provisions of Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company has adhered to the principles of sound risk management and has a Risk Management Policy in Place.

The main objective of this policy is to ensure sustainable business growth with stability and to promote a pro-active approach in reporting, evaluating and resolving risks associated with the business. In order to achieve the key objective, the policy establishes a structured and disciplined approach to Risk Management, in order to guide decisions on risk related issues.

INTERNAL CONTROL SYSTEM AND THEIR ADEQUACY

The Company has adequate system of internal control to safeguard and protect from loss, unauthorized use or disposition of its assets. All the transactions are properly authorized, recorded and reported to the Management. The Company is following all the applicable Accounting Standards for properly maintaining the books of accounts and reporting financial statements. The internal auditor of the company checks and verifies the internal control and monitors them in accordance with policy adopted by the company. The Company continues to ensure proper and adequate systems and procedures commensurate with its size and nature of its business.

VIGIL MECHANISM / WHISTLE BLOWER POLICY

Pursuant to Section 177(9) 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 Listing Regulations, the Company has a whistle blower policy in place for its Directors and Employees to report concern about unethical behavior, actual or suspected fraud or violation of the Company's code of conduct. The functioning of the vigil mechanism is reviewed by the Audit Committee from time to time. None of the Directors or employees have been denied access to the Audit Committee of the Board. During the year, under review, the Company did not receive any complaint under the said Mechanism.

BOARD COMMITTEES

The Board of Directors has constituted three committees ,viz;

- a) Audit Committee
- b) Nomination and Remuneration Committee
- c) Stakeholder's Relationship Committee

BOARD MEETINGS

During the year (Eight) Board Meetings were held. The provisions of Companies Act, 2013 and listing agreement were adhered to while considering the time gap between the two meetings.

DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to Section on 134(3)(c) read with Section 134(5) of the Companies Act, 2013, your Directors confirm:

- a) that in the preparation of the annual financial statements for the year ended March 31, 2019, the applicable accounting standards have been followed along with proper explanation relating to material departures, if any;
- b) that such accounting policies as mentioned in Notes to the Financial Statements have been selected and applied consistently and judgment 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 as at March 31, 2019 and of the Profits of the Company for the year ended on that date;
- c) that proper and 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 and detecting fraud and other irregularities;
- d) that the annual financial statements have been prepared on a going concern basis;

- e) that proper internal financial controls were in place and that the financial controls were adequate and were operating effectively;
- f) that systems to ensure compliance with the provisions of all applicable laws were in place and were adequate and operating effectively.

RELATED PARTY TRANSACTIONS

All related party transactions that were entered into during the financial year were on arm's length basis and were in the ordinary course of the business. There are no materially significant related party transactions made by the company with Promoters, Key Managerial Personnel or other designated persons which may have potential conflict with interest of the company at large.

All Related Party Transactions were placed before the Audit Committee & Board for their approval.

SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS OR COURTS

There are no orders passed by the Regulators / Courts which would impact the going concern status of the Company and its future operations.

SECRETARIAL AUDITOR

The company had appointed Sethi Poonam & Associates to conduct its secretarial Audit for the financial year March 31st, 2019. The Secretarial Auditor has Submitted their report, confirming Compliance by the Company of all the provisions of applicable Corporate laws. The report doesn't contain any qualification, reservation, disclaim or adverse remark. The Secretarial Audit Report (in Form No. MR. 3) is attached as "Annexure- A" to this Report. The board has reappointed Sethi Poonam and Associates, as Secretarial Auditors of the Company for financial year 2019-20

AUDITORS

At the annual general meeting held on September 2018, M/s. Jiwan Goyal & Associates, Chartered Accountants, (Firm Registration No. 012874N, Chartered Accountants as Statutory Auditors of the company to hold office till the conclusion of the annual general meeting of the company to be held in the calendar year 2023.

Pursuant to the notification issued by the ministry of the corporate affairs on the 7th May 2018 amending section 139 of the Companies Act 2013 the mandatory requirement for ratification of the appointment of auditors by the members at every AGM has been omitted and hence company has not proposed ratification of appointment of M/s. Jiwan Goyal & Associates, Chartered Accountants, (Firm Registration No. 012874N, at the forthcoming AGM.

AUDITORS' REPORT

The observations of the Statutory Auditors, when read together with the relevant notes to the accounts and accounting policies are self explanatory.

REPORTS ON CORPORATE GOVERNANCE AND MANAGEMENT DISCUSSION & ANALYSIS

Since the Company is listed on SME platform of Bombay Stock Exchange of India Limited, the provisions of Corporate Governance are not applicable to the Company. However, the Directors are complying with the corporate norms

The reports on Corporate Governance and Management Discussion and Analysis for the year under review, as stipulated under Regulation 34 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 form part of this Report.

ENERGY CONSERVATION, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO

ENERGY CONSERVATION

The prescribed particulars of conservation of energy, technology absorption as stipulated under Section 134 of the Companies Act, 2013 read with the Companies (Accounts) Rules, 2014. The Company plays a proactive role in the area of energy conservation and significant improvement by continuously improving

operating practices and energy conservation.

TECHNOLOGICAL ABSORPTION

Having installed the latest, state-of-art machinery imported from different parts of the world, the research and development department is continuously on a lookout for adapting to latest technology innovation and absorption

FOREIGN EXCHANGE OUTGO AND EARNINGS

FOREIGN OUTGO: Rs. 7382179.98

FOREIGN EARNINGS: Rs. 16790336.14

EXTRACT OF ANNUAL RETURN

The details forming part of the extract of the Annual Return in form MGT- 9 is annexed herewith as "*Annexure -i*".

INSURANCE

All the properties of the Company are adequately insured. The Company is also adequately insured for its activities as stock & currency brokers and depository participant.

DISCLOSURE AS PER SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION AND REDRESSAL) ACT, 2013.

The Company has zero tolerance for sexual harassment at work place and has adopted a policy on prevention, prohibition and redressal of sexual harassment at workplace in line with the provision of Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 and the rules framed hereunder.

Your Directors further state that as on date there is no case filed pursuant to the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act 2013.

ACKNOWLEDGEMENTS

Your Directors wish to place on record their thanks and gratitude to the Company's Bankers, Customers and other Authorities for their support, co-operation, guidance and assistance. The Board is also grateful to the shareholders for their continued confidence. The Board of Directors takes this opportunity to express their appreciation of the sincere efforts put in by the staff and executives at all the levels and hopes that they would continue their dedicated efforts in the future too.

For and on behalf of the Board

Place: Mohali

Date: 02nd September, 2019

Sd/-

**(Rajesh Mehra)
Managing Director**

Sd/-

**(Renu Mehra)
Director**