

DIRECTORS' REPORT

Dear Members,

Your Directors are pleased to present the Fifty Eighth Annual Report and the Company's Audited Accounts for the financial year ended March 31, 2019.

1. Financial Results

Particulars	2018-2019 (₹)	2017-2018 (₹)
Sales & other Income	22,97,001	11,71,715
Expenditure	60,20,830	55,73,385
Profit/(Loss) before tax	(37,23,829)	(44,01,669)
Tax		
For Current Year	-	-
For Deferred Tax	-	-
Profit/(Loss) after tax	(37,23,829)	(44,01,669)
Other comprehensive Income		
Items that will not be reclassified subsequently to profit or loss	17,84,400	62,800
Items that will be reclassified subsequently to profit or loss	-	-
Total Comprehensive Income/(Loss) Net of tax	(19,39,429)	(43,38,869)
Total Comprehensive income/(Loss) for the year	(19,39,429)	(43,38,869)

2. Dividend

The Company has incurred a loss during the year and therefore, your Directors do not recommend any dividend on Equity shares for the year under review.

3. Transfer to Reserve

The Company has not transferred any amount to the General Reserve during the year.

4. Management Discussion & Analysis Reports

The Management Discussion and Analysis Report has been separately furnished as an annexure to this Report as "**Annexure A**".

5. Deposits

Your Company has not accepted any deposits within the meaning of Section 73 of the Companies Act, 2013 and the Companies (Acceptance of Deposits) Rules, 2014.

6. Particulars of Loans, Guarantees or Investments

The particulars of loans, guarantees and investments have been disclosed in the financial statement. The details of the investments made by company are given in the notes to the financial statements.

7. Internal Control Systems and their Adequacy

The Company has an Internal Control System, commensurate with the size, scale and nature of its operations. The scope and authority of the Internal Audit function is defined by the Audit Committee. To maintain its objectivity and independence, the Internal Audit function reports to the Chairman of the Audit Committee of the Board.

The Internal Audit 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 suggestions of internal audit function, Management undertakes corrective action in their respective areas and thereby strengthens the controls.

8. Corporate Governance

The Company does not fall under purview of Regulations of Corporate Governance pursuant to the SEBI (Listing Obligation and Disclosures Requirements) Regulations, 2015, However, the same is applicable as per the Companies Act, 2013 and the Company is fully compliant with the applicable provisions and the company is committed to ensure compliance with all modifications within prescribed norms under Companies Act, 2013, Company is committed to maintain the highest standards of corporate practices as set out by SEBI as good Corporate Governance, which forms part of the Directors Report as an “**Annesure B**”

9. Conservation of Energy, Technology Absorption, Foreign Exchange Earnings and Outgo

Since your Company does not own manufacturing facility, the particulars relating to conservation of energy and technology absorption stipulated as per Section 134(3)(m) of the Companies Act, 2013 read with Rule, 8 of The Companies (Accounts) Rules, 2014, are not applicable.

There were no foreign exchange earnings / outgo during the year.

10. Industrial Relations

During the year under review, your Company enjoyed cordial relationship with employees at all levels.

11. 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 Shri Padmanabh Jajodia (DIN: 00086099), retires by rotation at the ensuing Annual General Meeting and offers himself for reappointment.

Smt. Krishna Jain (DIN 06956461) holds office as Independent Directors of the Company up to the conclusion / date of the ensuing Annual General Meeting of the Company ("first term" in line with the explanation to Sections 149(10) and 149(11) of the Act). She being eligible for the second term, offers herself for re-appointment. The profile of Smt. Krishna Jain (DIN 06956461) to be reappointed at the annual general meeting is provided in Annexure II to the Notice.

12. Declaration by an Independent Director(s)

All Independent Directors have given declarations that they meet the criteria of independence as laid down under Section 149(6) of the Companies Act, 2013.

13. Board Evaluation

Pursuant to the provisions of the Schedule IV, clause VIII of the Companies Act, 2013, the Board has carried out an evaluation of its own performance as well as performance of Independent Directors.

14. Nomination and Remuneration Policy

The Nomination and Remuneration Policy of the Company is in place and is posted on the website of the Company.

15. Meetings of the Board

Six (6) meetings of the Board of Directors were held during the year on 29th May, 2018, 9th August 2018, 4th October 2018, 6th November, 2018, 14th January, 2019, and 29th January, 2019. The intervening gap between the meetings was within the period prescribed under the Companies Act, 2013.

A separate meeting of Independent Directors, pursuant to Section 149 (7) read with Schedule VI of the Companies Act, 2013 has been held on 6th November, 2018, as per the requirements of the Companies Act, 2013.

16. Extract of Annual Return

The details forming part of the extract of the Annual Return in form MGT-9 is part of this Annual Report as "**Annexure C**".

17. Directors' Responsibility Statement As Required Under Section 134(3)(C) of the Companies Act, 2013

The Directors state that: -

- a. In the preparation of the annual accounts, the applicable accounting standards have been followed along with proper explanation by way of notes to accounts relating to material departures;
- b. The selected accounting policies were applied consistently and the judgments and estimates made by them are reasonable and prudent so as to give true and fair view of the state of affairs of the Company as at 31st March, 2019 and of the profit for the year ended on that date;
- c. The proper and sufficient care has been taken 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 annual accounts have been prepared on a going concern basis.
- e. The Directors had laid down internal financial controls to be followed by the Company and that such internal controls are adequate and were operating effectively.
- 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. Subsidiary Companies

The Company does not have any subsidiary Company.

19. Code of Conduct

The Code has been prepared and is posted on the website of the Company. The Company believes in "Zero Tolerance" against bribery, corruption and unethical dealings / behaviors of any form and the Board has laid down the directives to counter such acts.

20. Vigil Mechanism / Whistle Blower Policy

The WBP is in place and is posted on the website of the Company and deal with instance of fraud and mismanagement, if any.

21. 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. 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 Compliance Officer is responsible for implementation of the Code.

The code of prevention of Insider Trading and fair disclosures is there on the website of the Company.

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

22. Auditors and Auditors Report

a) Statutory Auditor

Pursuant to Section 139(1) M/S A. Patwari & Co., Chartered Accountants, Kolkata (ICAI Firm Registration no. 326300E), were appointed as the Auditors of the Company at 56th Annual General Meeting and shall hold office from the conclusion of this 56th Annual General Meeting for a term of consecutive five years till the conclusion of the 61st Annual General Meeting.

The Qualification made by the Auditors in their Report dated 27th May, 2019, in the "Qualified opinion" are explained as under:

1. The Company's trade receivables aggregating to Rs. 24,45,169/- are old and under litigation and is subjudice. Though the Company has lost the suit in case of one of the debtors for Rs. 21,34,761/- before the Honorable City Civil Sessions Court Mumbai, against which the Company has filed an Appeal in the Honorable High Court of Mumbai, the Company is also attempting to hold without prejudice discussions with the 1 concerned debtor to settle the issue and the Company is reasonably hopeful of recovering the debt and accordingly the Company has still not made provision for bad debts in the books of accounts. The Company is also hopeful of recovery of balance debts of Rs. 3,10,408/- and accordingly no provisions has been made for the same.

2. In respect of the investments in unquoted equity shares, a sum of Rs. 100,500/-, which are not actively traded on the stock exchange, the management is confident that the realizable value of these investments is at least equivalent or more than the value at which they are stated in the balance sheet.

b) 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 Company has appointed M/s. Zankhana Bhansali, Practicing Company Secretary to undertake the Secretarial Audit of the Company. The Report of the Secretarial Audit Report is annexed herewith as “**Annexure D**” to this Report.

The Qualification made by the Auditor in their Report dated 21st May, 2019, in the “Qualified opinion” is explained as under:

1. Presently the Company’s Directors are looking after the affairs of the Company. Since, the Company does not have enough activities, the Company has not appointed any Key Managerial Personnel.
2. The Company is in search of competent Company secretary (Compliance officer), for which company has given advertisement in newspaper as well. However, looking to the size of the Company, the candidates were not interested and hence could not appoint a full time Company Secretary.

c) Cost Auditor and Cost Audit Report

Cost Audit is not applicable to your Company.

23. 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 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. A detail of contract or arrangements or transactions at Arm’s length basis has been separately furnished to this Report as **Annexure E**.

The Policy on Related party Transactions has been published on the Company's website under the "Investors' Section" at [http://lynxmachinery.com/download.php?report category name=POLICIES](http://lynxmachinery.com/download.php?report%20category%20name=POLICIES).

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 2019-20 has been paid.

25. Corporate Social Responsibility

Social Welfare Activities has been an integral part of the Company since inception. The Company is committed to fulfill its social responsibility as a good corporate citizen. However, the Company is not covered by the provisions of Section 135(1) of the Companies Act, 2013, as it does not satisfy the conditions laid therein.

26. Particulars of Employees

The information required under Section 197 of the Companies Act, 2013 read with Rule 5 of the Companies (appointment and Remuneration of Managerial Personnel) rules, 2014, in respect of employees of the Company are not applicable as no employee was in receipt of remuneration exceeding the limits specified in the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, whether employed for the full year or part of the year.

27. Cash flow statement

The Cash flow statement for the year 2018-19 is part of Balance sheet.

28. Policy on Prevention of Sexual Harassment at Workplace

The Company has in place a Prevention of Sexual Harassment policy in line with the requirements of the Sexual Harassment of Women at the Workplace (Prevention, Prohibition and Redressal) Act, 2013. An Internal Complaints Committee has been set

up to redress complaints received regarding sexual harassment. All employees (permanent, contractual, temporary, trainees) are covered under this policy. During the year 2018-2019, no complaints were received by the Company related to sexual harassment.

29. Acknowledgements

The Board of Directors wish to place on record their appreciation for the support extended by the bankers, business associates, clients, consultants, auditors, shareholders of the Company for their continued co-operation and support.

The Board of Directors would also like to place on record their sincere appreciation for the co-operation received from the Local Authorities, BSE and all other statutory and/or regulatory bodies.

**By Order of the Board of Directors For
Lynx Machinery And Commercials Limited**

**Harish Kumar Jajodia
Director
(DIN: 00075508)**

**Place: Mumbai,
Dated: 27th May, 2019**