



# NITIRAJ ENGINEERS LIMITED

(CIN: - L31909MH1999PLC119231)

**Electronic Weighing Scales & Systems**  
**Currency Counting Machines**  
**Digital Fare Meters**

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## ANNUAL REPORT 2018-19

### **20<sup>th</sup> ANNUAL GENERAL MEETING**

**On Saturday, the 31<sup>st</sup> day of August 2019.**

AT DOSTI CLUB HI-FLY (CLUB HOUSE)  
DOSTI FLAMINGOS, T.J. ROAD, SEWRI (WEST),  
MUMBAI – 400 015 (NEAR SEWRI BUS DEPOT).  
(Place Other than Registered Office within the City)

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**Registered Office :**

**306 A, BABHA BUILDING MARG**

**NEAR POLICE STATION, MUMBAI – 400011 (MH) INDIA**

**Contact No :- +91-2562-239080, Fax No :- 02562-239332**

**Website :- [www.nitiraj.net](http://www.nitiraj.net) E-Mail Id :- [investor@nitiraj.net](mailto:investor@nitiraj.net)**

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**COMPANY INFORMATION****BOARD OF DIRECTORS**

- Chairman & Managing Director : MR. RAJESH RAGHUNATH BHATWAL
- Whole Time Director & Women Director : MRS. SHAKUNTALA RAJESH BHATWAL
- Whole Time Director : MR. HUNG SIN CHUNG HUANYI
- Independent Director : MR. ANIL NANDKISHOR BANGAD
- Independent Director : MR. PRADEEP CHANDRAKANT SHAH
- Independent Director : MR. SHABBIR SADRUDDIN MASANI
- Chief Financial Officer : MR. KAILAS MADANLAL AGRAWAL  
E-mail: [expenses@nitiraj.net](mailto:expenses@nitiraj.net)
  
- Company Secretary & Compliance Officer : CS. PREETI ROHIT BHALA  
E-mail: [investor@nitiraj.net](mailto:investor@nitiraj.net)
  
- Registered Office : 306 A Babha Building, N. M. Joshi Marg, Near Police Station, Mumbai-400011 Maharashtra, India.  
Website : [www.nitiraj.net](http://www.nitiraj.net)  
E-mail : [investor@nitiraj.net](mailto:investor@nitiraj.net)
  
- Corporate Office : City Survey No. 496 A/3, 4, Behind Gurudwara, Mumbai - Agra Road, Dhule-424001  
E-mail: [investor@nitiraj.net](mailto:investor@nitiraj.net)
  
- Statutory Auditors : **P. D. DALAL & CO.,**  
Chartered Accountants 11, Town Centre I, Andheri Kurla Road, Marol, Andheri (East), Mumbai – 400059  
E-mail Id: [askakaria@gmail.com](mailto:askakaria@gmail.com)
  
- Secretarial Auditors : **PIYUSH WANI AND ASSOCIATES,**  
Practicing Company Secretaries, 1255/1, Behind Manik Chowk, Nandurbar - 425412 (MH)  
E-mail Id :- [cspiyushwani@gmail.com](mailto:cspiyushwani@gmail.com)
  
- Shares listed with : National Stock Exchange of India Limited, (SME EMERGE)
  
- Registrar & Share Transfer Agents : **BIGSHARE SERVICES PRIVATE LIMITED**  
1<sup>st</sup> Floor, Bharat Tin Works Building, Opp. Vasant Oasis, Makwana Road, Marol, Andheri East, Andheri East, Mumbai 400059
  
- Bankers : **HDFC Bank Limited**

## BOARD COMMITTEES

- **Audit Committee**

Mr. Pradeep Chandrakant Shah : Chairman  
Mr. Rajesh Raghunath Bhatwal : Member  
Mr. Anil Nandkishor Bangad : Member

- **Nomination and Remuneration Committee**

Mr. Pradeep Chandrakant Shah : Chairman  
Mr. Rajesh Raghunath Bhatwal : Member  
Mr. Anil Nandkishor Bangad : Member

- **Stakeholders Relationship Committee**

Mr. Pradeep Chandrakant Shah : Chairman  
Mr. Rajesh Raghunath Bhatwal : Member  
Mr. Anil Nandkishor Bangad : Member

- **Corporate Social Responsibility Committee**

Mr. Pradeep Chandrakant Shah : Chairman  
Mr. Rajesh Raghunath Bhatwal : Member  
Mr. Anil Nandkishor Bangad : Member

- **Internal Complaints Committee**

Mr. Pradeep Chandrakant Shah : Chairman  
Mr. Rajesh Raghunath Bhatwal : Member  
Mr. Anil Nandkishor Bangad : Member

- **Sexual Harassment Committee**

Mr. Rajesh Raghunath Bhatwal : Chairman  
Mrs. Shakuntala Rajesh Bhatwal : Member  
Mr. Pradeep Chandrakant Shah : Member

**NOTICE OF THE 20<sup>TH</sup> ANNUAL GENERAL MEETING**

To,  
The Members,  
**NITIRAJ ENGINEERS LIMITED**  
(CIN- L31909MH1999PLC119231)  
306 A BABHA BLDGN M MARG  
NEAR POLICE STATION  
MUMBAI - 400011

**NOTICE** is hereby given that the 20<sup>th</sup> Annual General Meeting of **NITIRAJ ENGINEERS LIMITED** will be held on Saturday, 31<sup>st</sup>, August 2019 at 11:00 a.m. at the Dosti Club Hi-Fly (Club House), Dosti Flamingos, T. J. Road, Sewri (West), Mumbai-400015 (Near Sewri Bus Depot.) (Other than Registered Office within the City).

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**TO TRANSACT THE FOLLOWING BUSINESS: -****ORDINARY BUSINESS:**

To consider and if thought fit, to pass with or without modification(s), the following resolution as an Ordinary Resolutions:

**1. TO RECEIVE, CONSIDER AND ADOPT STANDALONE AND CONSOLIDATED FINANCIAL STATEMENTS AND REPORT THEREON WITH DIRECTOR REPORT FOR THE YEAR ENDED 31<sup>ST</sup> MARCH 2019.**

- a) **"RESOLVED THAT** the Standalone Audited Financial Statements of the Company for the year 2018-19 together with the Reports of the Board of Directors' and Auditors' thereon of the Company for the year 2018-19 as presented to the meeting, be and hereby, adopted."
- b) **"RESOLVED THAT** the Consolidated Financial Statements of the Company for the year 2018-19 together with the Reports of the Auditors' thereon of the Company for the year 2018-19 as presented to the meeting, be and hereby, approved and adopted."

**2. TO RE-APPOINT ROTATIONAL DIRECTOR –**

To consider re-appointment of Mr. Rajesh Raghunath Bhatwal Managing Director Holding (DIN : 00547575), who retires by rotation in terms of Section 152(6) of the Companies Act, 2013 and being eligible offers himself for re- appointment For details of Director seeking re-appointment at the Annual General meeting please refer Annexure I

**3. TO RE-APPOINT OF STATUTORY AUDITORS AND FIX THEIR REMUNERATION AND THIS REGARDS PASS WITH OR WITHOUT MODIFICATION(S), THE FOLLOWING RESOLUTION AS AN ORDINARY RESOLUTION.**

**"RESOLVED THAT** pursuant to the provisions of Sections 139, 141 and 142 of the Companies Act, 2013, M/s. P. D. Dalal & Co., Chartered Accountants, Mumbai (Firm Registration No: 102047W), be and is hereby re-appointed as the Statutory Auditor of the Company and have confirmed their eligibility to be appointed as Auditor in terms of Provision of Section 141 of the Act, and Rule 4 of the Rules to audit the accounts up-to the conclusion of the forthcoming Annual General Meeting of the Company, on a remuneration to be decided by the Board or its

Committee with the Audit of the Account of the Company for the Financial Year ended March 31<sup>st</sup> 2020.

### **SPECIAL BUSINESSES**

To consider and if thought fit, to pass with or without modification(s), the following resolution as a Special Resolution:

#### **4. TO INCREASE AUTHORIZED CAPITAL OF THE COMPANY AND AMEND THE CAPITAL CLAUSE IN THE MEMORANDUM OF ASSOCIATION OF THE COMPANY:**

**"RESOLVED THAT** in accordance with the provisions of Section 61(1)(a) and other applicable provisions, if any, of the Companies Act, 2013, including rules notified thereunder, as may be amended from time to time (including any statutory modification or re-enactment thereof for the time being in force); the consent of the members of the Company be and is hereby accorded, to increase Authorized Share Capital of the Company from Rs. 9,00,00,000 (Rupees Nine Crore Only) divided into 90,00,000 (Ninety Lacs) equity shares of Rs. 10/- each to Rs. 11,00,00,000 (Rupees Eleven Crore Only) divided into 1,10,00,000 (One Crore Ten lacs) equity shares of Rs. 10/- each by creation of additional 20,00,000 (Twenty Lacs) equity shares of Rs. 10/- each.

**"RESOLVED FURTHER THAT** pursuant to provisions of Section 13, 61 and 64 and any other applicable provisions, if any, of the Companies Act, 2013 (including any statutory modifications or re-enactment thereof for the time being in force) and rule framed thereunder; the consent of the members of the Company be and is hereby accorded, to substituting clause V of the Memorandum of Association of the company with the following clause:

#### **V. The Authorised Share Capital of the Company**

The Authorised Share Capital of the Company is Rs. 11,00,00,000 (Rupees Eleven Crore) divided into 1,10,00,000 (One Crore Ten Lacs Only) equity shares of Rs. 10/- (Ten Only) each."

#### **5. TO ALTER ARTICLES OF ASSOCIATION AND TO ADD CLAUSE OF ALLOTMENT OF BONUS SHARES.**

**"RESOLVED THAT** pursuant to the provisions of Section 14 and all other applicable provisions of the Companies Act, 2013 ("Act") and Rules made thereunder (including any statutory modification(s) or re-enactment thereof, for the time being in force), the consent of Members of the Company, be and is hereby accorded for alteration of clause 11 of Articles of association of the Company, be and is hereby altered to addition of clause 11 (b) with the following.

**11 (b)** To distribute as bonus Shares among the members or to place to reserve or otherwise to apply, as the Company may from time to time think fit, any moneys received by way of premium on debentures or other securities issued at a premium by the Company and any moneys received in respect of dividends accrued on forfeited shares and moneys arising from the sale by the Company of forfeited shares, subject to the provisions of the Companies Act, 2013.

**RESOLVED FURTHER** that approval of the Company be accorded to the Board of Directors of the Company (including any Committee thereof) to do all such acts, deeds, matters and things and to take all such steps as may be required in this connection including seeking all necessary approvals to give effect to this Resolution and to settle any questions, difficulties or doubts that may arise in this regard."

**6. TO APPROVE ISSUE OF BONUS SHARES BY CAPITALIZATION OF RESERVES / SECURITIES PREMIUM ACCOUNT.**

**"RESOLVED THAT** pursuant to Section 63 of the Companies Act, 2013 and other applicable provisions, if any, including B rules notified thereunder, as may be amended from time to time (including any statutory modification; or re-enactment thereof for the time being in force) read with Regulation 293 and other relevant provisions, laid down in chapter XI of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, applicable provisions of Articles of Association of the company and applicable Regulatory Authorities and such permission, sanctions and approvals as may be required in this regard; the consent of the members of the Company be and is hereby accorded for issue up to 20,50,200 equity shares of Rs. 10/- each as bonus shares of an aggregate nominal value up to Rs. 2,05,02,000/- (Rupees Two Crore Five Lacs Two Thousand Only), as bonus shares to the share-holders out of the securities premium Account."

**"RESOLVED FURTHER THAT:**

- a. The bonus issue of shares will be made in the ratio of 1:4 i.e. 1 (One) fully paid up equity every 4(Four) equity shares held to the share-holders on such date (Record date determined by the board of director(s) of the approval of Shareholders in Annual General Meeting.
- b. The Equity shares so issued share upon allotment have the same rights of voting as the existing equity shares and be treated for all other purposes pari-passu with the existing equity shares of the Company.
- c. Share certificates shall be issued to those to whom the bonus shares are allotted within the time prescribed in the Companies Act, 2013 if required. With regard to the shares held in dematerialized form, the Bonus shares will be credited to the respective de-mat account of the holders.
- d. No members shall entitle to a fraction of an equity shares as a result of implementation of this resolution and no certificate or coupon or cash shall be issued for fraction of equity shares and the bonus shall be rounded to the lower integer.
- e. All fractions of bonus equity shares shall be ignored and accordingly the number of issuance of bonus share may be reduced."

**"RESOLVED FURTHER THAT** for the purpose of giving effect to this resolution, the Board of Director of the company be and is hereby authorized to do all acts, deeds, matters and things necessary, proper or desirable and to sign and execute all necessary documents, authority letters, applications and returns with stock Exchange, SEBI, Superintendent of Stamps, NSDL CDSL, RTA or any other a authority.

**By order of the Board of Directors,  
NITIRAJ ENGINEERS LIMITED**

**(RAJESH RAGHUNATH BHATWAL)**  
Managing Director  
DIN- 00547575

**Place :** Dhule, Maharashtra  
**Date :** 02<sup>nd</sup> August, 2019  
(Corporate Office)

Registered Office:-306A Bhabha Building,  
N.M. Joshi Marg, Delisle Road, Near Police  
Station, Mumbai – 400 011

**How do I vote electronically using NSDL e-Voting system?**

The way to below:

**Step 1 :** Log-in to NSDL e-Voting system at <https://www.evoting.nsdl.com/>

**Step 2 :** Cast your vote electronically on NSDL e-Voting system.

Details on Step 1 is mentioned below:

**How to Log-into NSDL e-Voting website?**

1. Visit the e-Voting website of NSDL. Open web browser by typing the following URL: <https://www.evoting.nsdl.com/> either on a Personal Computer or on a mobile.
2. Once the home page of e-Voting system is launched, click on the icon “Login” which is available under ‘Shareholders’ section.
3. A new screen will open. You will have to enter your User ID, your Password and a Verification Code as shown on the screen.

Alternatively, if you are registered for NSDL eservices i.e. IDEAS, you can log-in at <https://eservices.nsdl.com/> with your existing IDEAS login. Once you log-in to NSDL eservices after using your log-in credentials, click on e-Voting and you can proceed to Step 2 i.e. Cast your vote electronically.

4. Your User ID details are given below :

Manner of holding shares i.e. Demat (NSDL or CDSL) or Physical	Your User ID is:
a) For Members who hold shares in de-mat account with NSDL.	8 Character DP ID followed by 8 Digit Client ID  For example if your DP ID is IN300*** and Client ID is 12***** then your user ID is IN300***12*****.
b) For Members who hold shares in demat account with CDSL.	16 Digit Beneficiary ID  For example if your Beneficiary ID is 12***** then your user ID is 12*****



c) For Members holding shares in Physical Form.	EVEN Number followed by Folio Number registered with the company  For example if folio number is 001*** and EVEN is 111218 then user ID is 101456001***
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5. Your password details are given below:
  - a) If you are already registered for e-Voting, then you can use your existing password to login and cast your vote.
  - b) If you are using NSDL e-Voting system for the first time, you will need to retrieve the 'initial password' which was communicated to you. Once you retrieve your 'initial password', you need to enter the 'initial password' and the system will force you to change your password.
  - c) How to retrieve your 'initial password'?
    - (i) If your email ID is registered in your demat account or with the company, your 'initial password' is communicated to you on your email ID. Trace the email sent to you from NSDL from your mail box. Open the email and open the attachment i.e. a .pdf file Open the .pdf file. The password to open the .pdf file is your 8 digit client ID for NSDL account, last 8 digits of client ID for CDSL account or folio number for shares held in physical form. The .pdf file contains your 'User ID' and your 'initial password'.
    - (ii) If your email ID is not registered, your 'initial password' is communicated to you on your postal address.
6. If you are unable to retrieve or have not received the "Initial password" or have forgotten your password:
  - a) Click on "Forgot User Details/Password?"(If you are holding shares in your demat account with NSDL or CDSL) option available on [www.evoting.nsdl.com](http://www.evoting.nsdl.com)
  - b) Physical User Reset Password?" (If you are holding shares in physical mode) option available on [www.evoting.nsdl.com](http://www.evoting.nsdl.com).
  - d) If you are still unable to get the password by aforesaid two options, you can send a request at [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in) mentioning your demat account number/folio number, your PAN, your name and your registered address.
7. After entering your password, tick on Agree to "Terms and Conditions" by selecting on the check box.
8. Now, you will have to click on "Login" button.
9. After you click on the "Login" button, Home page of e-Voting will open.

**Details on Step 2 are given below:**

**How to cast your vote electronically on NSDL e-Voting system?**

1. After successful login at Step 1, you will be able to see the Home page of e-Voting. Click on e-Voting. Then, click on Active Voting Cycles.
2. After click on Active Voting Cycles, you will be able to see all the companies "EVEN" in which you are holding shares and whose voting cycle is in active status.
3. Select "EVEN" of company for which you wish to cast your vote.
4. Now you are ready for e-Voting as the Voting page opens.
5. Cast your vote by selecting appropriate options i.e. assent or dissent, verify/modify the number of shares for which you wish to cast your vote and click on "Submit" and also "Confirm" when prompted.
6. Upon confirmation, the message "Vote cast successfully" will be displayed.
7. You can also take the printout of the votes cast by you by clicking on the print option on the confirmation page.
8. Once you confirm your vote on the resolution, you will not be allowed to modify your vote.

**General Guidelines for shareholders**

1. Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) are required to send scanned copy (PDF/JPG Format) of the relevant Board Resolution/ Authority letter etc. with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer by email to [piyushragrawal@gmail.com](mailto:piyushragrawal@gmail.com) with a copy marked to [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in).

2. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential. Login to the e-voting website will be disabled upon five unsuccessful attempts to key in the correct password. In such an event, you will need to go through the "Forgot User Details/Password?" or "Physical User Reset Password?" option available on [www.evoting.nsdl.com](http://www.evoting.nsdl.com) to reset the password.

3. In case of any queries, you may refer the Frequently Asked Questions (FAQs) for Shareholders and e-voting user manual for Shareholders available at the download section of [www.evoting.nsdl.com](http://www.evoting.nsdl.com) or call on toll free no.: 1800-222-990 or send a request at [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in)

**NOTES:**

1. The Explanatory Statement setting out the material facts pursuant to Section 102 of the Companies Act, 2013 ("the Act"), concerning the Special Business in the Notice is Annexed hereto and forms part of this Notice.
2. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE ANNUAL GENERAL MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE ON POLL INSTEAD OF HIMSELF /HERSELF AND A PROXY NEED NOT BE A MEMBER OF THE COMPANY.

The instrument of Proxy in order to be effective should be deposited at its Registered Office of the Company not later than forty-eight hours before the commencement of the Meeting.

3. Members are requested to note that a person can act as a proxy on behalf of members not exceeding fifty and holding in aggregate not more than ten percent of the total share capital of the Company carrying voting rights. A member holding more than ten percent of the total share capital of the Company carrying voting rights may appoint a single person as proxy and such person shall not act as a proxy for any other person or shareholders. In case of joint holders attending the Meeting, only such joint holder who is higher in the order of names will be entitled to vote.
4. Members / Proxies / Authorized Representatives should bring the enclosed Attendance Slip, duly filled in, for attending the Meeting.
5. All the documents referred to in the accompanying notice and the explanatory statement are open for inspection at the Registered Office of the Company during business hours from Monday to Friday up to the date of this Annual General Meeting of the Company.
6. In-terms of Section 101 and 136 of the Companies Act, read together with Rules made there under electronic copy of the Annual Report and the notice of the Annual General Meeting of the Company along with attendance slip and proxy form are being sent to all the members whose email IDs are registered with the Company/ Depository Participant(s) for communication purposes, unless any member has requested for a hard copy of the same on our e-mail ID **investor@nitiraj.net**. For members who have not registered their email address, physical copies of the above documents are being sent in the permitted mode.
7. Corporate Members intending to send their authorized representative to attend AGM are requested to send a duly certified copy of their Board Resolution authorizing their representatives to attend and vote at AGM.
8. Members desiring any information relating to the Accounts are requested to write to the Company well in advance so as to enable management to keep the information ready.
9. Members are requested to notify any change in their addresses to the Company immediately. Members holding shares in electronic form are requested to advise change of addresses to their Depository Participants.
10. Members are requested to affix their signatures at the space provided on the attendance slip annexed to proxy form and handover the slip at the entrance of the meeting hall
11. Members may also note that the notice of the Annual General Meeting and the Annual Report will also be available on the Company's website for their download (**www.nitiraj.net**). The physical copies of the aforesaid documents will also be available at the Company's Registered Office at 306 A Babha Building, M Marg, Near Police Station, Mumbai - 400011, during office hours on working days except Saturdays between 11.00 a.m. to 1.00 p.m. for inspection. Even after registering for e-communication, members are entitled to receive such communication in physical form, upon making a request for the same, by post free of cost.
12. Pursuant to provision of Section 91 of the Companies Act, 2013 and Listing Agreement, the Register of Members and Share Transfer Book will remain closed from 25<sup>th</sup> August 2019 to 31<sup>st</sup> August 2019 (Both days inclusive)
13. Notice of AGM along with Annual Report 2018-19 is being sent by electronic mode to those members who is registered as a members as on 02<sup>nd</sup> August 2019 as per list provided by Registrar and Share Transfer Agent, M/s. Bigshare Services Private Limited.

14. SEBI & the Ministry of Corporate Affairs encourage paperless communication as a Contribution to greener environment. Members holding shares in physical mode are requested to register their e-mail ID's with the Bigshare Services Pvt. Ltd., the Registrars & Share Transfer Agents of the Company and Members holding shares in de-mat mode are requested to register their e-mail ID's with their respective Depository Participants (DPs) in case the same is still not registered.

If there is any change in the e-mail ID already registered with the Company, members are requested to immediately notify such change to the Registrars & Share Transfer Agents of the Company in respect of shares held in physical form and to DPs in respect of shares held in electronic form.

15. The Board of Directors has appointed CA Piyush Agrawal, Chartered Accountants (Membership No. 135041) as scrutinizer to scrutinize the voting at the meeting and remote e-voting process in a fair transparent manner.
16. In terms of Section 101 and 136 of the Companies Act, 2013 read together with the Rules made there under the copy of the Annual Report including Financial statements, Board's report etc. and this Notice are being sent by electronic mode, to those members who have registered their email ids with their respective depository participants or with the share transfer agent of the Company, unless any member has requested for a physical copy of the same. In case you wish to get a physical copy of the Annual Report, you may send your request to [investor@nitiraj.net](mailto:investor@nitiraj.net) mentioning your Folio/DP ID & Client ID.
17. The Securities and Exchange Board of India has mandated submission of Permanent Account Number (PAN) by every participant in securities market. Members holding shares in demat form are, therefore, requested to submit PAN details to the Depository Participants with whom they have de-mat accounts.
18. Members desiring any information relating to the accounts are requested to write to the Company well in advance so as to enable the management to keep the information ready.
19. Members are requested to bring their copy of Annual report of the meeting as the same shall not be circulated thereat.
20. Members are requested to bring with them the attendance slip and hand it over at entry gate.
21. Members are requested to intimate their email id at [investor@nitiraj.net](mailto:investor@nitiraj.net) in order to meet the requirement of green initiatives.
22. Electronic copy of Notice of the AGM along with Annual Report 2018-19 including remote E Voting Instruction, proxy form, attendance slip is being sent by electronic mode to those members who is registered as a member as on 02<sup>ND</sup> August, 2019 on their registered E mail ID. For those shareholders whose name stands registered in the register of member as on Friday 02<sup>nd</sup> August, 2019 and who have not registered mail Address, Physical copy of notice of the Annual general Meeting along with Annual reports, including Remote E voting instructions, Proxy form, and attendance slip is being sent to them in the permitted mode.
23. Shareholders are also informed that voting shall be by both means i.e. polling paper and E-voting, Shareholders who could not vote through remote E voting can exercise their voting right at the AGM. The company will make the arrangement of polling papers in this regards at the meeting Venue. The shareholders attending the meeting who have not cast their vote by Remote E-voting shall be able to exercise their right to vote at the meeting.

24. The company has set Friday, 23<sup>rd</sup> August, 2019 as the Cutoff date for taking record of the shareholders of the company who will be eligible for casting their vote on the resolution to be passed in the ensuing AGM for both E-Voting and Physical mode through Polling Paper.
25. Board of Director Appointed CA Piyush Ramesh Agrawal, Practicing Chartered Accountant, Jalna as scrutinizer, for conducting E voting and Poll Papers voting process for the AGM in a fair and transparent manner.
26. A member may participate in the AGM even after exercising his right to vote through remote e-voting but shall not be allowed to vote again at the AGM.

**27. General Information of E Voting :-**

The e-voting period commences on August 28, 2019 (9:00 am) and ends on August 30, 2019 (5:00 pm). During this period shareholders' of the Company, may cast their vote Electronically. The e-voting module shall also be disabled for voting thereafter. Once the vote on a resolution is cast by the shareholder, the shareholder shall not be allowed to change it subsequently.

The voting rights of members shall be in proportion to their shares of the paid up equity share capital of the Company as on the cut-off date of 23<sup>rd</sup> August, 2019. Any person, who acquires shares of the Company and become member of the Company after dispatch of the notice and holding shares as of the cut-off date i.e. 23<sup>rd</sup> August, 2019, may obtain the login ID and password by sending a request at [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in) or [investor@nitiraj.net](mailto:investor@nitiraj.net).

**Explanatory Statement:-**

The following Explanatory Statement, as required under Section 102 of the Companies Act, 2013, set out all material facts relating to the business under Item No. 3 and 4 the accompanying Notice dated 02.08.2019.

**Annexure to the Item No.-3 of the Notice :**

To increase the Authorized share capital of the company and amend the capital clause in the Memorandum of Association.

At present the Authorized share capital of the company is 9,00,00,000 (Rupees Nine Crore only) divided into 90,00,000 (Ninety Lacs) equity shares of Rs. 10/- each out which paid up share capital of the company is Rs. 8,20,08,000 (Rupees Eight Crore Twenty Lacs Eight Thousand Only) divided into 82,00,800 (Eighty Two Lacs Eight Hundred Only) equity shares of Rs. 10/- each.

The Board of Directors of the company in its meeting held on Friday, August 02<sup>nd</sup>, 2019 have recommended the issuance of bonus shares in the ratio of 1:4 [i.e. 1 (One) fully Paid-up equity shares for every 4 (Four) equity shares held if the resolution for issuance of bonus shares as recommended by the Board; shall be approved by the members, of the company then additional 20,50,200 paid up equity shares shall be allotted to the members post completion of process of bonus issue. so, the total paid up share capital post bonus issue shall be Rs. 10,25,10,000/- which shall exceed the present Authorised share capital of the company. so, in view of the proposed issuance of bonus shares, the present Authorised Share capital of the company need to be increased from Rs. 9crore to Rs. 11crore by creation of additional 20,50,200 (Twenty Lacs Fifty Thousand Two Hundred) equity shares of Rs. 10/- each. Further, in view of increased Authorised share capital it is also necessary to amend clause V of the Memorandum of Association to increase the Authorised Share Capital from Rs. 9Crore to Rs. 11Crore.

As per the provisions of sections 13 & 61 of the companies Act, 2013, approval of the share-holders is required to be accorded for alteration in the Memorandum of Association and for increasing the Authorized Share Capital of the Company by way of passing a Special Resolution.

Accordingly, the Directors recommend the matter and the resolution set out under Item no. 1 for the approval of the Members by way of passing a Special Resolution.

Pursuant to Section 102 of companies Act, 2013, The Board of Directors of the company do hereby confirm that none of the Directors, Key Managerial personnel and relatives thereof are interested aforesaid resolution.

**Item No.5 : TO ALTER ARTICLES OF ASSOCIATION AND TO ADD CLAUSE OF ALLOTMENT OF BONUS SHARES.**

As per the Section 63 of the Companies Act, 2013 a Company can issue Bonus Shares if only its Articles of Association permits to do so. If there is no provision then Company can alter its Articles of Association and mention clause for issuance of Bonus Shares. Hence, Board of Directors have approved the resolution in relation to addition of clause for issuance of Bonus Shares.

As per the provisions of Sections 63 of the Companies Act, 2013, approval of the shareholders is required to be accorded for issuance of Bonus Shares to the members of the Company by way of passing a Special Resolution. Accordingly, the Directors recommend the matter and the resolution set out under Item no. 2 for the approval of the Members by way of passing a Special Resolution.

Pursuant to Section 102 of the Companies Act, 2013, The Board of Directors of the Company do hereby confirm that none of its Director or Key Managerial Personnel and their immediate relatives are concerned or interested, financially or otherwise, except to their shareholding, in the aforesaid resolution.

**Item No.4: To approve the issuance of Bonus Shares**

As you all are aware that the Company's shares have been listed on EMERGE platform of National Stock Exchange since March 08, 2017. Over the years, the Company has performed significantly well both in terms of profit and business As on March 31, 2019 total free reserves and surplus of the Company is Rs. 58.68 Crore including Securities Premium Account of Rs. 19.81 Crore. With a view to capitalize the Security Premium Account and to rationalize the capital structure, Board of Directors in its meeting held on Friday, August 02<sup>nd</sup>, 2019 have proposed to issue bonus shares at the ratio of 1:4 [i.e. 1 (One) fully paid up equity shares for every 4 (Four) equity shares held]. This bonus allotment will also rationalize the paid up capital of the company with the funds employed in the company.

As per the provisions of Sections 63 of the Companies Act, 2013, approval of the shareholders is required to be accorded for issuance of Bonus Shares to the members of the Company by way of passing a Special Resolution. Accordingly, the Directors recommend the matter and the resolution set out under Item No. 2 for the approval of the Members by way of passing a Special Resolution.

Pursuant to Section 102 of the Companies Act, 2013, The Board of Directors of the Company do hereby confirm that none of its Director or Key Managerial Personnel and their immediate relatives are concerned or interested, financially or otherwise, except to their shareholding, in the aforesaid resolution.

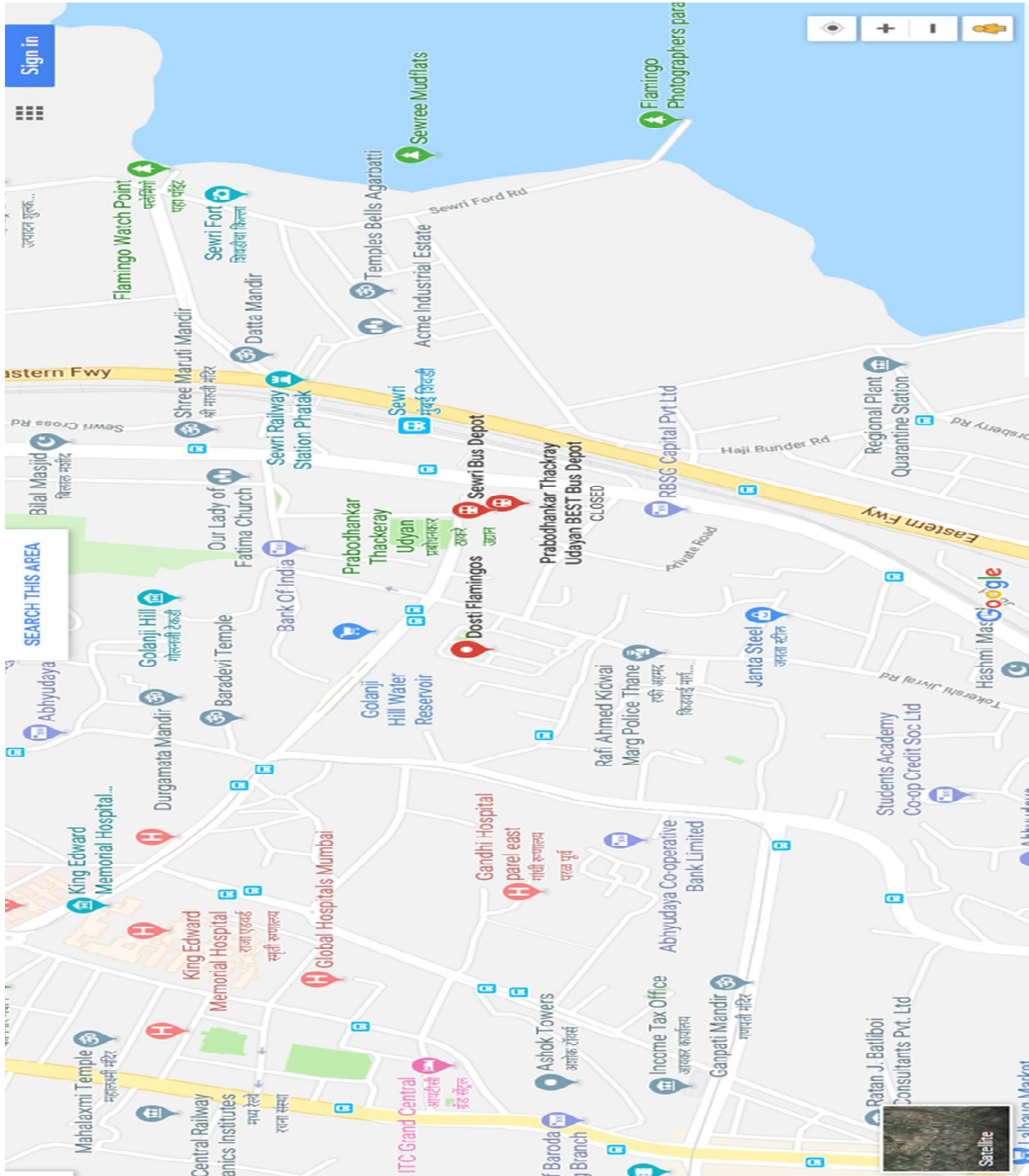
## ANNEXTURE

Details of the Directors seeking re-appointment at the AGM of the Company Pursuant to Regulation 36(3) of the (Listing Obligation and Disclosure Requirement) Regulation, 2015

<b>Name of the Director</b>	<b>RAJESH RAGHUNATH BHATWAL</b>
<b>DIN</b>	<b>00547575</b>
<b>Date of Birth</b>	<b>05/11/1964</b>
<b>Date of Appointment of the Board</b>	<b>27/04/1999</b>
<b>Brief Resume, Qualification and nature of expertise in functional areas</b>	Mr. Rajesh Raghunath Bhatwal is the Managing Director of our Company. He is a Bachelor of Engineering in Electronics (BE Electronics) from University of Mumbai and has an experience of over 26 years in the manufacturing Electronic Weighing Scales and other allied products. Mr. Rajesh Bhatwal is guiding force behind the strategic decisions of our Company and looks after the all prominent activities of our Company including planning and formulating the overall business strategy and developing business relations for our Company. With his strategic planning and strong business development attitude, he has been instrumental in the growth of Company. With his passion for manufacturing of quality products, the Brand PHOENIX and the Company has been able to gain trust and appreciation of the customers for its products. He is the Promoter and one of the first Directors of our Company
<b>Directorship in other Public Companies</b>	NIL
<b>Membership/Chairmanship of Committee of other Public Companies</b>	NIL
<b>No. of Shares held in the Company</b>	33,92,700 (as on 02 <sup>nd</sup> August, 2019)



## Route Map to venue of AGM



Our Under construction factory at Plot No J25, J26 MIDC, Awadhan, Dhule (Maharashtra) India

**Factory Entrance View**



**Factory outside View**



**Factory Side View**



**Administration Building View**



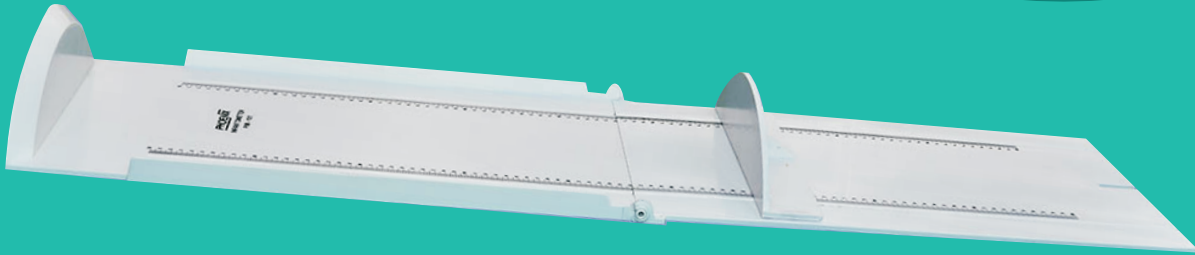
**Tool room Entrance View**



**Factory PCB Assembly SMT line View**



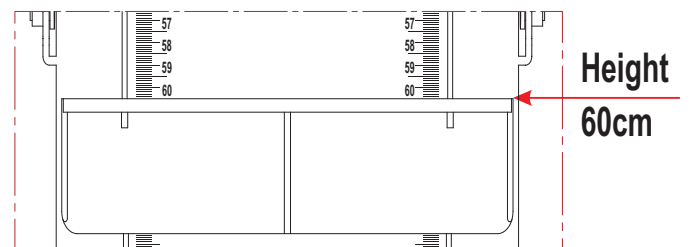
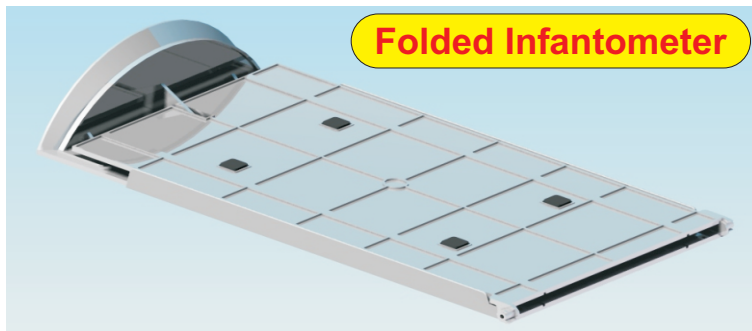
Newly launched Product During Financial Year 2018-19

**PHOENIX<sup>®</sup>**  
*True way to weigh*

## Infantometer : PIM SERIES

### MAIN FEATURES :

- ◆ Designed to measure height of baby / infant in recumbent position
- ◆ Firm and flat horizontal surface with fold up mechanism.
- ◆ Width of Measuring Board : 30 cm.
- ◆ Double sided graduation for easy measurements.
- ◆ Fixed head board and smoothly moving foot board perpendicular to measuring board.
- ◆ Availability of Angled edges (curved edges) to prevent baby from rolling sidelong.
- ◆ Antiskid feature.
- ◆ Made up of high quality ABS material.
- ◆ Free from sharp edges and corners.
- ◆ Low weight, compact and easy to transport.
- ◆ Long lasting and easy to read in low lights.
- ◆ Simple and fast set up, no tool (screw driver, etc) required.
- ◆ Measuring Length : 100 cm
- ◆ Graduation : 0.1 cm
- ◆ Approved by Legal Metrology department.



## NITIRAJ ENGINEERS LTD.

Behind Gurudwara, Mumbai-Agra Road,  
DHULE - 424 001 (M.S.) INDIA

Tel. : +91-2562-239080, 239046, 239331 Fax : +91-2562-239332

E-mail : [response@nitiraj.net](mailto:response@nitiraj.net)

Website : [www.nitiraj.net](http://www.nitiraj.net)



Specifications are subject to change without prior notice.

Newly launched Product During Financial Year 2018-19

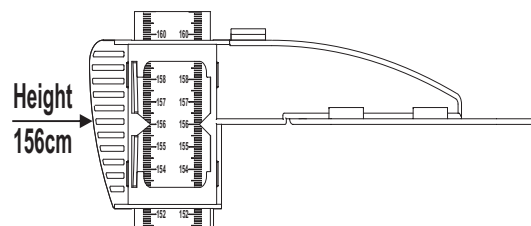
**PHOENIX<sup>®</sup>**  
*True way to weigh*

## Stadiometer : PSM SERIES

### MAIN FEATURES :

- ◆ Stadiometer designed to measure height of adults and children ageing above 24 months.
- ◆ Height Measuring Board with double sided graduation parallel to board for easy measurement.
- ◆ Width of Measuring Board : 5.5 cm
- ◆ Firm and flat Foot Plate with spirit level indicator and adjustable feet to check flat surface on uneven ground.
- ◆ Measuring Slide with friction mechanism for preventing from dropping when released.
- ◆ Free from sharp edges and corners.
- ◆ Fold up mechanism and low weight making it compact and portable.
- ◆ Simple and fast setup, no tool (screw driver, etc) required.
- ◆ Measuring Length : 200 cm
- ◆ Graduation : 0.1 cm
- ◆ Approved by Legal Metrology department.

### Folded Stadiometer



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ISO 9001  
NSIC

IS 9281

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## Chairman's Letter to Shareholders

Dear valued Shareholders,

We are pleased to present the annual review of your Company for the financial year 2018-19. This fiscal year has been quite eventful for your Company as well as for the industry as a whole. The year witnessed various structural reforms introduced by the government, including Goods & Services Tax (GST), FDI opportunities, 'Make in India' initiative (especially beneficial for manufacturing sectors), resolution of banks' NPAs and recapitalization. The export growth of our country strengthened from FY18 after being muted for last couple of years.

Developing economies are the key drivers of global economic growth, and our country has been at the forefront among them. Driven by government support, India is expected to witness significant industrial growth and FDIs. Upside in private consumption and services is expected to support economic growth.

In tandem with this economic growth, the weighing scales industry has also been growing significantly, with a promising outlook going ahead. Rise in demand for weighing scales from various institutions and retail stores is expected to fuel this growth. Rural India, which accounts for over 70% of the population, is set to emerge as a potential and strong source of demand for weighing machines. The Indian government has allocated approximately Rs. 52,800 crores for FY19 for Health & Family Welfare, which is about 11% higher than the last year's budget target for this segment. This bodes well for the weighing machines industry as this is a key consumption sector.

Furthermore, demand from Aanganwadis has been promising, as health awareness increases in rural regions. ICDS (Integrated Child Development Services) is a welfare programme by the Government which provides food, pre-school education, and primary healthcare to children under six years of age and their mothers. Malnutrition amongst these children is a major issue and challenge which the Government is trying to curb. Certain instruments for measuring the height and weight of the children and their mothers are necessary in Aanganwadis in order to know the status of malnutrition. The Government aims to provide these equipment's in all Aanganwadi centers. Your Company is a strong contender for large such orders from the State and Central governments. Here I am happy to share with you that your Company has recently received orders for mother and child weighing scales from state governments of Madhya Pradesh, Telangana, Maharashtra and Orissa. Foreseeing a promising growth in this sector, we designed and developed equipment's that aid in malnutrition measurement. We have added products like Infantometers, Stadiometers and dial type weighing scales under this segment in the year 2018-19. The overall product design and implementation has been completed and we are positive that developments on this front will improve the revenue growth and profitability of your Company from Government sector during the current year.

In FY19, we received orders for 79,741 mother and child weighing scales from Maharashtra & 34,607 from Andhra Pradesh; 8,011 Infantometers, 8,011 Stadiometers, 8,011 Dial Type weighing Scales & 8,011 mother and child weighing scales from Tamilnadu; 12,077 Baby scales and 7,905 Child Growth Monitoring System machines from Chhattisgarh.

We have also developed Weighing scales with touch panels especially for AGRICULTURE PRODUCE MARKET COMMITTEE (APMC). We have executed and installed 850 Platform weighing scales with LCD Touch Screen Indicators in APMC Maharashtra. Furthering the development in this area, we have worked to develop SMART Weighing scales which have WiFi capabilities to communicate with INAAM server of the market committees.

The diverse end applications of our products, such as in Jewellery, Banks, NBFCs, Kirana Stores, Commercial establishments, Healthcare centres, Hospitals, Governments, and Transportation, enables us to mitigate risks from reduced demand from any one sector. To complement this, we continue to enhance our product offerings. Our R&D team has worked persistently for development of newer product ranges. Some of these new products that are on the verge of launch are EMFR (Electromagnetic Force Restoration based) Analytical weighing balances, Electronic Cash Registers, Mixed Note Currency Value Counting machines, Security & Access control products, Home Automation range including Audio, Video Door Phones.

Your Company has consistently achieved higher sales and reported a good year-on year growth. Currently, we produce more than one lakh scales per year and have a customer base of over 10 lakhs.

I am also happy to share that your Company has performed in line with our expectations, recording a sales growth of 39% from Rs. 38.83 cr in FY18 to Rs 53.88 cr in FY19. This, coupled with newer product additions, facilitated a 98% growth in net profit from Rs. 3.04 Cr in FY18 to Rs. 6.02 Cr in FY19.

As part of our strategy to expand our product portfolio, we are setting up an entirely new plant of eight acres in Dhule, Maharashtra with an additional capacity of 2.5 lakh weighing scales. A major part of our time and efforts last year were involved in the construction and set up of this new unit. This upcoming factory would be fully equipped with most modern machineries and equipment's. It should fetch us a revenue potential of Rs. 50 crores at 100% utilization in the next two years.

Owing to the added production capacity, we have been focusing on increasing our marketing channel. In addition to our 13 branch offices in India, we have started operating 5 new branch offices in Maharashtra. Maintaining our large dealer network, we have appointed 5 new Regional Managers to add more dealers & agents for deeper market penetration. We are also increasing our participation in local trade fairs, exhibitions and other such events, enhancing brand image by increasing our expenditure on advertisements and other promotional activities.



The success of our business depends on the quality of the products therefore we have a very strict quality control mechanism where it is made sure that quality of raw materials as well as final products is evaluated in a timely manner. As per our motto – “quality product at a reasonable price”, we are able to offer products at competitive prices while maintaining global standards of quality.

Your Company’s success is primarily attributable to our most important asset – our team. I would like to take this opportunity to thank every member of the Nitiraj family for their untiring efforts. I would also like to thank our clients, creditors, banks, financial institutions and other stakeholders, without whose patronage we could not have been where we are.

With warm regards,  
Yours sincerely,

Sd/-  
Rajesh Bhatwal,  
Managing Director,

**DIRECTOR'S REPORT**

To,  
The Members,  
**NITIRAJ ENGINEERS LIMITED.**  
306, Babha Building, N M. Joshi Marg,  
Near Police Station, Mumbai – 400011 INDIA

Your Directors have a pleasure in presenting the **20<sup>th</sup> Annual Report** on the business and operation of the Company together with the Audited Financial Accounts for the year ended **31<sup>st</sup> March, 2019.**

**1. FINANCIAL HIGHLIGHTS**

Financial results of your Company for the year ended 31<sup>st</sup> March 2019 are summarized below. (Standalone)  
(Amount in Lacs)

Particulars	Financial Statement	
	2018-19	2017-18
Income from Operations (A)	5388.38	3882.85
Other Income (B)	118.72	227.23
Total revenue (A) + (B)	<b>5,507.10</b>	<b>4110.08</b>
Total Expenses including Depreciation and Finance Cost	4,658.98	3685.74
Profit before exceptional item and Tax	848.12	424.33
Exceptional Item	0.00	0.00
Profit before Tax (PBT)	848.12	424.33
Tax expense	241.27	116.91
Profit for the year (PAT)	606.85	307.42

During the year under review, the Company has recorded revenue of Rs. 5,507.10 Lakhs as compared to the previous year amount of Rs.4110.08 Lakhs. The Expenditure incurred including depreciation during the year was Rs. 4,658.98 Lakhs as against the amount of Rs. 3685.74 Lakhs during the previous year.

Hence, the Company has earned a Net Profit after tax of Rs. 606.85 Lakhs as compared to the previous year amount of Rs. 307.42 Lakhs. The Board has taken all necessary steps to expand its activities by making new technologies and innovations and also by adding new services and products.

**2. CHANGE IN THE NATURE OF BUSINESS, IF ANY**

There have not been any changes in the nature of business of the Company during financial year 2018-19.

**3. SHARE CAPITAL**

There is no change in Share Capital of the company during financial year 2018-19.

#### 4. DIVIDEND

To retain the profit of the Company and use the funds for expansion of new project, your Directors has not declared any dividend during the year.

#### 5. CHANGE IN NAME

The company has not changed its name during financial year 2018-19.

#### 6. RESERVES

The Board of the Company has decided to carry Rs.668.88Lacs to the Reserves of the Company as on 31<sup>st</sup> March 2019.

#### 7. THE BOARD AND KMP :

##### (a) **Composition of the Board of Directors :**

The Company has following composition of the Board

1 Mr. Rajesh Bhatwal	Managing Director and Executive Director
2 Mrs.ShakuntalaBhatwal	Whole Time and Women Director
3 Mr. Hung Sin Chung Huanyi	Whole Time Director
4 Mr. Anil NandkishorBangad	Independent Director Non-Executive Director
5 Mr.PradeepChandrakant Shah	Independent Director Non-Executive Director
6 Mr.ShabbirSadruddinMasani	Independent Director Non-Executive Director

#### **Director Retiring by Rotation**

Pursuant to Section 152 of the Companies Act, 2013 and in accordance with the Article of Association of the Company, Mr. Rajesh RaghunathBhatwal, Managing Director of the Company retires by rotation at the ensuing Annual General Meeting and being eligible offers herself for re-appointment. The Board of Directors recommends her re-appointment.

#### **Company Secretary & Compliance Officer.**

During the year CS Ankush Ashok Patil resigned from the post of Company Secretary and Compliance Officer of the Company and CS PreetiBhala(Membership No.A47959) appointed as Company Secretary and Compliance Officer of the Company in his place.

#### 8. MEETINGS OF BOARD OF DIRECTOR AND SHAREHOLDERS

Fourteen Board Meetings were held during the Year 2018-19 and Six Audit Committee Meetings and Four Nomination and Remuneration Committee Meetings and Six Stakeholders' Relationship Committee.

Meetings and the intervening gap between meetings was within the period prescribed under Secretarial Standards applicable to the company.

**9. BOARD EVALUATION**

Pursuant to the provision of the companies Act, 2013, Listing regulation along with other rules and regulation applicable, if any, the company has carried out the annual performance evaluation of its own performance, the director individually as well as the evaluation of the working of its committees, A structured questionnaire was prepared after taking into consideration inputs received from the Directors, covering various aspect of the board functioning such as adequacy of the composition of the board and its committees, board culture, execution and performance of specific duties, obligation and governance.

A separate exercise was carried out to evaluate the performance of the individual director including the Chairman of the Board, who were evaluated on parameter such as level of engagement and contribution, independence of judgment, Safeguarding interest of the company and its minority shareholders, etc. The performance evolution of Independent Director was carried out by entire board. The performance evolution of the chairman and non-Independent Director was carried out by the Independent Director who also reviewed the performance of the secretarial Department. The Director expresses their satisfaction with the evaluation process.

**10. COMPANY POLICY ON DIRECTOR'S APPOINTMENT AND REMUNERATION**

The policy of the company on Director's appointment and remuneration including criteria for determining qualification, positive attributes, independence of Director and other matters provided under Sub – section (3) 178, is explained in the corporate governance report.

**11. DETAILS OF REMUNERATION TO DIRECTORS :-**

The remuneration paid to the Directors is in accordance with the recommendations of Nomination and Remuneration Committee formulated in accordance with Section 178 of the Companies Act, 2013 and any other re-enactment(s) for the time being in force.

The information relating to remuneration of Directors and details of the ratio of the remuneration of each Director to the median employee's remuneration and other details as required pursuant to section 197(12) of the Act read along with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 is given in Annexure.

**12. DECLARATION BY INDEPENDENT DIRECTORS:-**

Every Independent Director, at the first meeting of the Board in which he participates as a Director and hereafter at the first meeting of the Board in every Financial Year, gives a declaration that he meets the criteria of independence as provided under law.

**13. COMMITTEES OF THE BOARD**

*Currently, the Board has Six Committees :-* the Audit Committee, Nomination & Remuneration Committee, Corporate Social Responsibility Committee, Stakeholders Relationship Committee and Internal Complaints Committee, Sexual Harassment Committee. All Committees, except the Corporate Social Responsibility Committee, Internal Complaints Committee and, Sexual Harassment Committee consist of Independent Directors.

**(a) Audit Committee**

The Board has constituted Audit Committee as required under Companies Act, 2013. The Composition of the Committee is as under:

<b>Name of the Member</b>	<b>Designation</b>
MR. PRADEEP CHANDRAKANT SHAH	Chairman
MR. ANIL NANDKISHOR BANGAD	Member
MR. RAJESH RAGHUNATH BHATWAL	Member

**The role of the Audit Committee shall include the following:**

1. Oversight of my Company's financial reporting process and the disclosure of its financial information to ensure that the financial statements are correct, sufficient and credible;
  2. Recommending to the Board, the appointment, re-appointment and, if required, the replacement or removal of the statutory auditor and the fixation of audit fees;
  3. Approval of payment to statutory auditors for any other services rendered by the statutory auditors;
  4. Reviewing, with the management, the annual financial statements and auditor's report thereon before submission to my Board for approval, with particular reference to:
    - (a) Matters required to be included in the Director's Responsibility Statement to be included in my Board's report in terms of clause (c) of sub-section 3 of section 134 of the Companies Act;
    - (b) Changes, if any, in accounting policies and practices and reasons for the same;
    - (c) Major accounting entries involving estimates based on the exercise of judgment by management;
    - (d) Significant adjustments made in the financial statements arising out of audit findings;
    - (e) Compliance with listing and other legal requirements relating to financial statements;
    - (f) Disclosure of any related party transactions; and
    - (g) Qualifications in the draft audit report.
- Reviewing, with the management, the quarterly financial statements before submission to my Board for approval;
  - Reviewing, with the management, the statement of uses / application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document / prospectus / notice and the report submitted by the monitoring agency monitoring the utilization of
  - proceeds of a public or rights issue, and making appropriate recommendations to my Board to take up steps in this matter;
  - Reviewing and monitoring the auditor's independence and performance, and effectiveness of audit process;
  - Approval or any subsequent modification of transactions of the listed entity with related parties;
  - Scrutiny of inter-corporate loans and investments;
  - Valuation of undertakings or assets of the listed entity, wherever it is necessary;
  - Evaluation of internal financial controls and risk management systems;
  - Reviewing, with the management, performance of statutory and internal auditors, adequacy of the internal control systems;

5. Reviewing with the management, performance of statutory and internal auditors, and adequacy of the internal control systems;
6. Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit;
7. Discussion with internal auditors any significant findings and follow up thereon;  
Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the board;
8. Discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern;
9. To look in to the reasons for substantial defaults in the payment to the depositors, debenture-holders, shareholders (in case of non-payment of declared dividends) and creditors;
10. To review the functioning of the Whistle Blower mechanism, in case the same is existing;
11. Approval of appointment of CFO (i.e. the whole-time Finance Director or any other person heading the finance function or discharging that function) after assessing the qualifications, experience & background, etc. of the candidate.
12. Carrying out any other function as is mentioned in the terms of reference of the Audit Committee.

**(b) Nomination and Remuneration Committee**

- The Board has constituted Nomination and Remuneration Committee as required under Companies Act, 2013. The Composition of the Committee is as under:

Name of the Member	Designation
MR. PRADEEP CHANDRAKANT SHAH	Chairman
MR. ANIL NANDKISHOR BANGAD	Member
MR. RAJESH RAGHUNATH BHATWAL	Member

In terms of the provisions of Section 178(3) of the Companies Act, 2013, the Nomination and Remuneration Committee is responsible for formulating the criteria for determining the qualifications, attributes and Independence of a Director. The Nomination and Remuneration Committee is also responsible for recommending to the Board a policy relating to the remuneration of the Directors, Key Managerial Personnel and Senior Management. In line with the requirement, the Board has adopted a Nomination and Remuneration Policy for Directors, Key Managerial Personnel and Senior Management which is as follows.

**Objectives of the Policy**

The objectives of this policy are as detailed below:

- To formulate the criteria for determining qualifications, competencies, positive attributes and independence for appointment of a Director (Executive / Non-Executive) and recommend to the Board policies relating to the remuneration of the Directors, Key Managerial Personnel and other employees.
- The policy also addresses the following items: Committee member qualifications; Committee member appointment and removal; Committee structure and operations; and Committee reporting to the Board.
- To formulate the criteria for evaluation of performance of all the Directors on the Board;
- To devise a policy on Board diversity; and

- Identifying persons who are qualified to become Directors and who may be appointed in senior management in accordance with the criteria laid down, and recommend to the board of Directors their appointment and removal.
- Whether to extend or continue the term of appointment of the independent director, on the basis of the report of performance evaluation of independent Directors.
- To lay out remuneration principles for employees linked to their effort, performance and achievement relating to the Company's goals.

**Remuneration Policy**

- The Company's remuneration policy is driven by the success and performance of the individual employees and the Company. Compensation philosophy is to align Directors and Nitiraj Minds compensation with my business objectives, so that compensation is used as a strategic tool that helps us recruit, motivate and retain highly talented individuals who are committed to my core values. I believe that my compensation programs are integral to achieving my goals. Through its compensation program, the Company endeavors to attract, retain, develop and motivate a high performance workforce. The Company follows a compensation mix of fixed pay, benefits and performance based variable pay. Individual performance pay is determined by business performance of the Company. The Company pays remuneration by way of salary, benefits, perquisites and allowances (fixed component) and performance incentives, commission (variable component) to its Chairman, Managing Director and other Executive Directors. Annual increments are decided by the Nomination & Remuneration Committee within the salary scale approved by the Board and Shareholders.

**(b) Stakeholder Relationship Committee:-**

- The Board has constituted Stakeholder Relationship Committee as required under Securities Exchange Board of India (Listing obligations and Disclosure Requirements) Regulations, 2015 ("Regulations").

**The Composition of the Committee is as under:**

<b>Name of the Member</b>	<b>Designation</b>
MR. PRADEEP CHANDRAKANT SHAH	Chairman
MR. ANIL NANDKISHOR BANGAD	Member
MR. RAJESH RAGHUNATH BHATWAL	Member

Set forth below are the terms of reference of my Stakeholders Relationship Committee.

1. Considering and resolving grievances of shareholders, debenture holders and other security holders;
2. Redressal of grievances of the security holders of my Company, including complaints in respect of transfer of shares, non-receipt of declared dividends, balance sheets of my Company, etc.;
3. Allotment of Equity Shares, approval of transfer or transmission of equity shares, debentures or any other securities;
4. Issue of duplicate certificates and new certificates on split/consolidation/renewal, etc.
5. Overseeing requests for dematerialization and re-materialization of shares; and
6. Carrying out any other function contained in the equity listing agreements as and when amended from time to time.

**Investor Grievance Redressal Policy**

The Company has adopted an internal policy for Investor Grievance handling, reporting and solving.

**14. VIGIL MECHANISM FOR DIRECTORS AND EMPLOYEES:**

Your Company is committed to highest standards of ethical, moral and legal business conduct. Accordingly, the Board of Directors has formulated a Whistle Blower Policy which is in compliance with the provisions of Section 177(10) of the Companies Act, 2013. Employees can raise concerns regarding any discrimination, harassment, victimization, any other unfair practice being adopted against them or any instances of fraud by or against your Company. Any incidents that are reported are investigated and suitable action taken in line with the Whistle Blower Policy.

**15. RISK MANAGEMENT POLICY**

The Company has formulated a Risk Management Policy for dealing with different kinds of risks which it faces in day to day operations of the Company. Risk Management Policy of the Company outlines different kinds of risks and risk mitigating measures to be adopted by the Board.

The Company has adequate internal control systems and procedures to combat the risk. The Risk management procedure will be reviewed by the Audit Committee and Board of Directors on time to time basis.

**16. POLICY ON PRESERVATION OF THE DOCUMENTS**

The Company has formulated a Policy pursuant to Regulation 9 of the Securities Exchange Board of India (Listing obligations and Disclosure Requirements) Regulations, 2015 ("Regulations") on Preservation of the Documents to ensure safekeeping of the records and safeguard the Documents from getting manhandled, while at the same time avoiding superfluous inventory of Documents.

**17. POLICY ON CRITERIA FOR DETERMINING MATERIALITY OF EVENTS**

The Policy is framed in accordance with the requirements of the Regulation 30 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (Regulations).

The objective of the Policy is to determine materiality of events or information of the Company and to ensure that such information is adequately disseminated in pursuance with the Regulations and to provide an overall governance framework for such determination of materiality.

**18. OBLIGATION OF COMPANY UNDER THE SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION AND REDRESSAL) ACT, 2013**

The Company has always believed in providing a safe and harassment free workplace for every individual working in premises and always endeavours to create and provide an environment that is free from discrimination and harassment including sexual harassment

During the year ended 31<sup>st</sup> March, 2019, the Company has not received any complaint pertaining to sexual harassment.

In order to prevent Sexual Harassment of Women at Workplace a new act "The Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013" has been notified on 09<sup>th</sup> December, 2013. Under the said Act every Company is required to set up an Internal Complaints Committee to look into complaints relating to sexual harassment at work place of any women employee.



The Company has adopted "Anti-Sexual Harassment Policy" constituted "Redressed Committee" as required under section 4 (1) of Sexual harassment of women at work place (prevention, prohibition and redressal) Act, 2013. During the year under review, no complaint of harassment at the workplace was received by the Committee.

## **19. AUDITORS :**

### **a. Statutory Auditors:-**

M/s. P. D. Dalal & Co, Chartered Accountants, Mumbai, Firm Registration Number 102047W, were re-appointed as Statutory Auditors of the Company in the Annual General Meeting held on 26<sup>th</sup> September 2018 to hold office until the conclusion of the upcoming Annual General Meeting. It has been recommended to re-appoint M/s. P. D. Dalal & Co., Chartered Accountants, as Statutory Auditors of the Company until the conclusion of the forthcoming next Annual General Meeting of the Company

In this regard the Company has received certificate from the Auditors to the effect that if they are appointed it would be in accordance with the provisions of section 141 of the Companies Act, 2013.

Accordingly, proposal for their re-appointment as Statutory Auditors is being placed before the shareholders for approval at the 19<sup>th</sup> Annual General Meeting.

### **b. Secretarial Auditors:**

M/s. Piyush Wani and Associates, Nandurbar Firm of Practicing Company Secretaries, having Membership No. 46049 and Certificate Practice Number 19225 were appointed as Secretarial Auditors of the Company as per provisions of Section 204 of the Companies Act, 2013 and Rules made there under for the Financial Year 2019-20. The Secretarial Audit Report for the Financial Year 2018 - 19 form part of the Annual Report as Annexure to the Board Report. As the Board is satisfied with the performance of these Secretarial Auditors, the Board proposes to appoint them as Secretarial Auditors for the Financial Year 2019-20 also.

## **20. AUDITORS' REPORT**

### **Statutory Audit Report:-**

M/s. P. D. Dalal and Co., Chartered Accountants, Mumbai, Firm Registration Number 102047W have issued their Report for the Financial Year ended 31<sup>st</sup> March 2019.

There is one qualification, reservation, adverse remark or disclaimer by the Statutory Auditors in their report.

According to Note 2A(g) on the Significant Accounting Policies the accounting of provision of Gratuity Liability and Leave Encashment Liability is not recorded fully and thus is not in accordance with Accounting Standard 15 on "Employee Benefits" issued by the Institute of Chartered Accountants of India.

**Clarification:** - The Company has started making provision from current year in the books of accounts as reported to board by the company official.

### **Disclosure about Cost Audit**

The Central Government has not prescribed the maintenance of Cost records under section 148(1) of the Companies Act, 2013, for any of the services rendered by the Company.

**MANAGEMENT DISCUSSION ANALYSIS:-***Forward looking statement*

*Statements in this Management Discussion and Analysis of Financial Condition and Results of Operations of the Company describing the Company's objectives, expectations or predictions may be forward looking within the meaning of applicable securities laws and regulations. Forward looking statements are based on certain assumptions and expectations of future events.*

*The Company cannot guarantee that these assumptions and expectations are accurate or will be realized. The Company assumes no responsibility to publicly amend, modify or revise forward looking statements, on the basis of any subsequent developments, information or events. Actual results may differ materially from those expressed in the statement. Important factors that could influence the Company's operations include changes in government regulations, tax laws, economic developments within the country and such other factors globally.*

*The following discussions on our financial condition and result of operations should be read together with our audited consolidated financial statements and the notes to these statements included in the annual report. Unless otherwise specified or the context otherwise requires, all references herein to "we", "us", "our", "the Company", "Nitiraj" are to Nitiraj Engineers Ltd.*

**ECONOMIC OVERVIEW****Global Industry**

At the global level, world gross product (WGP) is forecast to expand at a steady pace of 3.0 per cent in 2018 and 2019. Developing economies remain the main drivers of global growth. In 2017, East and South Asia accounted for nearly half of global growth, as both regions continue to expand at a rapid pace. The Chinese economy alone contributed about one-third of global growth during the year. The recent acceleration in WGP growth, from a post-crisis low of 2.4 per cent in 2016, stems predominantly from firmer growth in several developed economies.

However, per capita incomes will stagnate or grow only marginally in 2019 in several parts of Africa, Western Asia, and Latin America and the Caribbean. Even where per capita growth is strong, economic activity is often driven by core industrial and urban regions, leaving peripheral and rural areas behind.

Measurement techniques have been of great significance since the start of human civilization. In the 19th century, industrial revolution brought a rapid development in new measurement techniques and instruments to meet the needs of industrialized production techniques. The market for electronic weighing scales likely to witness a substantial growth owing to the constant need for determining exact weight. The global electronic weighing scales market was valued at US\$ 4.85 Bn in 2017 and expected to expand at a CAGR of 4.8% during the forecast period from 2018 to 2026.

According to recently published research conducted by a leading international market research company, Global Research & Data Services, the expansion of the global weighing machine industry is forecast to reach 3.3% p.a. in the coming years. Between 2008 and 2014 the market increased with an average annual growth of 6.7%. Currently, personal weighing machines and household scales account for 26.0% of the global demand while the remaining market share is divided between scales for continuous weighing of goods on conveyors (3.8%), constant weight scales (12.0%), other weighing machines (capacity less than 30 kg) (17.9%), other weighing machines (capacity 30 -

5000 kg) (14.2%), other weighing machines (5.0%) and parts for weighing machines (21.1%).

China, Germany, Japan, the United Kingdom and the United States represent the largest weighing machine markets while the strongest annual growth is forecast to occur in Philippines (10.4%), Bolivia (9.9%), Ecuador (7.9%), the United States (6.5%) and Azerbaijan (6.1%).

Sources:

[https://www.un.org/development/desa/dpad/wpcontent/uploads/sites/45/publication/WESP2018\\_Full\\_Web-1.pdf](https://www.un.org/development/desa/dpad/wpcontent/uploads/sites/45/publication/WESP2018_Full_Web-1.pdf)

<https://www.credenceresearch.com/report/electronic-weighing-scales-market>

<https://www.marketresearchreports.com/blog/2015/03/12/world-weighing-machine-market-grow-33-annually-2015-2019>

## Indian Industry

The Economic Survey 2017-18 forecasts a growth rate of 7 to 7.5 per cent for FY19, as compared to the expected growth rate of 6.75 per cent in FY18. Focus on private investments and exports, two truly sustainable engines of economic growth, will be crucial in improving the climate for rapid economic growth.

The Gross Value Added (GVA) at basic current prices from the manufacturing sector in India grew at a CAGR of 4.34 per cent during FY12 and FY18 as per the second advance estimates of annual national income published by the Government of India. During April-September 2018, GVA from manufacturing at current prices grew 14.8 per cent year-on-year to Rs 138.99 trillion (US\$ 198.05 billion). Under the Make in India initiative, the Government of India aims to increase the share of the manufacturing sector to the gross domestic product (GDP) to 25 per cent by 2022, from 16 per cent, and to create 100 million new jobs by 2022. Business conditions in the Indian manufacturing sector continue to remain positive. India is expected to become the fifth largest manufacturing country in the world by the end of year 2020.

The total production in industrial electronic and control instrumentation is showing growth rate every year. This product requires a good marketing set up duly backed by after sales service facilities. If the price of the weighing scales is brought down and good aftersales facility made available, there will be enough demand for this item.

Sources: <https://www.ibef.org/economy/economic-survey-2017-18>

<https://www.ibef.org/industry/manufacturing-sector-india.aspx>

<http://www.dcmsme.gov.in/publications/pmryprof/it/ch7.pdf>

## About Nitiraj Engineers Ltd

Established in 1989, Nitiraj Engineers Ltd. is one of the leading manufacturers of wide range of Electronic Weighing Scales and Systems, Currency Counting Machines and Electronic Fare Meters catering to both industrial and domestic consumption. These products are classified according to their applications and utilities in the categories of Industrial, Commercial, Jewellery, Healthcare, Household and Automobile. The Company supplies machines to various state governments under Child Growth Monitoring Systems (CGMS) program. These machines have advanced technology support in form of data collection, plotting, MIS and dissemination.

The Company has a sophisticated, state-of-the-art facility located at Parwanoo in Himachal Pradesh for continuous research, stringent quality control and consistent production with a capacity to produce more than one lakh scales per annum. The products are supplied under brand name 'PHOENIX', through a well-connected sales and service network of 15 branches in the states of Chhattisgarh, Maharashtra and Odisha and over 450 dealers across India as well as abroad. The Company is ISO 9001:2015 certified and has more than one million customers. The Company caters to customers' evolving needs effectively with a team of qualified and experienced engineers equipped with modern facilities are engaged in designing and developing electronic hardware and software. The Company has a well-equipped Research & Development Department and Corporate Office situated at Dhule, Maharashtra.

**FINANCIAL OVERVIEW –**

The consolidated performance of the Company for the financial year ended March 31<sup>st</sup>, 2019, is as follows:

Total revenue from operations at Rs. 53.88 crore for the year ended March 31, 2019, as against Rs. 38.83 crore for the corresponding previous period, an increase of 39%, mainly driven by increase in sale of number of machines during the year from 1,09,215 in FY18 to 2,4,615 in FY19.

The EBIDTA (earnings before interest, depreciation and tax, excluding other income) was Rs. 8.66 crore for the year ended March 31, 2019, as against Rs. 3.77 crore for the corresponding previous period, an increase of 130%.

EBITDA margins increased by 637 basis points to 16.08% in FY19 from 9.71% in FY18 mainly on account of higher capacity utilization and operational efficiencies.

Net Profit was at Rs. 6.02 crore in FY19 as against Rs. 3.04 crore in FY 18, YoY growth of 98%

Net Profit margin increased by 333 basis points to 11.17% in FY19 from 7.84% in FY18

EPS grew by 98% to Rs. 7.34 in FY19 from Rs. 3.71 in FY18

**RESOURCES AND LIQUIDITY**

As on March 31, 2019, the consolidated net worth stood at Rs. 66.83 crore.

The cash and cash equivalents at the end of March 31, 2019 were Rs. 1.60 crore.

**Segment wise Business Performance**

The Company is operating in five broad segments i.e., Electronic Weighing Scales and Systems, Electronic Currency Counting Machines and Digital Fare Meters, Home & Hotel Automation and Mechanical Scales. The diverse product portfolio caters to various sectors - industrial range, commercial range, jewellery range, healthcare range, household range, automobile range and home and hotel.

Revenue share of five broad segments are stated below:

Name and Description of main products / services	% to total turnover of the Company
Electronic Weighing Scales & Systems	88.69
Electronic Currency Counting Machines	5.70%
Digital Fare Meters	0.17%
Home & Hotel Automation	0.07%
Mechanical Scales	5.37%

**ACHIEVEMENTS IN BUSINESSES DURING THE YEAR:****RISKS AND CONCERNS –**

Like every business, the company faces risks, both internal and external, in the undertaking of its day-to-day operations and in pursuit of its longer-term objectives. A detailed policy drawn up and dedicated risk workshops are conducted for each business vertical and key support functions wherein risks are identified, assessed, analyzed and accepted / mitigated to an acceptable level within the risk appetite of the organization. The risk registers are also reviewed from time to time.

The Company faces the following Risks and Concerns:

**Credit Risk**

To manage its credit exposure, Nitiraj has determined a credit policy with credit limit requests and approval procedures. Company does its own research of client's financial health and project prospects before bidding for a project. Timely and rigorous process is followed up with clients for payments as per schedule. The company has suitably streamlined the process to develop a focused and aggressive receivables management system to ensure timely collections.

**Interest Rate Risk**

The Company has judiciously managed the debt-equity ratio. It has been using a mix of loans and internal cash accruals. The Company has well managed the working capital to reduce the overall interest cost.

**Competition Risk**

This risk arises from more players wanting a share in the same pie. Like in most other industries, opportunity brings with itself competition. We face different levels of competition in each segment, from domestic as well as multinational companies. The Company has created strong differentiators in project execution, quality and delivery which make it resilient to competition. Furthermore, the Company continues to invest in technology and its people to remain ahead of the curve. A strong, stable client base consisting of large and mid-sized corporations further helps to insulate the Company from this risk. We counter this risk with the quality of our infrastructure, our customer-centric approach and our ability to innovate customer specific solutions, focusing on pricing and aggressive marketing strategy, disciplined project executions, coupled with prudent financial and human resources management and better control over costs. Thus, we do not expect to be significantly affected by this risk.

**Input Cost Risk**

Our profitability and cost effectiveness may be affected due to change in the prices of raw materials, power and other input costs. Some of the risks that are potentially significant in nature and need careful monitoring are Raw Materials prices, availability of Power etc.

**Liability Risk**

This risk refers to our liability arising from any damage to equipment, life and third parties which may adversely affect our business. The Company attempts to mitigate this risk through contractual obligations and insurance policies.

**OPPORTUNITIES**

- Huge potential in marketing of specialised weighing scales for Infant and Child care run by Aanganwadis and other Government establishments.
- Demand of weighing scale systems spurred by high growth in retail and logistics sector.
- Growth in financial sector and preference for automated currency counting and detection machines

**THREATS**

- Competition from local and multinational players
- Execution risk
- Regulatory changes
- Input Cost risk
- Attraction and retention of human capital
- Technological Advancements

**INTERNAL CONTROL SYSTEMS AND ADEQUACY**

The Company implemented proper and adequate systems of internal control to ensure that all assets are safeguarded and protected against loss from any unauthorized use or disposition and all transactions are authorized, recorded and reported correctly. The Company also implemented effective systems for achieving highest level of efficiency in operations, to achieve optimum and effective utilization of resources, monitoring thereof and the compliance with provisions all laws including the Companies Act, 2013, Listing Agreement, directions issued by the Securities and Exchange Board of India, labour laws, tax laws etc. It also aimed at improvement in financial management, and investment policy. The System ensures appropriate information flow to facilitate effective monitoring.

The internal audit system also ensures formation and implementation of corporate policies for financial reporting, accounting, information security, project appraisal, and corporate governance. A qualified and independent Audit Committee of the Board of Directors also reviews the internal control system and its impacts on improvement of overall performance of the Company.

## HUMAN RESOURCES

The Company's HR philosophy is to establish and build a high performing organization, where each individual is motivated to perform to the fullest capacity: to contribute to developing and achieving individual excellence and departmental objectives and continuously improve performance to realize the full potential of our personnel. As on March 31, 2019, Company is giving direct employment to 297 employees. Industrial relations are cordial and satisfactory.

## OUTLOOK

The Company is a leading manufacturer of wide range of Electronic Weighing Scales and Systems, Currency Counting Machines and Electronic Fare Meters under the brand name 'PHOENIX' that adhere to high quality and precision. The Company is in process of setting up a new eight-acre facility in Dhule, Maharashtra with robotic assembly lines and utilizes maximum 3% of imported raw materials for production supporting government's initiative of Make in India.

Success of any business depends upon quality of the products and Nitiraj, with its continual focus on high quality product development, timely execution & delivery, has gained trust and confidence of its customers as the Company motto "Quality product at reasonable price" also emphasizes on the same. The Company conducts regular quality checks for raw materials as well as finished products. The R & D team carries out regular research and analysis along with client studies as to understand any rapid change in the customers' expectations on account of changes in technology or introduction of new product enabling the Company to be at par with international players so that there is an ongoing innovation which is reflected in all the products.

Electronic weighing scales have an important application in the government programs concerning child development and welfare generally administered by Ministry of Women and Child Development (MoWCD). At the central level, out of budgetary allocation to the Ministry, a major amount is spent on ICDS program. ICDS Integrated Child Development Services (ICDS) is a welfare programmed by Government of India which provides food, pre-school education, and primary healthcare to children under 6 years of age and their mothers. The Company is already supplying machines to various state governments under CGMS program. These machines have advanced technology support in form of data collection, plotting, MIS and dissemination. With the help of technology, the task of record keeping, plotting, data management and reporting can be handled by the weighing machine systems itself. This provides the field staff and supervisory staff to focus on actual action points to achieve objectives of CGMS and ICDS rather than spending time on data management. We expect the demand of this segment for the Company to sustain and grow in the coming years.

Existing marketing setup consists of Branches and Dealers which cater to direct sales, Institutional sales including Government supplies, Exports and good after-sales service. The Sales & Marketing department estimates the sales of various products and reviews the performances through MIS Reports.

The Company intends to focus on following marketing strategies:

- Increasing our Geographical reach by entering new States
- Appointment of additional Dealers & Agents in developing markets
- Increasing our participation in local trade fairs, exhibitions and other such events
- Enhancing Brand Image through increased expenditure on advertisements and other promotional activities.

Based on the strengths and dedicated management team the Company believes that it is well positioned to take advantage of the immense opportunities available for growth of the Company.

## **21. CREDIT & GUARANTEE FACILITIES :-**

The Company has been availing secured loans, overdraft facilities and bank guarantee facilities from HDFC Bank Limited, from time to time for the business requirements.

## **22. INTERNAL AUDIT CONTROLS AND THEIR ADEQUACY**

The Company has a proper and adequate system of internal controls, commensurate with the size scale and complexity of its operations. This ensures that all transactions are authorized, recorded and reported correctly, and assets are safeguarded and protected against loss from unauthorized use or disposition. In addition, there are operational controls and fraud risk controls, covering the entire spectrum of internal financial controls.

To maintain its objectivity and independence the Internal Audit function reports to the Chairman of the audit committee of the Board and to the Chairman and Managing Director.

The internal Audit department monitors and evaluate the efficiency and adequacy of the internal control system in the Company, its compliance with operating systems, accounting procedures and policies at all locations of the Company. Based on the report of internal audit functions, process owner undertake corrective actions in their respective areas and thereby strengthen the controls. Significant audit observations and recommendations along with corrective actions thereon are presented to the audit committee of the Board.

### **Adequacy of internal financial controls with reference to the financial statements**

The Company has internal Auditors and the Audit Committee constituted are in place to take care of the same. During the year, the Company continued to implement their suggestions and recommendations to improve the control environment. Their scope of work includes review of processes for safeguarding the assets of the Company, review of operational efficiency, effectiveness of systems and processes, and assessing the internal control strengths in all areas. Internal Auditors findings are discussed with the process owners and suitable corrective actions taken as per the directions of Audit Committee on an ongoing basis to improve efficiency in operations.



### **23. SETTING UP OF NEW FACTORY UNIT**

The Company has started new manufacturing set-up at Companies Corporate Office at CITY SURVEY No. 496, A/3, 4, BEHIND GURUDWARA DHULE 424001, during financial year 2018-19.

Also company is going to set up new manufacturing unit at Plot No. J25, J26 MIDC Awadhan Dhule-424006 in 8 Acre Land, construction work is already started, total area of planed construction will be 1,29,000 sq. ft. approx.

### **24. CORPORATE GOVERNANCE**

Your Company has been complying with the principles of good Corporate Governance over the years. In compliance with Regulation 34 of the SEBI (LODR) Regulations 2015, a separate report on Corporate Governance forms an integral part of this report as Annexures.

#### **Board diversity**

The Company recognizes and embraces the importance of a diverse board in its success. We believe that a truly diverse board will leverage differences in thought, perspective, knowledge, skill, regional and industry experience, cultural and geographical background, age, ethnicity, race and gender, which will help us, retain our competitive advantage.

### **25. DETAILS OF ASSOCIATES**

The Company has following associated Company as per accounting standard 23 of ICAI. ***HYPER DRIVE INFORMATION TECHNOLOGIES PRIVATE LIMITED*** (CIN U72200KA2005PTC036535) as the holding of the company directly by way if holding is exceeding 25% of the Share Holding and also the same is disclosed in Part B of Annexure and also in related party as per AS 18 of the ICAI Act.

### **26. DETAILS OF SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS ORCOURTS 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.

### **27. DEPOSITS FROM PUBLIC**

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

**28. PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS UNDER SECTION 186**

The particulars of loans, guarantees and investments have been disclosed in the financial statements.

**29. CONSOLIDATED FINANCIAL STATEMENTS:**

In accordance with Accounting Standard AS-21, the Consolidated Financial Statements are furnished herewith and form part of this Report and Accounts. The same is separately attached with Audit Report.

**30. INSURANCE:**

All the assets of the Company wherever necessary and to the extent required have been adequately insured.

**31. EMPLOYEE RELATIONS:**

The relationship with the staff and workers continued to be cordial during the entire year. The Directors wish to place on record their appreciation of the valuable work done and co-operation extended by them at all levels. Further, the Company is taking necessary steps to recruit the required personnel from time to time.

**32. STATUS OF UTILIZATION OF PROCEEDS RAISED FROM IPO :**

The Company has raised an amount of Rs.2200.80 Lacs through Initial Public Offer by getting itself listed on the Emerge Platform of National Stock Exchange of India Limited. The table below depicts the status of the utilization of the proceeds raised by the Company from IPO:

Pursuant to the provisions of clause 43 of the listing agreement with the exchange, the disclosure is as follows:

**The utilization of the issue proceeds as on 31<sup>st</sup> March 2019 is as under:**

Utilization of money raised through Initial Public Offer. The utilization of the issue proceeds as on 31<sup>st</sup> March 2019 is as under: Utilization planned as per prospectus [Amt. Rs .Lacs]

Particulars	Utilization planned as per prospectus	Utilization of IPO proceeds as on 31 <sup>st</sup> March, 2018	During FY 2018-19	Utilization of IPO proceeds as on 31 <sup>st</sup> March, 2019	Balance Amount to be utilized as on 31 <sup>st</sup> March, 2019
Development of new products	525.00	34.00	125.96	159.96	365.04
Setting up manufacturing Unit for the existing and new range of products	575.00	280.42	294.58	575.00	-
Expansion of Marketing Network and Brand building	500.00	25.00	23.56	48.56	451.44
General Corporate Purposes	500.00	-	500.00	500.00	-
Issue Expenses	100.80	77.88		77.88	22.92
<b>Total</b>	<b>2,200.80</b>	<b>417.30</b>	<b>944.10</b>	<b>1,361.40</b>	<b>839.40</b>

**33. PARTICULARS OF CONTRACTS OR ARRANGEMENTS WITH RELATED PARTIES:**

All transactions entered into with the related parties as defined under the Companies Act, 2013 during the financial year were in the ordinary course of business and on arm's length pricing basis as per the management representation certificate provided to auditor of the company and do not attract the provisions of Section 188 of the Companies Act, 2013. There are no materially significant transactions with the related parties during the financial year which were in conflict with the interest of the Company and hence, enclosing of form AOC- 2 is required, Suitable disclosure as required by the Accounting Standards (AS 18) has been made in the notes to the Financial Statements.

**34. CERTIFICATION**

Company has obtained ISO 9001:2015.

**35. PARTICULARS OF EMPLOYEES**

There are no employees drawing remuneration in excess of the limits prescribed under Rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.

Information as required under the provisions of Rules 5(2) & 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, are set out in **Annexures** to the Directors' Report.

**36. MATERIAL CHANGES AND COMMITMENT IF ANY AFFECTING THE FINANCIAL POSITION OF THE COMPANY OCCURRED BETWEEN THE END OF THE FINANCIAL YEAR TO WHICH THESE FINANCIAL STATEMENTS RELATE AND THE DATE OF THE REPORT:**

There are no material changes and commitments affecting the financial position of the Company from the financial year ended 31<sup>st</sup> March, 2019 to the date of signing of the Director's Report except that CS Preeti Bhala appointed as Company Secretary in place of CS Ankush Patil.

**37. TRANSFER OF AMOUNTS TO INVESTOR EDUCATION AND PROTECTION FUND**

Your Company did not have any funds lying unpaid or unclaimed for a period of seven years. Therefore, there are no funds which are required to be transferred to Investor Education and Protection Fund (IEPF).

**38. CORPORATE SOCIAL RESPONSIBILITY**

The key philosophy of all CSR initiatives of the Company is guided by three core commitments of Scale, Impact and Sustainability. Your Company's CSR Policy Statement and Annual Report on the CSR Activities undertaken during the Financial Year ended 31<sup>st</sup> March, 2018, in accordance with Section 135 of the Companies Act, 2013 and Companies (Corporate Social Responsibility Policy) Rules, 2014 is annexed to this report as Annexures. As Your Company is not exceeding a limit for CSR for FY 2018-2019, No Such Provision is required and made during the Current Year.

**INSIDER TRADING REGULATIONS**

Based on the requirements under SEBI (Prohibition of Insider Trading) Regulations, 1992 read with SEBI (Prohibition of Insider Trading) Regulations, 2015, as amended from time to time, the code of conduct for prevention of insider trading and the Code for Corporate Disclosures ("Code"), as approved by the Board from time to time, are in force by the Company. The objective of this Code is to protect the interest of shareholders at large, to prevent misuse of any price sensitive information and to prevent any insider trading activity by dealing in shares of the Company by its Directors, designated employees and other employees. The Company also adopts the concept of Trading Window Closure, to prevent its Directors, Officers, designated employees and other employees from trading in the securities of NITIRAJ ENGINEERS LIMITED at the time when there is unpublished price sensitive information.

**39. ENHANCING SHAREHOLDERS VALUE :**

Your Company believes that its Members are among its most important stakeholders. Accordingly, your Company's operations are committed to the pursuit of achieving high levels of operating performance and cost competitiveness, consolidating and building or growth, enhancing the productive asset and resource

base and nurturing overall corporate reputation. Your Company is also committed to creating value for its other stakeholders by ensuring that its corporate actions Positively impact the socioeconomic and environmental dimensions and contribute to sustainable growth and development.

#### **40. OUR VISION**

To be a most adorable global partner to all the stake holders in every aspects of weighing manufacturing.

#### **41. OUR MISSION :**

By offering quality bales & premium weighing machines and timely service embedded with value driven culture resulting in finding new avenues to surpass global standards in every activity that needs to nurture the society to the better tomorrow.

#### **42. EXTRACT OF ANNUAL RETURN**

In accordance with Section 134(3)(a) of the Companies Act, 2013, an Extract of the Annual Return as per Section 92 (3) of the Companies Act, 2013 and Rule 12(1) of the Companies(Management and Administration) Rules, 2014 in the prescribed Format MGT-9 is appended as Annexure - 7 to the Board's Report.

#### **43. DIRECTORS' RESPONSIBILITY STATEMENT**

Pursuant to Section 134 (5) of the Companies Act, 2013, Board of Directors of the Company,

- (a) In preparation of the Annual Accounts for the financial year ended 31st March 2019, the applicable Accounting Standards have been followed along with proper explanation to material departures;
- (b) The Directors have selected Accounting Policies, consulted the Statutory Auditors 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 as at end of the financial year and of the profit or loss of the Company, for that period.
- (c) The Directors have taken proper and sufficient care to the best of their knowledge and ability 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 and
- (d) The Directors have prepared the Annual Accounts of the company on a going concern basis;
- (e) 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; and
- (f) There is a proper system to ensure compliance with the provisions of all applicable laws and that such systems are adequate and operating effectively.

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

The particulars as prescribed under Sub Section (3)(m) of Section 134 of the Companies Act, 2013, read with the Companies (Accounts) Rules, 2014.

**A. Conservation of Energy:**

The Company's core activity is Production of Weighing Scales and related which is core consuming sector. The Company is making every effort to conserve the usage of electricity. Also in the year April 2016 Company has installed solar Electricity Plant in its Corporate Office Dhule, by which Company is trying to save electricity

**B Technology Absorption (R&D, Adaptation and Innovation) :**

1. Efforts, in brief, made towards technology absorption, adaptation and innovation:
  - (i) Continuous research to upgrade existing products and to develop new products and services.
  - (ii) To enhance its capability and customer service the Company continues to carry out R & D activities in house.
2. Benefits derived as a result of the above efforts :
  - (i) Introduction of new and qualitative products.
  - (ii) Upgrade of existing products.
3. **Future plan of action:**

Nitiraj will continue to invest in and adopt the best processes and methodologies suited to its line of business and long-term strategy. Training employees in the latest appropriate technologies will remain a focus area. The Company will continue to leverage new technologies and also on the expertise available.

**B. Foreign Exchange Earnings and Outgo**

The Foreign Exchange earned in terms of actual inflows during the year and the Foreign Exchange outgo during the year in terms of actual Outflows

Particulars	2018-2019	2017-2018
Foreign Exchange Earnings	44,80,990	14,23,957
Foreign Exchange Outgo	4,78,10,395	2,72,93,901

**45. ACKNOWLEDGMENTS**

Your Directors express their sincere gratitude for the assistance and co-operation extended by Banks, Government Authorities, Shareholders, Suppliers and Customers. Your Directors also wish to place on record their appreciation of the contribution made by the employees at their levels towards achievements of the Company's goals.

For and on behalf of Board of Directors,  
**NITIRAJ ENGINEERS LIMITED**

Date :

**RAJESH BHATWAL**

**SHAKUNTALA BHATWAL**

Place :

**Managing Director**

**Whole Time Director**

**DIN-00547575**

**DIN - 00547575**

**PARTICULARS PURSUANT TO SECTION 197(12) OF THE COMPANIES ACT, 2013 READ WITH RULE 5 OF THE COMPANIES (APPOINTMENT & REMUNERATION OF MANAGERIAL PERSONNEL) RULES, 2014**

**I.** The ratio of the remuneration of each director to the median employee's remuneration for the financial year and such other details as prescribed is as given below:

Sr. No.	Name	Ratio
1.	Mr. Rajesh Bhatwal (Managing Director)	5.80
2.	Mrs. ShakuntalaBhatwal (Whole time Director)	1.17
3.	Mr. Hung Sin (Whole Time Director)	1.17

**II.** The percentage increase in remuneration of each director, Chief Financial Officer, Chief Executive Officer, Company Secretary or Manager, if any, in the financial year :

Sr. No.	Name	Designation	% in Increase
1.	Mr. Rajesh Bhatwal	Managing Director	(-) 13.00 %
2.	Mrs. ShakuntalaBhatwal	Whole time Director	(+) 0 %
3.	Mr. Hung Sin	Whole time Director	(+) 0 %
3.	Mr. Kailas Agrawal	Chief Finance Officer	(+) 13.00%
4.	Mrs. PreetiRohitBhala	Company Secretary	NA

**III.** The number of permanent employees on the rolls of company: 292

**IV.** If remuneration is as per the remuneration policy of the company: Yes



**CEO AND CFO CERTIFICATION**

To,  
NITIRAJ ENGINEERS LIMITED  
306 A BabhaBuilding N M Marg  
Near Police Station  
Mumbai – 400011.

Dear Members of the Board,

We have reviewed the Financial Statements and the cash flow statement of Nitiraj Engineers Limited for the year ended 31<sup>st</sup> March, 2019 and to the best of our knowledge and belief:

- (a) these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
- (b) these statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.

There are, to the best of our knowledge and belief, no transactions entered into by the Company during the year which are fraudulent, illegal or violate of the Company's Code of Conduct. We accept responsibility for establishing and maintaining internal controls for financial reporting and we have evaluated the effectiveness of the Company's internal control systems pertaining to financial reporting and we have not come across any reportable deficiencies in the design or operation of such internal controls. We have indicated to the Auditors and the Audit Committee:

- (a) that there are no significant changes in internal control over financial reporting during the year;
- (b) that there are no significant changes in accounting policies during the year; and
- (c) that there are no instances of significant fraud of which we have become aware

**FOR NITIRAJ ENGINEERS LIMITED**

Place :-Dhule  
Date :-02/08/2019

Sd/-  
Mr. Rajesh Bhatwal  
Managing Director

Sd/-  
Mr. Kailas Agrawal  
Chief Financial Officer

**DECLARATION FOR COMPLIANCE WITH CODE OF CONDUCT**

Dear Members of the Nitiraj Engineers Limited,

I hereby declare that all the Members of the Board and Senior Management Personnel of the Company are aware of the provisions of the Code of Conduct laid down by the Board. All the Board Members and Senior Management Personnel have affirmed compliance with the Code of Conduct.

**FOR NITIRAJ ENGINEERS LIMITED**

Sd/-

**MR. RAJESH BHATWAL**

Managing Director

DIN- 00547575

Place :- Dhule

Date :- 02/08/2019

**ANNEXURES****Form AOC-1****(Pursuant to first proviso to sub-section (3) of Section 129  
read with Rule 5 of Companies (Accounts) Rules, 2014)**

Statement containing salient features of the financial statement of  
Subsidiaries/Associate Companies/Joint Ventures

**ASSOCIATE**

Statement pursuant to Section 129 (3) of the Companies Act, 2013 related to Associate Companies and Joint Ventures.

<b>Sr. No.</b>	<b>Name of Associate</b>	<b>HYPER DRIVE INFORMATION TECHNOLOGIES PRIVATE LIMITED - Associate Company</b>
1.	Latest Audited Balance Sheet date	31.03.2019
2.	Shares of Associate/Joint Ventures held by the company on the year end	3334 Equity Shares face value of Rs. 10/- each
	Amount of Investment in Associates/Joint Venture (3334 Equity Shares of Rs. 10/- each at premium of Rs. 5990/- each unquoted investment. It includes goodwill paid on acquisition Rs. 3,12,557)	Rs. 2,00,04000/-
	Extent of Holding%	25 %
3.	Description of how there is significant influence	Common Promoters and Directors.
4.	Reason why the associate/joint venture is not consolidated	NA
5.	Net worth attributable to our (25%) shareholding as per latest audited Balance Sheet as on 31 <sup>st</sup> March 2019.	Rs. 1,86,31,970
6.	Profit/Loss for the year	
	i. Considered in Consolidation	Rs. (5,21,154)/-
	ii. Not Considered in Consolidation	NA

In terms of our report attached

**For P.D. DALAL & Co.**

**FOR NITIRAJ ENGINEERS LIMITED**

Chartered Accountants

Firm Registration 102047W

**(Aashish S. Kakaria)**

**Rajesh Bhatwal**

**Shakuntala Bhatwal**

**Kailas Agrawal**

Partner

Managing

Whole Time and

Chief Financial

Membership No.102915

Director

Women Director

Officer

**ANNEXURES**

FORM NO. AOC -2

(Pursuant to clause (h) of sub-section (3) of section 134 of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014.

Form for Disclosure of particulars of contracts/arrangements entered into by the company with related parties referred to in sub section (1) of section 188 of the Companies Act, 2013 including certain arm's length transaction under third proviso thereto.

1. Details of contracts or arrangements or transactions not at Arm's length basis.

<b>Sr. No.</b>	<b>Particulars</b>	<b>Details</b>
1.	Name (s) of the related party & nature of relationship	HYPER DRIVE INFORMATION TECHNOLOGIES PRIVATE LIMITED
2.	Nature of contracts/arrangements/transaction	1. Development of ERP Software for operation of Company.
3.	Duration of the contracts/arrangements/transaction	1 year or extended as maybe applicable
4.	Salient terms of the contracts or arrangements or transaction including the value, if any	NA
5.	Justification for entering into such contracts or arrangements or transactions'	NA
6.	Date of approval by the Board	NA
7.	Amount paid as advances, if any	NA
8.	Date on which the special resolution was passed in General meeting as required under first proviso to section 188	NA

In terms of our report attached

**For P.D. DALAL & Co.**  
Chartered Accountants  
Firm Registration 102047W

**FOR NITIRAJ ENGINEERS LIMITED**

**(Aashish S. Kakaria)**  
Partner  
Membership No. 102915

**Rajesh Bhatwal**  
Managing Director

**ShakuntalaBhatwal**  
Whole Time and  
Women Director

**Kailas Agrawal**  
Chief Financial  
Officer

**ANNEXURES****Annual Report on Corporate Social Responsibility (CSR)  
[Pursuant to Section 135 of the Companies Act, 2013]**

Over the years, we have been focusing on sustainable business practices encompassing economic, environmental and social imperatives that not only cover our business, but also that of the communities around us. Our Corporate Social Responsibility (CSR), thus, is not limited to philanthropy, but also includes large initiatives that lead to social development.

**REPORTING:-**

The period for which CSR is being reported is from 01/04/2018 to 31/03/2019. It does not include any information about associate company. The Company has its own CSR policy. During the year under review the Company is not liable to incurred CSR Fund as the same is not applicable Current Financial Year.

The Company has a Board Committee (CSR committee) that provides oversight of CSR policy execution to ensure that the CSR objectives of the Company are met. CSR committee comprises:

<b>Name of the Member</b>	<b>Designation</b>
MR. PRADEEP CHANDRAKANT SHAH	Chairman
MR. ANIL NANDKISHOR BANGAD	Member
MR. RAJESH RAGHUNATH BHATWAL	Member

**DECLARATION OF INDEPENDENCE**

To,  
The Board of Directors,  
NITIRAJ ENGINEERS LIMITED  
Mumbai.

Subject: Declaration of independence under sub-section (6) of section 149 of the Companies Act, 2013 and the Regulation 16 of SEBI(LODR), Regulation, 2015

I, Anil Nandkishor Bangad (DIN: 07186755), hereby certify that I am a Non-Executive Independent Director of Nitiraj Engineers Limited, Mumbai and I comply with all the criteria of independent director as envisaged in the SEBI (Listing Obligation and Disclosure Requirements) Regulation, 2015 and the Companies Act, 2013.

**I certify that:**

1. I possess relevant expertise and experience to be an independent director in the Company;
2. I am/was not a promoter of the company or its holding, subsidiary or associate company;
3. I am not related to promoters / directors / persons occupying management position at the board level or level below the board in the company, its holding, subsidiary or associate company;
4. Apart from receiving director sitting fees / remuneration, I have/had no pecuniary relationship / transactions with the company, its promoters, its directors, its senior management or its holding, subsidiary or associate company, or their promoters, or directors, during the two immediately preceding financial years or during the current financial year;
5. Not any of my relatives has or had any pecuniary relationship or transaction with the company, its holding, subsidiary or associate company, or their promoters, or directors, amounting to 2% or more of its gross turnover or total income or 50 Lacs or such higher amount as may be prescribed, whichever is lower, during the two immediately preceding financial years or during the current financial year;
6. Neither me nor any of my relatives:
  - holds or has held the position of a key managerial personnel or is or has been employee/executive of the company or its holding, subsidiary or associate company in any of the three financial years immediately preceding the financial year;
  - is or has been an employee or proprietor or a partner, in any of the three financial years immediately preceding the financial year of;
  - a firm of auditors or company secretaries in practice or cost auditors of the company or its holding, subsidiary or associate company; or
  - any legal or a consulting firm that has or had any transaction with the company, its holding, subsidiary or associate company amounting to 10% or more of the gross turnover of such firm;
  - holds together with my relatives 2% or more of the total voting power of the company; or
  - Is a Chief Executive or director, by whatever name called, of any non-profit organization that receives 25% or more of its receipts from the company, any of its promoters, directors or its holding, subsidiary or associate company or that holds 2% or more of the total voting power of the company; or

7. I am not a material supplier, service provider or customer or a lessor or lessee of the company;
8. I am not less than 21 years of age.

### Declaration

I undertake that I shall seek prior approval of the Board if and when I have any such relationship/ transactions, whether material or non-material. If I fail to do so I shall cease to be an independent director from the date of entering in to such relationship / transactions.

Further, I do hereby declare and confirm that the above said information are true and correct to the best of my knowledge as on the date of this declaration of independence and I shall take responsibility for its correctness and shall be liable for fine if any imposed on the Company, its directors, if the same found wrong or incorrect in future. I further undertake to intimate immediately upon changes, if any, to the Company for updating of the same.

**Thanking You,  
Yours faithfully,**

**Sd/-  
Anil Nandkishor Bangad  
(DIN: 07186755)  
Non-Executive and Independent Director**

**Date: 02/08/2019  
Place: Dhule**

## DECLARATION OF INDEPENDENCE

To,  
The Board of Directors,  
NITIRAJ ENGINEERS LIMITED  
Mumbai.

Subject: Declaration of independence under sub-section (6) of section 149 of the Companies Act, 2013 and the Regulation 16 of SEBI(LODR), Regulation, 2015

I, Pradeep Chandrakant Shah (DIN: 07186761), hereby certify that I am a Non-Executive Independent Director of Nitiraj Engineers Limited, Mumbai and I comply with all the criteria of independent director as envisaged in the SEBI (Listing Obligation and Disclosure Requirements) Regulation, 2015 and the Companies Act, 2013.

### I certify that:

1. I possess relevant expertise and experience to be an independent director in the Company;
2. I am/was not a promoter of the company or its holding, subsidiary or associate company;
3. I am not related to promoters / directors / persons occupying management position at the board level or level below the board in the company, its holding, subsidiary or associate company;
4. Apart from receiving director sitting fees / remuneration, I have/had no pecuniary relationship / transactions with the company, its promoters, its directors, its senior management or its holding, subsidiary or associate company, or their promoters, or directors, during the two immediately preceding financial years or during the current financial year;
5. Not any of my relatives has or had any pecuniary relationship or transaction with the company, its holding, subsidiary or associate company, or their promoters, or directors, amounting to 2% or more of its gross turnover or total income or 50 Lacs or such higher amount as may be prescribed, whichever is lower, during the two immediately preceding financial years or during the current financial year;
6. Neither me nor any of my relatives:
  - holds or has held the position of a key managerial personnel or is or has been employee/executive of the company or its holding, subsidiary or associate company in any of the three financial years immediately preceding the financial year;
  - is or has been an employee or proprietor or a partner, in any of the three financial years immediately preceding the financial year of;
  - a firm of auditors or company secretaries in practice or cost auditors of the company or its holding, subsidiary or associate company; or
  - any legal or a consulting firm that has or had any transaction with the company, its holding, subsidiary or associate company amounting to 10% or more of the gross turnover of such firm;
  - holds together with my relatives 2% or more of the total voting power of the company; or
  - Is a Chief Executive or director, by whatever name called, of any non-profit organization that receives 25% or more of its receipts from the company, any of its promoters, directors or its holding, subsidiary or associate company or that holds 2% or more of the total voting power of the company; or



7. I am not a material supplier, service provider or customer or a lessor or lessee of the company;
8. I am not less than 21 years of age.

#### **Declaration**

I undertake that I shall seek prior approval of the Board if and when I have any such relationship/ transactions, whether material or non-material. If I fail to do so I shall cease to be an independent director from the date of entering in to such relationship / transactions.

Further, I do hereby declare and confirm that the above said information are true and correct to the best of my knowledge as on the date of this declaration of independence and I shall take responsibility for its correctness and shall be liable for fine if any imposed on the Company, its directors, if the same found wrong or incorrect in future. I further undertake to intimate immediately upon changes, if any, to the Company for updating of the same.

**Thanking You,  
Yours faithfully,**

**Sd/-  
Pradeep Chandrakant Shah  
(DIN: 07186761)  
Non-Executive and Independent Director**

**Date: 02/08/2019  
Place: Dhule**

### DECLARATION OF INDEPENDENCE

To,  
The Board of Directors,  
NITIRAJ ENGINEERS LIMITED  
Mumbai.

Subject: Declaration of independence under sub-section (6) of section 149 of the Companies Act, 2013 and the Regulation 16 of SEBI(LODR), Regulation, 2015

I, Shabbir Sadruddin Masani (DIN: 07553206), hereby certify that I am a Non-Executive Independent Director of Nitiraj Engineers Limited, Mumbai and I comply with all the criteria of independent director as envisaged in the SEBI (Listing Obligation and Disclosure Requirements) Regulation, 2015 and the Companies Act, 2013.

#### **I certify that:**

1. I possess relevant expertise and experience to be an independent director in the Company;
2. I am/was not a promoter of the company or its holding, subsidiary or associate company;
3. I am not related to promoters / directors / persons occupying management position at the board level or level below the board in the company, its holding, subsidiary or associate company;
4. Apart from receiving director sitting fees / remuneration, I have/had no pecuniary relationship / transactions with the company, its promoters, its directors, its senior management or its holding, subsidiary or associate company, or their promoters, or directors, during the two immediately preceding financial years or during the current financial year;
5. Not any of my relatives has or had any pecuniary relationship or transaction with the company, its holding, subsidiary or associate company, or their promoters, or directors, amounting to 2% or more of its gross turnover or total income or 50 Lacs or such higher amount as may be prescribed, whichever is lower, during the two immediately preceding financial years or during the current financial year;
6. Neither me nor any of my relatives:
  - holds or has held the position of a key managerial personnel or is or has been employee/executive of the company or its holding, subsidiary or associate company in any of the three financial years immediately preceding the financial year;
  - is or has been an employee or proprietor or a partner, in any of the three financial years immediately preceding the financial year of;
  - a firm of auditors or company secretaries in practice or cost auditors of the company or its holding, subsidiary or associate company; or
  - any legal or a consulting firm that has or had any transaction with the company, its holding, subsidiary or associate company amounting to 10% or more of the gross turnover of such firm;
  - holds together with my relatives 2% or more of the total voting power of the company; or
  - Is a Chief Executive or director, by whatever name called, of any non-profit organization that receives 25% or more of its receipts from the company, any of its promoters, directors or its holding, subsidiary or associate company or that holds 2% or more of the total voting power of the company; or

7. I am not a material supplier, service provider or customer or a lessor or lessee of the company;
8. I am not less than 21 years of age.

### **Declaration**

I undertake that I shall seek prior approval of the Board if and when I have any such relationship/ transactions, whether material or non-material. If I fail to do so I shall cease to be an independent director from the date of entering in to such relationship / transactions.

Further, I do hereby declare and confirm that the above said information are true and correct to the best of my knowledge as on the date of this declaration of independence and I shall take responsibility for its correctness and shall be liable for fine if any imposed on the Company, its directors, if the same found wrong or incorrect in future. I further undertake to intimate immediately upon changes, if any, to the Company for updating of the same.

**Thanking You,  
Yours faithfully,**

**Sd/-  
Shabbir Sadruddin Masani  
(DIN: 07553206)  
Non-Executive and Independent Director**

**Date: 02/08/2019  
Place: Dhule**

**ANNEXURE –**  
**M/S. PIYUSH WANI AND ASSOCIATES,**  
Practicing Company Secretary

Office:- 1255/1, Behind Union Bank, Manik Chowk, NANDURBAR-425412

=====

**FORM NO. MR-3**  
**SECRETARIAL AUDIT REPORT**

FOR THE FINANCIAL YEAR ENDED MARCH 31<sup>ST</sup>, 2019

[Pursuant to Section 204(1) of the Companies Act, 2013 and Rule No. 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

**To,**  
**The Members,**  
**NITIRAJ ENGINEERS LIMITED**  
**(CIN-L31909MH1999PLC119231)**  
306 A Babha Building, N M Joshi Marg  
Near Police Station, Mumbai – 400011.

I have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **M/s. NITIRAJ ENGINEERS LIMITED** having the (CIN:- L31909MH1999PLC119231) (hereinafter called the "**Company**"). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/ statutory compliances and expressing my opinion thereon.

Based on my verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of Secretarial Audit, I hereby report that in my opinion, the Company has, during the audit period covering the financial year ended on March 31<sup>st</sup>, 2019 complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

I have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on March 31<sup>st</sup>, 2019 according to the provisions of:

- i. The Companies Act, 2013 (the Act) and the rules made there under;
- ii. The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made there under;
- iii. The Depositories Act, 1996 and the Regulations and Bye-laws framed there under;
- iv. Foreign Exchange Management Act, 1999 and the rules and regulations made there under to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;

**At present company has not accepted any foreign direct investment or External Commercial Borrowing.**

- v. The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-
  - a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;

- **The Company has not made any substantial acquisition of shares during the year under review and has made mandatory disclosures under Regulation 30 (1) and 30(2) of SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 2011.**
- b) Securities and Exchange Board of India (Listing Obligations And Disclosure Requirements) Regulations, 2015,  
**The Company is listed of SME Exchange Board. The company has followed all the required compliances as provided under the above Regulation.**
- c) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992;  
**On Scrutiny it was found that there was no insider trading in the Company during the year under review.**
- d) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
- e) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;
- f) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 and The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014;  
**-The company has not given any ESOP to its Employees and Directors during the year under review.**
- g) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 –  
- *The Company has not issued or listed any debt securities during the year.*
- h) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client –  
- **The Company has appointed M/s. Bigshare Services Private Limited., as Registrar to an Issue and Share Transfer Agent. The Share Transfer Agent has maintained all record of share Transfer thereto in Electronic Form as provided under the Regulation**
- i) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009 ;and
- j) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998 - .  
*-The Company has not undertaken any buy back of shares during the year under review.*

I am of the opinion that the Management has complied with the following Laws specifically applicable to the Company:

- (a) The Payment of Wages Act, 1936
- (b) The Minimum Wages Act, 1948
- (c) Employees Provident Funds and Miscellaneous Provisions Act, 1952
- (d) The Payment of Bonus Act, 1965
- (e) The Payment of Gratuity Act, 1972
- (f) The Contract Labour (Regulation & Abolition) Act, 1970
- (g) The Child Labour (Prohibition & Regulation) Act, 1986
- (h) The Industrial Employment (Standing Order) Act, 1946
- (i) The Employee Compensation Act, 1923
- (j) Information Technology Act, 2000 and the Rules made there under
- (k) Factories Act and other Labour Laws namely provident Fund Act, ESI Act 1948 and other applicable Laws *The Manufacturing division of Nitiraj Engineers Limited is located at Shimla-Kalka Highway,*

Near Corporation Bank, Khasra No. 961/890 Sector-1, Parwanoo, Tah. Kasouli, DistSolan( H.P.)  
173220.

- (I) The Company has obtained consent from Himachal Pradesh Pollution Control Board and certificate is valid up to 31<sup>st</sup> March 2019.

I further report that as the Company is engaged into Weighing Scales, Note counting Machines, and Digital Meter Fairs hence Special Act applicable to Company is as per following

**Legal Metrology Act, 2008**

I have also examined compliance with the applicable Clauses of the following:

- (i) Secretarial Standards issued by The Institute of Company Secretaries of India.  
(ii) The Listing Agreements entered into by the Company with National Stock Exchange (SME Platform);

**During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above subject to the following observations:**

1. The Company has filed e-forms with Registrar of Companies with additional fees.
2. Company has submitted some necessary information and reports to NSE Emerge as per SEBI (Listing Obligation and Disclosure Requirements) Regulation 2015 as on ended 31.03.2019 after stipulated time.

**I further report that:**

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

Adequate notice is given to all the Directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

All decisions at Board Meetings and Committee Meetings are carried out unanimously as recorded in the minutes of the meetings of the Board of Directors or Committee of the Board, as the case may be.

**I further report that** there are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

I further report that during the audit period the company has no specific events / actions in pursuance of the above referred laws, rules, regulations, guidelines, standards, etc. having a major bearing on the company's affairs.

**Place: Nandurbar**  
**Date: 01/08/2019**

Sd/-  
**PIYUSH A. WANI**  
**Company Secretary**  
ACS No.: 46049  
C P No.: 19225

**Note:-** This report is to be read with my letter of even date which is annexed as 'Annexure ' and forms an integral part of this report.

**ANNEXURE-**

To,  
The Members  
Nitiraj Engineers Limited,  
Mumbai

My report of even date is to be read along with this letter:

1. Maintenance of secretarial records is the responsibility of the management of NITIRAJ ENGINEERS LIMITED, (**"the Company"**). My responsibility is to express an opinion on these secretarial records based on my audit.
2. I have followed the audit practices and processes as per appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. I believe that the processes and practices, I followed provide a reasonable basis for my opinion.
3. I have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.
4. Where ever required, I have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.
5. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. My examination was limited to the verification of procedures on test basis.
6. The Secretarial Audit report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

**Place:** Nandurbar  
**Date:** 01/08/2019

Sd/-  
**CS PIYUSH A. WANI**  
**Company Secretary**  
ACS No.: 46049  
C P No.: 19225

## Annexure -

**FORM NO. MGT-9 EXTRACT OF ANNUAL RETURN**  
**As on financial year ended on 31.03.2019**  
**[Pursuant to Section 92 (3) of the Companies Act, 2013 and rule 12(1) of the Company**  
**(Management & Administration) Rules, 2014]**

**I. REGISTRATION & OTHERDETAILS:**

CIN	L31909MH1999PLC119231
Registration Date	01/04/1999
Name of the Company	NITIRAJ ENGINEERS LIMITED
Category/Sub-category of the Company	Company Limited by Shares/Public Company
Address of the Registered office & contact details	306-A, BABHA BLDGN, N M JOSHI MARG, NEAR POLICE STATION, MUMBAI-400011
Whether Listed Company	Yes
Name, Address & contact details of the Registrar & Transfer Agent, if any.	BIGSHARE SERVICES PRIVATE LIMITED, SEBI Registration No: INR000001385 1st Floor, Bharat Tin Works Building, Opp. Vasant Oasis, Makwana Road, Marol, Andheri East, Mumbai 400059, Maharashtra. Website: <a href="http://www.bigshareonline.com">www.bigshareonline.com</a>

**II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY**

(All the business activities contributing 10 % or more of the total turnover of the Company shall be stated)

S. No.	Name and Description of main products / services	NIC Code of the Product/ service	% to total turnover of the Company
1.	WEIGHING MACHINERY	C	100 %
2.	OTHER OFFICE MACHINES	C	

**III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES**

S. No.	Name and Address of the Company	CIN/GLN	Holding/ Subsidiary/ Associate	% of Shares Held	Applicable Section
1	<i>HYPER DRIVE INFORMATION TECHNOLOGIES PRIVATE LIMITED, Bangalore, Karnataka</i>	U72200KA2005PTC036535	Associate	25%	Section 2(6) of Companies Act, 2013



**IV. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)**
**(i) Category-wise Share-Holding**

Category of Shareholders	No. of Shares held at the beginning of the year [As on 01/04/2018]				No. of Shares held at the end of the year [As on 31/03/2019]				% Change during the year
	De-mat	Physical	Total	% of Tot. Shares	De-mat	Physical	Total	% of Tot. Shares	
<b>A. Promoters</b>									
(1) Indian									
a) Individual/ HUF	5458800	0	5458800	66.56%	5476800	0	5476800	66.78 %	0.22
b) Central Govt.	0	0	0	0	0	0	0	0	0
c) State Govt.(s)	0	0	0	0	0	0	0	0	0
d) Bodies Corp.	0	0	0	0	0	0	0	0	0
e) Banks / FI	0	0	0	0	0	0	0	0	0
f) Any other	0	0	0	0	0	0	0	0	0
Sub-total (A)(1):	<b>5458800</b>	<b>0</b>	<b>5458800</b>	<b>66.56%</b>	<b>5476800</b>	<b>0</b>	<b>5476800</b>	<b>66.78 %</b>	<b>0.22</b>
(2) Foreign									
a) NRIs -Individuals	0	0	0	0	0	0	0	0	0
b) Other - Individuals	0	0	0	0	0	0	0	0	0
c) Bodies Corp.	0	0	0	0	0	0	0	0	0
d) Banks/FI	0	0	0	0	0	0	0	0	0
e) Any other	0	0	0	0	0	0	0	0	0
Sub-total (A)(2):	0	0	0	0	0	0	0	0	0
Total shareholding of Promoter (A)= (A)(1) + (A)(2)	<b>5458800</b>	<b>0</b>	<b>5458800</b>	<b>66.56%</b>	<b>5476800</b>	<b>0</b>	<b>5476800</b>	<b>66.78 %</b>	<b>0.22</b>
<b>B. Public Shareholding</b>									
1. Institutions									
a) Mutual Funds	0	0	0	0	0	0	0	0	0
b) Banks / FI	0	0	0	0	0	0	0	0	0
c) Central Govt.	0	0	0	0	0	0	0	0	0

d) State Govt. (s)	0	0	0	0	0	0	0	0	0
e) Venture Capital Funds	0	0	0	0	0	0	0	0	0
f) Insurance Companies	0	0	0	0	0	0	0	0	0
g) FIIs	0	0	0	0	0	0	0	0	0
h) Foreign Venture Capital Funds	0	0	0	0	0	0	0	0	0
i) Others (Clearing Members)	0	0	0	0%	0	0	0	0	0
<b>Sub-total (B)(1):</b>	0	0	0	0%	0	0	0	0	<b>0</b>
<b>2. Non-Institutions</b>									
a) Bodies Corp.									
i) Indian	6,01,200	0	6,01,200	7.33 %	6,50,400	0	6,50,400	7.93 %	0
ii) Overseas	0	0	0	0	0	0	0	0	0
b) Individuals									
i) Individual sh. holders holding nominal sh. capital up to Rs. 1 lakh	10,06,800	0	10,06,800	12.27	9,38,400	0	9,38,400	11.44 %	0
ii) Individual shareholders holding nominal share capital in excess of Rs. 1 lakh	10,96,800	0	10,96,800	13.37	11,16,000	0	11,16,000	13.60 %	0
c) Others (specify)	0	0	0	0	0	0	0	0	0
Non Resident Indians	18,000	0	18,000	0.22	18,000	0	18,000	0.22	0
Overseas Corporate Bodies	0	0	0	0	0	0	0	0	0
Foreign Nationals	0	0	0	0	0	0	0	0	0
Clearing Members	19,200	0	19,200	0.23	1200	0	1200	0.01 %	0
Trusts	0	0	0	0	0	0	0	0	0
Foreign Bodies-D R	0	0	0	0	0	0	0	0	0
<b>Sub-total (B)(2):</b>	0	0	0	0	0	0	0	0	0

Total Public Shareholding (B)=(B)(1) + (B)(2)	27,42,000	0	27,42,000	33.44 %	27,24,000	0	27,24,000	33.22 %	0
C. Shares held by Custodian for GDRs & ADRs	0	0	0	0	0	0	0	0	0
Grand Total (A+B+C)	82,00,800	0	82,00,800	100%	82,00,800	0	82,00,800	100%	0

## (ii) Shareholding of Promoter-

SN	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in shareholding during the year
		No. of Shares	% of total Shares of the Company	% of Shares Pledged / encumbered to total sh.	No. of Shares	% of total Shares of the Company	% of Shares Pledged / encumbered to total sh.	
1	Mr. Rajesh Bhatwal	33,49,500	40.84%	0	33,67,500	41.06 %	0	0.22
2	Ms. Shakuntala Bhatwal.	18,16,800	22.15%	0	18,16,800	22.15%	0	0
3	Ms. Meerabai Bhatwal	49,900	0.60%	0	49,900	0.60%	0	0
4	Mr. Aalok Bhatwal	2,40,000	2.93%	0	2,40,000	2.93%	0	0
5	Ms. Deepa Bhatwal (Khatri)	2,500	0.03%	0	2,500	0.03%	0	0
6	Ms. Prachi Bhatwal	100	-	0	100	-	0	0
	<b>TOTAL</b>	54,58,800	66.56%	0	54,76,800	66.78 %	0	0.22

**(iii) Change in Promoters' Shareholding (please specify, if there is no change)**

Particulars	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
	No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
At the beginning of the year	54,58,800	66.56 %	-	-
Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc.) : Purchase from Open Market.	18,000	0.22 %		
At the end of the year	54,76,800	66.78 %		

**(iv) Shareholding Pattern of top ten Shareholders:  
(Other than Directors, Promoters and Holders of GDRs and ADRs):**

SN	Name of the Shareholders	Shareholding at the beginning of the year 01.04.2018		Increase / Decrease in Shareholding		Cumulative Shareholding at end of the year 31.03.2019	
		No. of shares	% of total shares of the Company	Increase	Decrease	No. of shares	% of total shares of the Company
1.	ALACRITY SECURITIES LIMITED	226800	2.77%	-	2400	224400	2.74%
2.	ARIHANT CAPITAL MKT. LTD.	157200	1.92%	63600	-	220800	2.69%
3.	DEVHARI EXPORTS INDIA LIMITED	120000	1.46%	-	-	120000	1.46%
4.	PANKAJ JAJU	78000	0.95%	-	-	78000	0.95%
5.	SURESH JUGRAJ MUTHA	69600	0.85%	-	-	69600	0.85%
6.	ASHISH VISHWAS RAWANDALE	52800	0.64%	-	-	52800	0.64%
7.	PRASHANT PRITHVIRAJ JAIN	33600	0.41%	-	-	33600	0.41%
8.	LATISH M. NAIR	33600	0.41%	-	-	33600	0.41%
9.	NILESH BALKRISHNA KABARE	31200	0.38%	-	-	31200	0.38%
10.	APARAJITA MERCANTILE PVT LTD	31200	0.38%	-	-	31200	0.38%

## (v) Shareholding of Directors and Key Managerial Personnel:

SN	Name of Directors/ Key Managerial Personnel	Shareholding at the beginning of the year 01.04.2018		Increase / Decrease in shareholding		Cumulative Shareholding at end of the year 31.03.2019	
		No. of shares	% of total shares of the Company	Increase	Decrease	No. of shares	% of total shares of the Company
1	Mr. Rajesh Bhatwal	3349500	40.8436	18,000	-	3367500	41.0631
2	Ms. Shakuntala Bhatwal	1816800	22.1539	-	-	1816800	22.1539
3	Mr. Yi Hung Sin	628800	7.6675	18,000	-	646800	7.8870

## (VI) Indebtedness

Indebtedness of the Company including interest outstanding/accrued but not due for payment.

(Amount in Rupees)

Particulars	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
<b>Indebtedness at the beginning of the financial Year</b>	-	-	-	-
i) Principal Amount	-	-	-	-
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	-	-
<b>Total (i+ii+iii)</b>	-	-	-	-
<b>Change in Indebtedness during the financial Year</b>	-	-	-	-
* Addition	-	-	-	-
* Reduction	-	-	-	-
Net Change	-	-	-	-
<b>Indebtedness at the end of the financial year</b>	-	-	-	-
i) Principal Amount	-	-	-	-
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	-	-
<b>Total (i+ii+iii)</b>	-	-	-	-

- As per Audited Balance Sheet there was no indebtedness in the Books of Accounts.

**V. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL**
**A. Remuneration to Managing Director, Whole-time Directors and/or Manager:**

(Amount in Rupees)

S. No	Particulars of Remuneration	Name of MD/WTD/ Manager			Total Amount
		Mr. Rajesh Bhatwal	Mrs. Shakuntal aBhatwal	Mr. Yi Hung Sin	
1	Gross salary				
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	24,04,998/-	4,84,998/-	4,84,998/-	33,74,994/-
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	-	-	-	-
	(c) Profits in lieu of salary under section 17(3) Income- tax Act, 1961	-	-	-	-
2	Stock Option	-	-	-	-
3	Sweat Equity	-	-	-	-
4	Commission - as % of profit - others, specify...	-	-	-	-
5	Others, please specify (Professional Fees)	18,00,000	18,00,000	4,80,000/-	40,80,000
	<b>Total (A)</b>	<b>42,04,998/-</b>	<b>22,84,998/-</b>	<b>9,64,998/-</b>	<b>74,54,994/-</b>

The remuneration is within the limits as per section 197 of the Companies Act, 2013 read along with Schedule V and is approved by the Shareholders by way of a Special Resolution.

**B. Remuneration to other Directors.**

(Amount in Rupees)

S.No	Particulars of Remuneration	Name of Directors			Total Amount
		Mr. Anil Bangad	Pradeep Shah	Mr. Shabbir Masani	
1	Independent Directors				
	Fee for attending board committee meetings	-	-	-	-
	Commission	-	-	-	-
	Others, please specify	-	-	-	-

	<b>Total (1)</b>	-	-	-	-
2	Other Non-Executive Directors	-	-	-	-
	Fee for attending board committee meetings	-	-	-	-
	Commission	-	-	-	-
	Others, please specify	-	-	-	-
	<b>Total (2)</b>	-	-	-	-
	Total (B)=(1+2)	-	-	-	-
	<b>Total Managerial Remuneration (A+B)</b>	-	-	-	-

The remuneration is within the limits as per section 197 of the Companies Act, 2013 read along with Schedule V and is approved by the Shareholders by way of a Special Resolution.

**C. Remuneration to key managerial personnel other than MD/Manager/WTD**

S. No.	Particulars of Remuneration	Key Managerial Personnel		
		CS*	CFO*	Total (in Rs)
		Ms. Preeti Bhala	Mr. Kailas Agrawal	
1	Gross salary	90,006	4,72,000	5,62,006
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	-	-	-
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	-	-	-
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	-	-	-
2	Stock Option	-	-	-
	Sweat Equity	-	-	-
4	Commission	-	-	-
	- as % of profit	-	-	-
	others, specify...	-	-	-
5	Others, please specify	-	-	-
	<b>Total</b>	<b>90,006</b>	<b>4,72,000</b>	<b>5,62,006</b>

**Notes :**

- \* Mr. Ankush Patil has resigned from the post of Company Secretary and Compliance Officer of the Company w.e.f. 29<sup>th</sup> September, 2018 and Ms. Preeti Bhala Appointed as Company Secretary and Compliance Officer w.e.f. 01<sup>st</sup> October 2018

**VI. Penalties/Punishment/Compounding of Offences:**

There were no penalties/punishment/compounding of offences for breach of any section of Companies Act as against the Company or its Directors or other officers in default, if any during the year.

Type	Section of the Companies Act	Brief Description	Details of Penalty / Punishment /Compounding fees imposed	Authority(RD/ NCLT/Court)	Appeal made if any (give details)
<b>A. COMPANY / DIRECTORS / OTHER OFFICER IN DEFAULT</b>					
Penalty	NIL	NIL	NIL	NIL	NIL
Punishment	NIL	NIL	NIL	NIL	NIL
Compounding	NIL	NIL	NIL	NIL	NIL



**REPORT ON CORPORATE GOVERNANCE ON 2018-19****INTRODUCTION****1. COMPANY'S PHILOSOPHY ON CORPORATE GOVERNANCE**

The Company believes that Corporate Governance signifies ethical business behaviour in every sphere and with all constituents. This ethical business behaviour can be ingrained in the character of the organization through tradition, value, systems and commitment to the letter as much as the spirit of laws and regulations. Corporate Governance emerges as the cornerstone of the Company's governance philosophy of the trusteeship, transparency, accountability and ethical corporate citizenship.

**2. BOARD COMPOSITION AND PARTICULARS OF DIRECTORS :****1. Composition & Category of Directors [as on 31<sup>st</sup> March, 2019].**

The Board comprises of Six Directors, of whom 1 is Managing Director, 3 directors are Non – Executive Independent Directors and 1 Executive, 1 is Women Director.

Sr. No	Name of Director	Position
1	RAJESH RAGHUNATH BHATWAL	Managing Director & CEO
2	SHAKUNTALA RAJESH BHATWAL	Whole Time Director and Woman Director
3	HUNG SIN CHUNG HUANYI	Whole Time Director
4	ANIL NANDKISHOR BANGAD	Non – Executive Independent Directors
5	PRADEEP CHANDRAKANT SHAH	Non – Executive Independent Directors
6	SHABBIR SADRUDDIN MASANI	Non – Executive Independent Directors

The Company does not have a Nominee Director on the Board.

The Company held Fourteen Board Meetings during the year on 05.04.2018, 30.05.2018, 15.06.2018, 22.07.2018, 23.08.2018, 01.09.2018, 29.09.2018, 01.10.2018, 31.10.2018, 14.11.2018, 08.12.2018, 10.01.2019, 01.02.2019, 27.03.2019.

Every board meeting, the matters specified under Section 17 read with Schedule II (Part A) of Listing Regulations were placed and discussed.

The notice of each Board meeting is given in writing to each Director. The Agenda along with relevant notes and others material information are sent in advance separately to each Director and in exceptional cases tabled at the meeting. This ensures timely and informed decision by the Board. The Board reviews the performance of the Company vis a vis the budget/targets. The previous Annual General Meeting (AGM) of the Company was held on Wednesday, 26<sup>th</sup> September, 2018 at 10:30 A.M.

The attendance of directors at the Board meeting, their Directorships in other Companies and Membership / Chairmanship in the Committees constituted by other Companies are given below:

Name	Number of Board Meeting attended	Directorship in other Companies as on 31 <sup>st</sup> March 2019	Member/Chairman of committees of other company(s) (as on 31/03/19)
RAJESH RAGHUNATH BHATWAL	13	0	0
SHAKUNTALA RAJESH BHATWAL	13	0	0
HUNG SIN CHUNG HUANYI	12	0	0
PRADEEP CHANDRAKANT SHAH	11	0	0
SHABBIR SADRUDDIN MASANI	13	0	0
ANIL NANDKISHOR BANGAD	13	0	0

c) None of the directors on the Board is a Member of more than 10 board or Chairman of more than 5 Committees across all the Companies in which he is a Director. Necessary disclosures regarding committee positions in other public companies as of March 31, 2019 have been made by the Directors.

d) None of the Independent Non-Executive Directors have any material pecuniary relationship or transactions with the Company.

Among other important information, minutes of all the Committee meetings, are regularly placed before the Board in their meetings.

**C)** Separate Meeting of Independent Directors As stipulated by the Code of Independent Directors under the Companies Act, 2013 and the Listing Agreement, a separate meeting of the Independent Directors of the Company was held on February 05<sup>th</sup>, 2019 to review the performance of Non-independent Directors (including the Chairman) and the Board as whole. The Independent Directors also reviewed the quality, content and timeliness of the flow of information between the Management and the Board and its Committees which is necessary to effectively and reasonably perform and discharge their duties.

### 3. Committees of Board

During the year in accordance with the companies Act, 2013, there is no change in constitution of committees of the Board as Follows:

1. Audit Committee
2. Nomination and Remuneration Committee
3. Stakeholder Relationship Committee
4. Corporate Social Responsibility Committee
5. Internal Complaints Committee
6. Sexual Harassment Committee

#### 1. Audit Committee:

The constitution, role and the powers of the Audit Committee of the Company are as per the guidelines set out in the Listing Agreement with Stock Exchange read with the provisions of Section 177 of the Companies Act, 2013 read with the Companies (Meetings of Board and its Powers) Rules, 2014. The Committee also acts as a link between the Statutory and Internal Auditors and the Board of Directors. It reviews the various reports placed before it by the

Management and addresses itself to the larger issues and examines and considers those facts that could be of vital concern to the Company including adequacy of internal controls, reliability of financial statements and other management information, adequacy of provisions of liabilities and adequacy of disclosures and compliance with all relevant statutes. All the members of the committee have requisite financials. The Committee meets periodically and reviews Audited and un-audited financial results;

- Internal audit reports and report on internal control systems of the Company;
- Discusses the larger issues that could be of vital concern to the Company;
- Auditors' report on financial statements and their findings and suggestions and seeks clarification thereon;
- All other important matters within the scope and purview of the committee.

**As on 31<sup>st</sup> March 2019, the Audit Committee comprised of the following:  
(Audit Committee)**

S. R.	Name	Designation	No. Of meetings Attended
1.	PRADEEP SHAH	Chairman	6
2.	RAJESH BHATWAL	Member	6
3.	ANIL NADKISHOR BANGAD	Member	6

Details of Audit Committee meeting held during the year under review

Sr. No	Date
1	15.05.2018
2	05.08.2018
3	22.11.2018
4	21.12.2018
5	25.01.2019
6	01.03.2019

Note:

The company secretary of the company act as the secretary to the committee.

## **2. Nomination and Remuneration Committee**

Company has formed the Nomination and Remuneration Committee as per Section 178 another applicable provisions of the Companies Act, 2013 read with the Companies (Meetings of Board and its Powers) Rules, 2014 (as amended) and also to comply with Regulation 19 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. The terms of reference of the Nomination and Remuneration

### **Committee includes the following:**

1. Appointment, re-appointment, determination, fixation of the remunerate on(including salaries and salary adjustments, incentives/benefits bonuses, stock options) and revision in the remuneration payable to the Managing Director of our Company from time to time.
2. Compensation and performance targets.
3. Other key issues / matters as may be referred by the Board or as may be necessary in view of the provisions of the Listing Agreement or any statutory provisions.

**As on 31st March, 2018, the Committee Comprises of the following Members:**

S. R.	Name	Designation	No. Of meetings Attended
1.	PRADEEP SHAH	Chairman	4
2.	RAJESH BHATWAL	Member	4
3.	ANIL NADKISHOR BANGAD	Member	4

Committee meeting held during the year under review

Sr. No	Date
1	11.05.2018
2	13.08.2018
3	23.12.2018
4	01.03.2019

**Directors' Appointment Criteria / Policy**

The Board of Directors is collectively responsible for selection of a Member on the

Board The Compensation / Nomination and Remuneration Committee of the Company follows a defined criteria for identification, screening, recruiting and recommending candidates for election as a Director on the Board. The criteria for

Appointment to the Board include:

1. Composition of the Board which is commensurate with the size of the Company, its portfolio, geographical spread and its status as a listed Company;
2. Desired age and diversity on the Board;
3. Size of the Board with optimal balance of skills and experience and balance of Executive and Non-Executive Directors consistent with requirements of the law;
4. Professional qualifications, expertise and experience in specific area of business;
5. Balance of skills and expertise in view of the objectives and activities of the Company;
6. Avoidance of any present or potential conflict of interest;
7. Availability of time and other commitments for proper performance of duties; and
8. Personal characteristics being in line with the Company's values, such as integrity, honesty, transparency and pioneering mindset.

**Remuneration Policy**

1. The reward policy of the Company shall be to pay market competitive reward with a strong linkage to performance, which ensures the effective recognition of performance and encourages a focus on achieving the operational results.
2. The appointment and remuneration of the Executive Directors, Key Managerial

Personnel and Senior Management are by virtue of their employment with the Company as management employees and therefore their terms of employment viz.

salary, variable pay, service contract, notice period and severance fee, if any, shall be governed by the applicable HR policies at the relevant period. The total reward package for Executive Directors, Key Managerial Personnel and Senior Management are intended to be market competitive with a strong linkage to the performance..

The Company does not have any Employee Stock Option Scheme.

**a. Details of Remuneration paid to Managing Director for the period**

**from 1<sup>st</sup> April, 2018 to 31<sup>st</sup> March, 2019.**

S. R.	Name	Salary	Professional Fees
1	Rajesh Raghunath Bhatwal	Rs. 24,04,998	Rs. 18,00,000

The aforesaid remuneration was paid to the Managing Director in compliance with the Provisions of Section II of Part II of Schedule V of the Companies Act, 2013.

**b. Non-Executive Directors' Compensation**

The Non-Executive Directors do not draw any remuneration from the Company. The company secretary of the company act as the secretary to the committee.

**3. Stakeholders Relationship Committee**

The Company had constituted Stakeholders Relationship Committee of Directors to look into the redressal of complaints of investors such as transfer or credit of shares to demat accounts, non-receipt of dividend/notices/annual reports etc. The Stakeholders Relationship Committee comprised of

S. R.	Name	Designation	No. Of meetings Attended
1.	PRADEEP SHAH	Chairman	6
2.	RAJESH BHATWAL	Member	6
3.	ANIL NADKISHOR BANGAD	Member	6

Also the same committee will be act for resolving shareholder grievances. If any shareholder have query, compliant on any matter including Annual report, this committee is responsible for the same to resolve this.

Members can lodge their query/ complaint on  
investor@nitiraj.net

**Committee meeting held during the year under review**

Sr.No	Date
1	05.04.2018
2	21.07.2018
3	11.09.2018
4	29.10.2018
5	23.11.2018
6	15.02.2019

**i. Investor Grievance Redressal:**

During the Financial Year 2018-19, the Company has not received any complaints from the Shareholders. There were no complaints outstanding as on 31<sup>st</sup> March, 2019.

**4. Corporate Social Responsibility Committee**

The Company constituted the Corporate Social Responsibility of Directors to look into the following:

- Matters specified in section 135 of the Companies Act 2013 which inter-alia includes:
  - (a) Formulate and recommend to the Board, a Corporate social responsibility policy which shall indicate the activities to be undertaken by company as specified in schedule VII;
  - (b) recommend the amount of expenditure to be incurred on activities referred to in clause (a)
  - (c) Monitor the Corporate Social Responsibility policy of the company from time to time.

**As on 31<sup>st</sup> March, 2019, the Committee Comprises of the following Members:**

S. R.	Name	Designation	No. Of meetings Attended
1.	RAJESH BHATWAL	Chairman	4
2.	SHAKUNTALA BHATWAL	Member	4
3.	PRADEEP SHAH	Member	4

Committee meeting held during the year under review

Sr. No	Date
1	18.05.2018
2	01.09.2018
3	20.12.2018
4	21.02.2019

**Name And Designation Of Compliance Officer**

Ms. PreetiBhala is the Compliance Officer of the Company.

**Note:**

1. The company secretary of the company act as the secretary to the committee
2. There was no complaint received from the shareholder during the year under review as per reports provided by Registrar and Transfer Agent, hence no there is no pending complaints.

**i. MEANS OF COMMUNICATION:**

Shareholding Pattern, Corporate governance report and Financial Results are Electronically transmitted to the National Stock Exchange. And documents which are require being upload on the website of the company as per SEBI (LODR) Regulation, 2015 and other applicable regulation.

**GENERAL SHAREHOLDER INFORMATION****i) Annual General Meeting:**

<b>AGM : Date , Time and Venue</b>	31 <sup>st</sup> August, 2019, at 11.00 A.M.
<b>Financial Year</b>	2018-19
<b>Date of Book Closure</b>	25 <sup>th</sup> August 2019 to 31 <sup>st</sup> August 2019
<b>Dividend Payment Date</b>	NA
<b>Listing on Stock Exchange</b>	NATIONAL STOCK EXCHANGE- SME
<b>Stock Code</b>	NITIRAJ
<b>Registrar and Transfer Agent</b>	BIG SHARE SERVICES PVT LTD
<b>Outstanding GDR/ADR /warrants or any convertible instruments conversion date and likely impact on equity</b>	NOT ISSUED
<b>Address for Correspondence</b>	306A BABHA BLDG N M MARG NEAR POLICE STATION MUMBAI 400011

**Non mandatory Requirements****a. Shareholders Right – Re; Half Yearly Result**

A Half Yearly declaration of financial performance including summary of the Significant events in last six months is uploaded on the website of the company.

**b. Audit Qualification –**

The financial statements of the company are unqualified

**c. Evaluation of the board performance**

Pursuant to the provisions of the Companies Act, 2013 and SEBI (Listing Obligations And Disclosure Requirements) Regulation 2015, the Board has carried out an annual performance evaluation of its own, the Directors individually as well as the evaluation of the working of its Audit, Nomination & Remuneration Committee. The result of the evaluation done by Independent Directors was reported to the Chairman of the Board.

It was reported that the performance evaluation of the Board & Committee's was satisfactory. The Chairman of the Board provided feedback to the Directors on an individual basis, as appropriate. The Directors expressed their satisfaction with the evaluation process.

For and on Behalf of the Board of Directors

**NITIRAJ ENGINEERS LIMITED**

Sd/-

**Rajesh Bhatwal**  
**Managing Director**  
**DIN: 00547575**

**Annexure****CERTIFICATE ON COMPLIANCE OF CONDITIONS OF CORPORATE GOVERNANCE**

To,  
The Board of Directors,  
**Nitiraj Engineers Limited**  
306 A Babha Bldgn M Marg  
Near Police Station  
Mumbai – 400011.

We have examined the relevant records of Nitiraj Engineers Limited for the purpose of certifying compliance with the conditions of corporate governance for the year ended 31<sup>st</sup> March 2019, as stipulated in Schedule V (E) of the SEBI (LODR) Regulation, 2015 of the said Company with the stock exchanges.

The compliance of conditions of corporate governance is the responsibility of the Company's management. Our examination was limited to the procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of the corporate governance as stipulated in the said Clause. It is neither an audit nor an expression of opinion on the financial statement of the Company.

In our opinion and to the best of our information and according to the explanations given to us and based on the representations made by the Directors and the Management, we certify that the Company has complied with the conditions of corporate governance as stipulated in applicable provisions of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

We further state that such compliance is neither an assurance to the further viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.

**FOR PIYUSH WANI & ASSOCIATES**

Company Secretaries,

**Piyush Anilkumar Wani**  
**Proprietor**

(ACS No: 46049 CP No: 19225)





**NITIRAJ ENGINEERS LIMITED**

CIN: L31909MH1999PLC119231

306-A, Babha Building, N M Joshi Marg, Near Police Station, Mumbai-400011

Tel.022 23094161, 23001941 E-mail – [investor@nitiraj.net](mailto:investor@nitiraj.net),

Website :- [www.nitiraj.net](http://www.nitiraj.net)

**Form No. MGT-11 PROXY FORM**

[Pursuant to section 105(6) of the Companies Act, 2013 and rule 19(3) of the Companies Management and Administration) Rules, 2014]

**DP/Client-ID No.:** \_\_\_\_\_

Name of the Member(s) :-	
Registered Address :-	
E-mail ID :-	
Folio No. /Client ID :-	DP ID :-

I/We being (a) shareholder (s) of the above named company holding (No.) \_\_\_\_\_ shares do hereby appoint

1) Name: .....

Address: .....

E-mail ID: .....

Signature: ....., or failing him/her

2) Name: .....

Address: .....

E-mail ID: .....

Signature: ....., or failing him/her

3) Name: ..... (optional)

Address: .....

E-mail ID: .....

Signature: .....

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the Annual General Meeting of the Nitiraj Engineers Limited to be held at 10:30 a.m. on the 31<sup>st</sup> day of August, 2019 at Dosti Club Hi-Fly ( Club House ) Dosti Flamingos, T.J. Road, Sewri ( West ), Mumbai-400015 ( Near Sewri Bus Depot ) and at any adjournment thereof in respect of such resolutions as are indicated below :

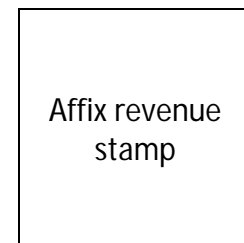
RS No.	Resolution(s)	Vote	
		For	Against
1	To receive, consider and adopt the Audited Financial statements including Profit and Loss Account Balance Sheet, for the year ended on 31st March, 2019 along with Directors Report and Audited Report of the Company.		
2	To re-appoint statutory auditors and fix their remuneration		
3	Mr. Rajesh Raghunath Bhatwal, Managing Director who retires by rotation and being eligible, offers her for reappointment.		
4	To Increase Authorized Capital Of The Company And Amend The Capital Clause In The Memorandum Of Association Of The Company		
5	To Alter Articles Of Association And To Add Clause Of Allotment Of Bonus Shares		
6	To Approve Issue Of Bonus Shares By Capitalization Of Reserves / Securities Premium Account		

Dated this \_\_\_\_\_ day of August 2019.

Signature of Shareholder Across revenue Stamp

Signature of Shareholder \_\_\_\_\_

Signature of Proxy holder(s) \_\_\_\_\_



**Notes:**

- I. *This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company, not less than 48 hours before the commencement of the Meeting*
- II. *The proxy need not be a member of the company*
- III. *A single person can be proxy of not more than 50 shareholders and holding in aggregate not more than 10% of total share capital of the company. A shareholder holding more than 10% of total share capital of the company, can appoint a single person as its proxy, however, such person cannot be appointed as proxy of any other shareholder.*
- IV. *The Nitiraj Engineers Limited, Secretarial Dept., Registered Office- 306-A, Buildin, N M Joshi Marg, Near Police Station, Mumbai-400011 is authorized to accept the proxy form, power of attorney, authority or any other documents in this regard.*

**ATTENDANCE SLIP**

(To be presented at the entrance)

Reg. Folio No.	DP id.	Client id.	No. of Shares held

Name of the Reg. Shareholder -----

I, being the registered shareholder/Proxy for the registered shareholder of the company hereby record my presence at the 20<sup>th</sup> Annual General Meeting of the Company held on Saturday, the 31<sup>st</sup> August, 2019 at 11:00 A.M. at the registered office of the Company at Dosti Club Hi-Fly (Club House), Dosti Flamingos, T. J. Road, Sewri (West), Mumbai-400015 (Near Sewri Bus Depot.) (Other than Registered Office within the City).

-----Member's/Proxy's name in Block  
Letters                      Member's/Proxy's Signature

**NOTE :** Please fill up this attendance slip and hand it over at the entrance of the venue for the meeting. Members/Proxy Holders are requested to bring their copies of the Annual Report to the meeting.

## Independent Auditor's Report

To  
The Members,  
Nitiraj Engineers Limited,  
Mumbai

**Report on the Standalone Financial Statements**

We have audited the accompanying standalone financial statements of Nitiraj Engineers Limited, which comprise the Balance sheet as at 31<sup>st</sup> March, 2019 and the Statement of Profit and Loss and the Cash Flow Statement of the company for the year then ended and a summary of significant accounting policies and other explanatory information.

**Management's Responsibility for the Standalone Financial Statements**

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation and presentation of these standalone financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes 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 frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

**Auditor's Responsibility**

Our responsibility is to express an opinion on these standalone financial statements based on our audit. We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made there under.

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making

those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on whether the company has in place an adequate internal financial controls system over financial reporting and the operating effectiveness of such controls. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the standalone financial statements.

### **Opinion**

**According to Note 2A(g) on the Significant Accounting Policies the accounting of provision of Gratuity Liability and Leave Encashment Liability is not recorded fully and thus is not in accordance with Accounting Standard 15 on "Employee Benefits" issued by the Institute of Chartered Accountants of India.**

Subject to the above, in our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Act in the manner so required and give a true and fair view, in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31<sup>st</sup> March, 2019, its profit for the year ended on that date and its Cash Flows for the same period.

### **Emphasis of Matters**

There is no matter in the Notes to the financial Statements, which require the immediate attention of the members apart from the above non compliance of the AS 15 issued by the Institute of Chartered Accountants of India

### **Report on Other Legal and Regulatory Requirements**

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the Annexure-A a statement on the matters specified in the paragraph 3 and 4 of the Order, to the extent applicable.
2. As required by Section 143 (3) of the Act, we report that:
  - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
  - (b) in our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
  - (c) the balance sheet, the statement of profit and loss and the Cash Flow dealt with

by this Report are in agreement with the books of account;

- (d) in our opinion, the aforesaid standalone financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014;
- (e) on the basis of the written representations received from the directors as on 31<sup>st</sup> March 2019 taken on record by the Board of Directors, none of the directors are disqualified as on 31 March 2019 from being appointed as a director in terms of Section 164 (2) of the Act; and
- (f) With respect to the adequacy of the Internal Financial Controls over financial reporting of the company and the operating effectiveness of such controls, refer to our separate report in Annexure B
- (g) In our opinion and to the best of our information and according to the explanations given to us with respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, we report as under
  - i. the Company has no pending litigations having impact on its financial position;
  - ii. the Company does not have any material foreseeable losses, on long-term contracts including derivative contracts; and
  - iii. there has been no amount, required to be transferred, to the Investor Education and Protection Fund by the Company.

For and on behalf  
**P. D. DALAL & CO.,**  
*Chartered Accountants,*  
Firm Reg No.102047W

Mumbai  
30<sup>th</sup> July, 2019

(Aashish S. Kakaria)  
*Partner*  
Membership No.102915

**Annexure A to the Independent Auditors Report**

The Annexure referred to in our Independent Auditors' Report to the members of the Nitiraj Engineers Limited on the standalone financial statements for the year ended 31<sup>st</sup> March, 2019, we report that:

- (i) (a) In our opinion the Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets on the basis of available information.
- (b) As informed to us the Company has a regular programme of physical verification of its fixed assets by which fixed assets are verified in a phased manner over a period of three years. In accordance with this programme, certain fixed assets were verified during the year and no material discrepancies were noticed on such verification. In our opinion, this periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its assets.
- (c) According to the information and explanations given to us the title deeds of the Immovable properties are held in the name of the company.
- (ii) As explained to us the inventory has been physically verified by the management during the year at reasonable intervals. In our opinion the frequency of such verification is reasonable. No material discrepancies noticed on physical verification of inventories as compared to the book record.
- (iii) In our opinion the Company has not granted any loans, secured or unsecured to companies, firms or other parties covered in the register maintained under section 189 of the Companies Act, 2013 ('the Act'). Therefore, sub clauses (a), (b) and (c) are not applicable.
- (iv) In our opinion and according to the information and explanations given to us the company has not given any loan or guarantee or security. In respect of investments made the company has complied with the provisions of section 186 of the Act.
- (v) In our opinion and according to the information and explanations given to us the company has not accepted any deposits during the year from the public within the meaning of provisions of section 73 to 76 of the companies act 2013 and the rules framed there under and therefore , the provisions of clause (v) of the Order are not applicable to the company.
- (vi) The maintenance of cost records under sub section(1) of section 148 of the Companies Act, 2013 is not applicable in view of rule 3 of the Companies Act (Cost Records and Audit) Amendment Rules 2014 and therefore, the provisions of clause (vi) of the Order are not applicable to the Company.
- (vii) In our opinion and according to the information and explanations given to us, there is an adequate internal control system commensurate with the size of the Company and the nature of its business with regard to purchase of inventory and fixed assets and sale of goods. We have not observed any major weakness in the internal control system during the course of the audit.
- (viii) The Central Government has not prescribed the maintenance of cost records



under section 148 (1) of the Act, for any of the services rendered by the Company.

- (ix) (a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, amounts deducted/accrued in the books of account in respect of undisputed statutory dues including provident fund, income tax, sales tax, wealth tax, service tax, duty of customs, value added tax, cess and other material statutory dues have been regularly deposited during the year by the Company with the appropriate authorities. As explained to us, the Company did not have any dues on account of employees' state insurance and duty of excise.

According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, income tax, sales tax, wealth tax, service tax, duty of customs, value added tax, cess and other material statutory dues were in arrears as at 31<sup>st</sup> March, 2019 for a period of more than six months from the date they became payable.

- (b) According to the information and explanations given to us, there are no material dues of income tax, sales tax, wealth tax, service tax, duty of customs, duty of excise, value added tax and cess which have not been deposited with the appropriate authorities on account of any dispute.
- (c) According to the information and explanations given to us there were no amounts which were required to be transferred to the investor education and protection fund in accordance with the relevant provisions of the Companies Act, 1956 (1 of 1956) and rules there under.
- (d) According to the information and explanations given to us, the company has not raised any monies by way of an Initial Public Offer or by any other way by selling its equity shares during the year.
- (x) The Company does not have any accumulated losses at the end of the financial year and has not incurred cash losses in the financial year and in the immediately preceding financial year.
- (xi) The Company has not defaulted in repayment of dues to financial institutions or banks. The company did not have borrowings by way of debentures.
- (xii) In our opinion the Company did not raise any money by way of Debt Instruments and term loans during the year.
- (xiii) In our opinion and according to the information and explanations given to us the company has paid or provided managerial remuneration in accordance with the requisite approval mandated by the provisions of section 197 read with schedule V of the Companies Act, 2013
- (xiv) In our opinion and according to the information and the explanations given to us, the Company is not a Nidhi company and therefore, the provisions of clause (xii) of the order are not applicable to the company.
- (xv) In our opinion and according to the information and the explanations given to us, and based on our examination of the records of the company, all transactions with the related parties are in compliance with section 177 and 188 of the Act where applicable and the details have been disclosed in the financial statements as required by the applicable accounting standards.

- (xvi) In our opinion and according to the information and explanations given to us, the company has not entered into any non-cash transactions with directors or persons connected with him.
- (xvii) The company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934.

For and on behalf  
**P. D. DALAL & CO.,**  
*Chartered Accountants,*  
Firm Reg No.102047W

*Mumbai*  
*30<sup>th</sup> July, 2019*

(Aashish S. Kakaria)  
*Partner*  
Membership No.102915

## **Annexure “B” to the Independent Auditors Report**

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of section 143 of the Companies Act, 2013 (“the Act”)

We have audited the internal financial controls over financial reporting of Nitiraj Engineers Limited as of 31st March, 2019 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

### **Management’s Responsibility for Internal Financial Controls**

The Company’s management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the institute of Chartered Accountants of India (“ICAI”). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to 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 information, as required under the Companies Act, 2013.

### **Auditors’ Responsibility**

Our responsibility is to express an opinion on the Company’s internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting ( the, “ Guidance Note”) and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143 (10) of the Companies Act,2013 to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor’s judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company’s internal financial controls system over financial reporting.

### **Meaning of Internal Financial Controls over Financial Reporting**

A company’s internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally

accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

#### **Inherent Limitations of Internal Financial Controls over Financial Reporting**

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedure may deteriorate.

#### **Opinion**

In our opinion, the company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2019 based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India.

*Mumbai*  
*30<sup>th</sup> July, 2019*

For and on behalf  
**P. D. DALAL & CO.,**  
*Chartered Accountants,*  
Firm Reg No.102047W

(Aashish S. Kakaria)  
*Partner*  
Membership No.102915

Particulars	Note No.	As at 31.03.2019		As at 31.03.2018	
<b>EQUITY AND LIABILITIES</b>					
<b>Share Holders Funds</b>					
Share Capital	" 3 "	8,20,08,000		8,20,08,000	
Reserves & Surplus	" 4 "	58,68,23,625	<b>66,88,31,626</b>	52,61,37,958	<b>60,81,45,958</b>
<b>Non-Current Liabilities</b>					
Deferred Tax Liabilities (Net)		19,03,255	<b>19,03,255</b>		29,37,744
<b>Current Liabilities</b>					
Short Term Borrowings	" 5 "	-		-	
Trade Payables	" 6 "	5,80,00,473	<b>5,80,00,473</b>	2,98,81,337	<b>2,98,81,337</b>
<b>TOTAL</b>			<b>72,87,35,354</b>		<b>64,09,65,039</b>
<b>ASSETS</b>					
<b>Non-Current Assets</b>					
<b>Fixed Assets</b>					
Tangible Assets	" 7 "	23,54,33,949		10,49,94,941	
Intangible Assets		3,26,05,278	<b>26,80,39,228</b>	2,00,09,641	<b>12,50,04,582</b>
<b>Non-Current Investments</b>					
Long Term Loans And Advances	" 8 " " 9 "	2,01,09,925		24,68,59,450	
		8,89,05,766	<b>10,90,15,691</b>	6,88,24,748	<b>31,56,84,198</b>
<b>Current Assets</b>					
Inventories	"10"	17,46,10,700		12,35,60,671	
Trade Receivables	"11"	15,38,49,903		4,18,82,398	
Cash And Cash Equivalents	"12"	1,59,82,119		1,41,22,425	
Other Current Assets	"13"	72,37,713	<b>35,16,80,435</b>	2,07,10,766	<b>20,02,76,259</b>
<b>TOTAL</b>			<b>72,87,35,354</b>		<b>64,09,65,039</b>

See accompanying notes forming part of the financial statements

**For P.D.Dalal & Co.,**  
 Chartered Accountants,  
 Firm Registration No.102047W

**For Nitiraj Engineers Limited,**

(Aashish S. Kakaria)  
 Partner  
 Membership No.102915

(Rajesh R. Bhatwal) (Shakuntala R. Bhatwal)  
 Managing Director Director  
 Din No.00547575 Din No.01953906

Mumbai  
 30th July, 2019

Particulars	As at 31.03.2019	As at 31.03.2018
<b>NOTE 3 - SHARE CAPITAL</b>		
Authorised Share Capital 9000000 Equity Shares of Rs. 10 each	9,00,00,000	9,00,00,000
Pursuant to the members resolution the authorised capital of the company was increased from Rs.1 crore to Rs.6 crores and subsequently to Rs.9 crores by creation of additional 8000000 shares		
<b>Issued, Subscribed &amp; Paid - up</b> 6000000 Equity Shares of Rs. 10 each, fully paid- up	<b>6,00,00,000</b>	<b>6,00,00,000</b>
The Company had issued 2200800 fresh equity shares of face value of Rs.10 each by way of an Initial Public Offering during 2016 - 2017 at a premium of Rs.90 per share	2,20,08,000	2,20,08,000
All Shares are Equity Shares of a Single Class having equal voting rights and other rights, preferences and restrictions including restrictions on distribution of dividend and repayment of capital.		
EQUITY SHARES CAPITAL A/C		-
		-
	<b>8,20,08,000</b>	<b>8,20,08,000</b>
Reconciliation of shares - (No. of shares)		
Equity shares at the beginning of the year	82,00,800	82,00,800
Add : Issue of shares during the year		
Less : Shares forfeited / cancelled during the year	-	-
Equity shares at the end of the year	<b>82,00,800</b>	<b>82,00,800</b>
More than 5% shares held by each shareholders at the end		
<b><u>Name of shareholder</u></b>	<b>No of shares held</b>	
1. Shri Rajesh Raghunath Bhatwal	33,67,500	33,49,500
2. Mrs. Shakuntala Rajesh Bhatwal	18,16,800	18,16,800
3. Shri Yi Hung Sing	6,46,800	6,28,800
<b>NOTE 4 - RESERVES &amp; SURPLUS</b>		
<b>I Securities Premium Account</b>		
Balance at The Beginning of The Year	19,80,72,000	19,80,72,000
Add : Amount received on Public Issue of Equity Shares		
Less : Utilised / During The Year		
Balance at The End of The Year	<b>19,80,72,000</b>	<b>19,80,72,000</b>
<b>II GENERAL RESERVE</b>		
Balance at the beginning of the year		
Add : Additions / Transfer during the year		-
Less : Utilised / during the year	-	-
Balance at the end of the year	-	-
<b>III SURPLUS / (DEFICIT) IN THE STATEMENT OF PROFIT AND LOSS</b>		
Balance at the beginning of the year	32,66,60,412	29,59,18,654
Add : Profit / (Loss) during the year	6,06,85,667	3,07,41,758
Add : MAT Credit available		
	<b>38,73,46,079</b>	<b>32,66,60,412</b>
Less : Transfer to Reserve during the year	-	-
Interim Dividend paid during the year		
Tax on the above Dividend		
Bonus Shares Issued during the year	-	-
	-	-
Balance at the end of the year	<b>38,73,46,079</b>	<b>32,66,60,412</b>
<b>IV CAPITAL RESERVES</b>		
Cash Subsidy	14,05,546	14,05,546
	<b>58,68,23,625</b>	<b>52,61,37,958</b>

Notes on the financial statements for the year ended 31st March, 2019

Particulars	As at 31.03.2019	As at 31.03.2018
<b>NOTE 5 - SHORT TERM BORROWINGS</b> Secured loans repayable on demand from bank Cash Credit hypothecation loan from Banks HDFC.BANK LTD DHULE (Secured against Hypothecation of Stock, Debtors, Equitable Mortgage of Nasik and Dhule Property, and Personal Guarantee of Directors)	-	-
	-	-
<b>NOTE 6 - TRADE PAYABLES</b> Sundry Creditors Advances from Customers Provision Other Liabilities	2,48,54,671 33,26,803 1,44,24,892 1,53,94,107	1,13,71,342 28,87,956  1,56,22,039
	<b>5,80,00,473</b>	<b>2,98,81,337</b>
<b>NOTE 8 - NON CURRENT INVESTMENTS</b> <b>OTHER INVESTMENTS</b> <b>INVESTMENTS (Unquoted) (Long Term ) (At cost)</b> 690 Shares of 10 each of Merchant Co-op. Bank Ltd  In Associates Equity Shares of Hyper Drive Information Technologies Private Limited <i>3334 Equity Shares of Rs.10 each at a premium of Rs.5990 per share                      (Unquoted) (Long Term )</i> <b>INVESTMENT IN HDFC MUTUAL FUND</b> HDFC Cash Management Fund - Treasury LFGN HDFC Liquid Fund Regular Plan-Growth STG HDFC Regular Saving Fund Regular Plan-Growth  <b>INVESTMENT IN ICICI PRUDENTIAL</b> ICICI Prudential Saving Fund - Treasury Adv ICICI Prudential Regular Saving Fund  <b>INVESTMENT IN BIRLA SUNLIFE</b> Aditya Birla Sun Life Cash Plus (G) Regular Plan Aditya Birla Sun Life Medium Term Regular Plan Aditya Birla Sun Life Short Term Opportunity Fund  <b>INVESTMENT IN FRANKL TEMPLETON INVESTMENT</b> Franklin India Ultra Short Bond Fund -Super Institutional P  <b>INVESTMENT IN RELIANCE REGULAR SAVING FUND</b> SDGP - Reliance Regular Saving Fund Debt Plan (G)  National Savings Certificate	6,905  2,00,04,000  - -  - -  (0)  -  99,020	6,905  2,00,04,000  50,00,000 52,01,391 3,00,00,000  2,61,98,738 9,44,00,000  9,49,396 1,00,00,000 2,00,00,000  1,00,00,000  2,50,00,000  99,020
	<b>2,01,09,925</b>	<b>24,68,59,450</b>

Notes on the financial statements for the year ended 31st March, 2019

Particulars	As at 31.03.2019	As at 31.03.2018
<b>NOTE 9 - LONG TERM LOANS AND ADVANCES</b>		
[Unsecured, considered good, except otherwise stated]		
Loans & Advances		
Advances recoverable in cash or kind or for value to be received	7,93,93,663	5,55,79,144
Deposits	78,42,453	86,62,247
Stock of Gold	16,69,650	16,69,650
Advance Payment of Taxes <i>(Net of Provisions)</i>	-	29,13,707
	<b>8,89,05,766</b>	<b>6,88,24,748</b>
<b>NOTE 10 - INVENTORIES [Valued at Cost]</b>		
[As Valued, Verified and Certified by the Management]		
Raw Materials	10,38,30,652	8,33,82,783
Work in progress	1,97,37,083	1,29,99,080
Stock in Trade	-	9,99,505
Finished Goods	5,10,42,965	2,61,79,303
	<b>17,46,10,700</b>	<b>12,35,60,671</b>
<b>NOTE 11 - TRADE RECEIVABLES</b>		
<b>SUNDRY DEBTORS</b>		
[Unsecured, considered good except otherwise stated]		
Over Six Months	4,99,81,618	15,90,168
Others	10,38,68,285	4,02,92,230
	<b>15,38,49,903</b>	<b>4,18,82,398</b>
<b>NOTE 12 - CASH AND CASH EQUIVALENTS</b>		
Cash in hand and remittance in transit	26,63,847	10,79,076
Balances with Banks :		
Scheduled Banks		
Current Account	76,33,621	95,13,756
Fixed Deposit Accounts	56,84,651	35,29,593
	-	
	<b>1,59,82,119</b>	<b>1,41,22,425</b>
<b>NOTE 13 - OTHER CURRENT ASSETS</b>		
Interest Accrued	3,96,391	1,24,08,566
Unamortized Expenditure	68,41,322	83,02,200
	<b>72,37,713</b>	<b>2,07,10,766</b>



## Statement of Profit and Loss for the year ended 31st March 2019

[Amount Rs.]

Particulars	Note No.	For the year ended 31st March, 2019	For the year ended 31st March, 2018
<b>Continuing Operations</b>			
Revenue from Operations (Net)	" 14 "	53,88,37,843	38,82,84,161
Other Income	" 15 "	1,18,72,919	2,27,23,000
<b>Total Revenue</b>		<b>55,07,10,761</b>	<b>41,10,07,161</b>
<b>Expenses</b>			
Cost of Materials Consumed	" 16 "	29,65,20,816	23,32,48,778
Changes in Inventory	" 17 "	(3,06,02,160)	(3,08,76,988)
Employee Benefit Expenses	" 18 "	4,14,56,958	5,64,57,408
Finance Cost	" 19 "	11,03,539	5,41,053
Depreciation	" 20 "	1,25,82,031	1,74,61,758
Other Expenses	" 21 "	14,48,37,265	9,11,90,348
Corporate Social Responsibility		-	-
Service Tax		-	5,51,653
<b>Total Expenses</b>		<b>46,58,98,449</b>	<b>36,85,74,009</b>
Profit before Tax		<b>8,48,12,312</b>	<b>4,24,33,152</b>
Net profit after exceptional items		<b>8,48,12,312</b>	<b>4,24,33,152</b>
Tax Expenses			
Current Tax		2,51,61,134	87,53,650
Deferred Tax		(10,34,489)	29,37,744
Total Tax Expenses		2,41,26,645	1,16,91,394
<b>Profit for the year</b>		<b>6,06,85,667</b>	<b>3,07,41,758</b>
<b>Earnings per share (of Rs.10 each):</b>			
Basic / Diluted Earnings per share		7.40	3.75

See accompanying notes forming part of the financial statements

**For P.D.Dalal & Co.,**  
 Chartered Accountants,  
 Firm Registration No.102047W

**For Nitiraj Engineers Limited,**

(Aashish S. Kakaria)  
 Partner  
 Membership No.102915

(Rajesh R. Bhatwal) (Shakuntala R. Bhatwal)  
 Managing Director Director  
 Din No.00547575 Din No.01953906

Mumbai  
 30th July, 2019

**Nitiraj Engineers Limited**

Notes on the financial statements for the Year ended 31st March, 2019

Particulars	For the year ended 31st March, 2019	For the year ended 31st March, 2018
<b>NOTE 14 - REVENUE FROM OPERATIONS</b>		
<b>Sales of Manufactured Goods</b>	55,67,07,121	39,54,97,376
<i>Less : Inter Unit Sales</i>	1,77,66,172	58,65,886
Less : Local and Central Sales Tax	1,03,106	2,71,037
Net Sales of Manufactured Goods	53,88,37,843	38,93,60,453
<b>Sales of Traded Goods</b>		
<b>Sales of Services</b>		
Net Income from AMC Charges		
AMC Charges received during the year	-	10,76,292
Less : Consumption of Raw Material	-	-
Less : Salaries & Other Expenses	-	(10,76,292)
<b>Other Operating Revenue</b>	-	-
	<b>53,88,37,843</b>	<b>38,82,84,161</b>
<b>NOTE 15 - OTHER INCOME</b>		
Gain on Mutual Fund	49,45,644	1,39,32,330
Other Income	69,27,275	87,90,670
	<b>1,18,72,919</b>	<b>2,27,23,000</b>
<b>NOTE 16 - COST OF MATERIALS CONSUMED</b>		
Raw Material Consumption	29,65,20,816	23,32,48,778
	<b>29,65,20,816</b>	<b>23,32,48,778</b>
<b>NOTE 17 - CHANGES IN INVENTORY</b>		
Inventories at the end of the year		
Finished Goods	5,10,42,965	2,68,92,436
Material - in - Progress	1,97,37,083	1,29,99,080
	7,07,80,048	3,98,91,516
Inventories at the beginning of the year		
Finished Goods	2,71,78,808	90,14,528
Material -in-progress	1,29,99,080	-
	4,01,77,888	90,14,528
Net ( Increase ) / Decrease	<b>(3,06,02,160)</b>	<b>(3,08,76,988)</b>
<b>NOTE 18 - EMPLOYEE BENEFIT EXPENSES</b>		
Payments to & Provision for Employees :		
Salaries, Wages and Bonus	2,70,83,409	4,02,18,051
Contribution to Provident & Other Funds	32,37,547	35,12,743
Other Benefits	1,01,37,908	1,07,50,214
Salary to Managing Director & Directors	9,98,094	19,76,400
	<b>4,14,56,958</b>	<b>5,64,57,408</b>
<b>NOTE 19 - FINANCE COST</b>		
Interest on Loan from HDFC Bank Cash Credit	6,22,912	14,400
Bank Charges	4,80,627	5,26,653
	<b>11,03,539</b>	<b>5,41,053</b>

**Nitiraj Engineers Limited**

Notes on the financial statements for the year ended 31st March, 2019

Particulars	For the year ended 31st March, 2019	For the year ended 31st March, 2018
<b>NOTE 20 - DEPRECIATION</b>		
Depreciation on		
Buildings	21,11,862	22,47,116
Plant and Machineries	74,06,424	76,78,130
Solar System	3,84,000	38,40,000
Electric Installation	2,43,039	2,56,155
Office Equipments	4,70,173	5,24,735
Furniture and Fixtures	6,49,943	7,10,890
Computers	6,37,786	16,47,601
Vehicles	6,78,804	5,57,132
	<b>1,25,82,031</b>	<b>1,74,61,758</b>
<b>NOTE 21 - OTHER EXPENSES</b>		
<b>MANUFACTURING EXPENSES</b>		
Power & Fuel	18,80,589	29,32,508
Labour and Processing Charges	4,51,09,642	2,43,12,033
	4,69,90,230	2,72,44,541
<b>SELLING AND OTHER EXPENSES</b>		
Commission to Selling Agents	14,57,980	60,19,432
Stamping Fee	3,59,23,278	1,07,47,118
Brokerage & Other Expenses	20,14,690	47,519
Export Expenses	-	-
Advertisement	23,56,466	5,87,614
Transportation & Handling Charges [Net]	1,82,10,718	1,53,52,342
Tender Expenses	8,33,750	1,84,403
	6,07,96,882	3,29,38,428
<b>OTHER EXPENSES</b>		
Repairs & Maintenance of :		
Buildings	-	2,97,882
Plant & Machinery	3,21,858	3,58,231
Others	6,66,272	9,82,532
Rent	11,98,754	9,29,978
Rates & Taxes	12,36,584	11,25,443
Insurance [Net]	10,90,274	12,15,993
Telephone Exp.	10,99,951	16,19,185
Donations	71,701	64,400
Software & Computer Exp.	13,38,601	12,07,942
Professional Fees	73,69,845	13,60,450
Travelling	1,17,36,598	1,26,91,943
Loss on Sale of Assets	5,23,750	1,19,303
Sundry balances written off / written back	5,50,803	16,546
Preliminary Expenses written off	18,50,825	24,45,279
Miscellaneous Expenses	70,44,338	48,64,772
	3,61,00,153	2,92,99,879
<b>Payment to Auditor comprises of -</b>		
As Auditor	7,00,000	13,07,500
For Taxation Matters	2,50,000	4,00,000
	9,50,000	17,07,500
	<b>14,48,37,265</b>	<b>9,11,90,348</b>

Nitiraj Engineers Limited  
Note 7 - Statement of Fixed Assets

A.Y. : 2019 - 2020  
F.Y. : 2018 - 2019

(All Amounts in Rs.)

Particulars	Rate of Depreciation	WDV As on 1.4.18	Additions		Deductions	Total as on 31.03.19	Depreciation for the year	WDV as on 31-03-19
			> Than 180 Days	< Than 180 Days				
<b>Buildings :</b>								
A] Factory Building	10%	26,23,173	-	-	-	26,23,173	16,704	26,06,469
	5%						-	
B] Office Building	10%	95,75,254	1,30,944	34,785	-	97,40,982	9,69,583	87,71,399
	5%						-	
C] Guest House	5%	2,25,11,487	-	-		2,25,11,487	11,25,574	2,13,85,913
	3%						-	
Land		40,83,760	-	-	-	40,83,760	-	40,83,760
<b>Capital W.I.P.</b>								
Land		5,59,318	57,43,989	3,12,67,745		3,75,71,052		3,75,71,052
Building				9,34,77,169		9,34,77,169		9,34,77,169
Office Equipments				8,058		8,058		8,058
Electrical Installations				35,080		35,080		35,080
Computers				10,00,000		10,00,000		10,00,000
Plant & Machinery		-	1,46,659	15,80,380		17,27,039		17,27,039
Plant & Machinery	15%	4,64,87,824	41,12,511	22,02,105	-	5,28,02,441	74,06,424	4,53,96,017
	7.5%	-	-	-	-	-	-	-
Solar System	40%	9,60,000	-	-		9,60,000	3,84,000	5,76,000
	20%							
Electrical Installations	10%	29,31,220	51,572	18,838.84	-	30,01,630	2,43,039	27,58,591
	5%	-	-	-	-	-	-	-
Office Equipments	15%	32,27,605	1,00,346	26,395	-	33,54,346	4,70,173	28,84,173
	7.5%	-	-	-	-	-	-	-
Furniture & Fixtures	10%	72,85,135	36,886	-	-	73,22,020	6,49,943	66,72,077
	5%	-	-	-	-	-	-	-
Vehicles	15%	34,36,101	-	35,29,157.00	9,20,051	60,45,207	6,78,804	53,66,403
	7.5%	-	-	-	-	-	-	-
Computers	40%	13,14,064	1,48,416	2,90,056.51	-	17,52,536	6,37,786	11,14,750
	20%	-	-	-	-	-	-	-
<b>Grand Total</b>		<b>10,49,94,941</b>	<b>1,04,71,322</b>	<b>13,34,69,769</b>	<b>9,20,051</b>	<b>24,80,15,982</b>	<b>1,25,82,032</b>	<b>23,54,33,950</b>
<b>Intangible Assets</b>								
Software Development		49,95,520	-	-		49,95,520	-	49,95,520
Research & Development		1,50,14,121	80,25,829	45,69,809		2,76,09,758		2,76,09,758
<b>Total</b>		<b>2,00,09,641</b>	<b>80,25,829</b>	<b>45,69,809</b>	<b>-</b>	<b>3,26,05,278</b>	<b>-</b>	<b>3,26,05,278</b>
<b>Grand Total</b>		<b>12,50,04,582</b>	<b>1,84,97,151</b>	<b>13,80,39,578</b>	<b>9,20,051</b>	<b>28,06,21,260</b>	<b>1,25,82,032</b>	<b>26,80,39,228</b>

Cash Flow Statement for the year ended 31st March, 2019

[Amount in Rs.]

	For the year ended 31st March 2019		For the year ended 31st March 2018	
<b>A.) CASH FLOW FROM OPERATING ACTIVITIES</b>				
Net profit after tax and extraordinary items adjustments for:		6,06,85,667		3,07,41,758
Depreciation on Fixed Assets	1,25,82,031		1,74,61,758	
(Profit)/Loss on Sale of assets	5,23,750		1,19,303	
Interest Expense	6,22,912		14,400	
Others (Tax)	2,51,61,134		87,53,650	
Sundry balances written off / written back	5,50,803		16,546	
Preliminary Expenses written off	18,50,825		24,45,279	
MAT Credit available	-	4,12,91,454	-	2,88,10,936
<b>Operating profit before working capital changes</b>		10,19,77,121		5,95,52,694
<b>Adjustments for :</b>				
Decrease (Increase) in Investments	22,67,49,525		(2,67,54,525)	
Decrease (Increase) in Loans & Advances	(2,00,81,018)		38,60,123	
Decrease (Increase) in Receivables	(11,25,18,308)		1,23,34,507	
Decrease (Increase) in Inventories	(5,10,50,029)		(92,49,908)	
Decrease (Increase) in Other Current Assets	1,16,22,228		(1,63,19,940)	
Increase / (Decrease) in Deferred Tax Liabilities	(10,34,489)		29,37,744	
Increase / (Decrease) in Trade Payables	29,58,002		(5,44,09,277)	
Increase / (Decrease) in Short Term Provisions			-	
<b>Operating profit after working capital changes</b>		5,66,45,911		(8,76,01,276)
		15,86,23,033		(2,80,48,582)
<b>B.) CASH FLOW FROM INVESTING ACTIVITIES</b>				
(Purchase) Of Fixed Assets	(14,39,41,091)		(2,33,07,813)	
Sale of fixed assets	3,96,302		4,08,492	
(Investment) in Intangibles	(1,25,95,637)		(1,16,46,705)	
Cash Subsidy received during the year	-		12,43,793	
<b>Net cash from investing activities</b>		(15,61,40,426)		(3,33,02,233)
<b>C.) CASH FLOW FROM FINANCIAL ACTIVITIES</b>				
Issue of Share Capital & Share premium received			-	
Increase / (Repayment of Long Term Borrowings)	-		-	
Increase / (Repayment of Short Term Borrowings)	-		-	
Interest Paid	(6,22,912)		(14,400)	
<b>Net cash used in financial activities C</b>		(6,22,912)		(14,400)
<b>Net increase/(decrease) in Cash and Cash Equivalents</b>		18,59,694		(6,13,65,210)
Cash and cash equivalent at the beginning of the year		1,41,22,425		7,54,87,635
Cash and cash equivalent at the end of the year		1,59,82,119		1,41,22,425

See accompanying notes forming part of the financial statements

In terms of our report attached

**For P.D.Dalal & Co.,**  
 Chartered Accountants,  
 Firm Registration No.102047W

**For Nitiraj Engineers Limited,**

 (Aashish S. Kakaria)  
 Partner  
 Membership No.102915

 (Rajesh R. Bhatwal) (Shakuntala R. Bhatwal)  
 Managing Director Director  
 Din No.00547575 Din No.01953906

 Mumbai  
 30th July, 2019

**Nitiraj Engineers Limited**

Notes forming part of the Financial Statements for the year ended 31<sup>st</sup> March, 2019

1. Corporate Information:  
Nitiraj Engineers was incorporated in April 1999 as a private limited company. The company is engaged in the manufacturing and selling of a variety of Electronic Weighing Scales, Currency Counting Machines, Taxi Fare Meters etc.  
The company was converted into a Limited Company on 22<sup>nd</sup> June, 2015 and the new name of the company is Nitiraj Engineers Limited. The company launched its Initial Public Offer of equity shares during the F.Y. 2016 – 2017 and got listed on the NSE Emerge [SME] Exchange.
  2. The Significant Accounting Policies followed by the company are as stated below
- A. BASIS OF ACCOUNTING POLICIES:
- a) Account Convention:  
The financial statements of the Company have been prepared in accordance with the Generally Accepted Accounting Principles in India (Indian GAAP) to comply with the Accounting Standards notified under the Companies (Accounting Standards) Rules, 2006 (as amended) and the relevant provisions of the Companies Act, 2013. The financial statements are prepared under the historical cost convention on an accrual basis in accordance with applicable accounting standards, **except** for accounting of liability of Gratuity & Leave encashment which is not fully provided in the books of accounts.  
The accounting policies adopted in the preparation of the financial statements are consistent with those followed in the previous year.
  - b) Fixed Assets :-  
Fixed Assets are stated at cost less depreciation.  
Intangible Assets  
The company has debited the Research & Development expenditure incurred on development on new technologies and products under the Intangible assets.
  - c) Depreciation  
During the year the company has charged depreciation on its fixed assets based on the useful life of that Asset as derived by the management.
  - d) Translation of Foreign Currency Items:  
Transactions in foreign currency are recorded at the rate of exchange in force at the date of transaction. Gains and losses resulting from the settlement of such transactions are recognized in the statement of profit & loss.
  - e) Investments:  
Long term Investment are stated at cost. Investment income accrued on the Debt funds is credited to the Profit & Loss Account during the year.
  - f) Inventories  
Inventories are valued at the lower of the cost and estimate net realizable value. Cost of inventories is computed on FIFO Basis. Finished goods and work in progress include costs of conversion and other cost incurred in bringing the inventories to their present location and condition. Obsolete, defective and unserviceable stocks are duly provided for.

g) Retirement Benefits:

Retirement benefits viz. Gratuity and Leave encashment are being accounted as and when paid. The company has not provided fully for Gratuity as per AS 15 “Employee Benefits” issued by the Institute of Chartered Accountants of India. In the absence of information the effect on the profitability cannot be quantified.

h) Taxes on Income

Tax expense comprises of current tax and deferred tax. Current tax is measured at the amount expected to be paid to the tax authorities, using the applicable tax rates. Deferred income tax reflect the current period timing differences between taxable income and accounting income for the period and reversal of timing differences of earlier years/period. Deferred tax assets are recognised only to the extent that there is a reasonable certainty that sufficient future income will be available except that deferred tax assets, in case there are unabsorbed depreciation or losses, are recognised if there is virtual certainty that sufficient future taxable income will be available to realise the same

i) Dividend

During the year the company has not declared any dividend.

j) Research & Development Expenditure

Revenue Expenditure is charged to the Profit & Loss Account and capital expenditure is added to the cost of Fixed Assets in the year in which it is incurred. The company is pursuing development of new technologies and has capitalized the expenditure incurred on the R&D.

k) Provisions, Contingent liabilities and Contingent Assets

Provisions are recognized only when :

- i) The company has a present obligation as a result of past events
- ii) A probable outflow of resources is expected to settle the obligation and
- iii) The amount of obligation can be reliably estimated

Since the company has not provided for Gratuity and Leave encashment as per AS 15 “Employee Benefits” issued by the Institute of Chartered Accountants of India, Contingent Liability arising from post-employment benefit obligations cannot be quantified.

Contingent Assets are neither recognized nor disclosed in the financial statements.

i) Remuneration to Auditors

	<u>2018 – 2019</u>	<u>2017-2018</u>
Audit Fees	Rs. 7,00,000	Rs. 13,07,500
Taxation Matters	Rs. 2,50,000	Rs. 4,00,000
Certifications & Other Services	Nil	Rs. 15,00,000
Out of Pocket Expenses	Rs 59,630	Rs. 1,70,370

m) Earnings per Share

Basic earnings per share is computed by dividing the profit / (loss) after tax (including the post-tax effect of extraordinary items, if any) by the weighted average number of equity shares outstanding during the year. Diluted earnings per share is computed by dividing the profit / (loss) after tax (including the post-tax effect of extraordinary items, if any) as adjusted for dividend, interest and other charges to expense or income relating to the dilutive potential equity shares, by the weighted average number of equity shares considered for deriving basic

earnings per share and the weighted average number of equity shares which could have been issued on the conversion of all dilutive potential equity share

Earnings Per Share [Basic and Diluted]

	2018 – 2019	2017-2018
Net Profit after tax	Rs.6,06,85,667	Rs.3,07,41,758
Number of Equity Shares	82,00,800	82,00,800
Nominal Value of Shares	Rs.10 per share	Rs.10 per share
Basic Earnings per Share	Rs.7.40	Rs. 3.75

B. Segment Reporting

The company is operating one manufacturing unit in Himachal Pradesh producing electronic weighing scales and other products. Hence there are no reportable segments under Accounting Standard -17. The conditions prevailing in India being uniform no separate geographical disclosures are considered necessary.

C. In the opinion of the Board, subject to the debts considered doubtful, Current Assets and Loans and Advances have a value on realization in the ordinary course of business at least equal to the amount at which they are stated in the Balance Sheet.

D. Relate Party Disclosure.

**Transactions during the year ended March 31, 2019**

Particulars	Relation	Amount Rs.		
		2018-2019	2017-2018	Balance as on 31-03-2019
<b>Salary</b>				
Rajesh Raghunath Bhatwal	Director	24,00,000	27,00,000	1,98,000
Shakuntala Rajesh Bhatwal	Director	4,80,000	4,80,000	38,000
Yi Hung Sin	Director	4,80,000	4,80,000	38,000
Kailash Madanlal Agrawal	CFO	4,72,000	4,12,600	38,075
Ankush Uttamrao Patil	Company Secretary	1,21,592	35,592	-
Preeti Rohit Bhala	Company Secretary	90,006	-	14,538
Prachi Rajesh Bhatwal	Relative of Director	3,68,000	3,00,000	31,660



Particulars	Relation	2018-2019	2017-2018	Balance as on 31-03-2019
<b><u>Bonus</u></b>				
Rajesh Raghunath Bhatwal	- Director	4,998	4,998	4,998
Shakuntala Rajesh Bhatwal	Director	4,998	4,998	4,998
Yi Hung Sin	Director	4,998	4,998	4,998
Kailash Madanlal Agrawal	CFO	4,998	4,998	4,998
Ankush Uttamrao Patil	Company Secretary	2,499	833	2,499
Preeti Rohit Bhala	Company Secretary	2,499	-	2,499
Prachi Rajesh Bhatwal	Relative of Director	4,998	4,998	4,998
<b><u>Professional Fees</u></b>				
Rajesh Raghunath Bhatwal	Director	18,00,000	19,00,000	-
Shakuntala Rajesh Bhatwal	Director	18,00,000	9,00,000	-
Yi Hung Sin	Director	4,80,000	4,80,000	-
<b><u>Software Maintenance (included in Other Expense)</u></b>				
Hyper Drive Information Technologies Pvt Ltd.	Associate	4,72,000		-
<b><u>Investment in Associates</u></b>				
Hyper Drive Information Technologies Pvt Ltd. [3334 Equity Shares of Rs.10 each at a premium of Rs.5990 per Share]	Associate			2,00,04,000

*Related parties are as identified by the management and relied upon by the auditors*

**E) Miscellaneous Expenditure**

During the year the company has capitalized the expenditure incurred on Term loan stamp duty & processing fees. It is writing off this expenditure over a period of five years.

**F) Previous Years Figures**

Previous year's figures have been regrouped / reclassified wherever necessary to correspond with the current year's classification / disclosure.

**G) Utilization of money raised through Initial Public Offer**

The utilization of the issue proceeds as on 31st March 2019 is as under:  
Utilization planned as per prospectus

Particulars	Utilisation planned as per prospectus	Utilisation of IPO proceeds as on 31 <sup>st</sup> March, 2018	During FY 2018-19	Utilisation of IPO proceeds as on 31 <sup>st</sup> March, 2019	Balance Amount to be utilized as on 31 <sup>st</sup> March, 2019
Development of new products	525.00	34.00	125.96	159.96	365.04
Setting up manufacturing Unit for the existing and new range of products	575.00	280.42	294.58	575.00	-
Expansion of Marketing Network and Brand building	500.00	25.00	23.56	48.56	451.44
General Corporate Purposes	500.00	-	500.00	500.00	-
Issue Expenses	100.80	77.88	-	77.88	22.92
<b>Total</b>	<b>2,200.80</b>	<b>417.30</b>	<b>944.10</b>	<b>1,361.40</b>	<b>839.40</b>

H) Values of Export Sales on Machines & Spares Sales during the financial year

<u>Financial Year</u>	<u>2018-2019</u>	<u>2017-2018</u>
Machines Sales	43,85,150	13,51,465
Spares Sales	95,840	72,492

*[Amount Rs.]*

I) Values of all imported raw material, spares parts and components Purchase during the financial year

<u>Financial Year</u>	<u>2018-2019</u>	<u>2017-2018</u>
Raw Material (Imported)	4,75,76,053	2,70,48,226
Exchange Rate Variation	2,34,342	2,45,675

*[Amount Rs.]*

- J) The Company is in the process of identifying SSI units amongst its creditors, hence the information regarding dues to SSI units is not disclosed presently
- K) Creditors, Debtors (Including Credit Balances) Advances etc, are subject to confirmation and reconciliation
- L) Valuation of stock is taken as certified by the management

For and on behalf of  
**P.D.Dalal & Co.,**  
*Chartered Accountants,*  
Firm Reg. No.: 102047W

(Aashish S. Kakaria)  
*Partner*  
Membership No.102915

*Mumbai*  
*30<sup>th</sup> July, 2019*

## Independent Auditor's Report

To  
The Members,  
Nitiraj Engineers Limited,  
Mumbai

**Report on the Consolidated Financial Statements**

We have audited the accompanying financial statements of Nitiraj Engineers Limited [*hereinafter referred to as the Holding Company*] and consolidated the financials of Hyper Drive Information Technologies Private Limited [*hereinafter referred to as the Associate Company*] and [*both jointly referred to as the Group*] with that of the Holding company which comprise the Consolidated Balance sheet as at 31<sup>st</sup> March, 2019 and the Consolidated Statement of Profit and Loss and the Consolidated Cash Flow Statement of the company for the year then ended and a summary of significant accounting policies and other explanatory information.

**Management's Responsibility for the Consolidated Financial Statements**

The Holding Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation and presentation of these Consolidated financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, consolidated cash flows and change in equity of the Group including its associates and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.

The respective Board of Directors of the companies included in the Group and of its associate are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Board of Directors of the Holding Company, as aforesaid

**Auditor's Responsibility**

Our responsibility is to express an opinion on these Consolidated financial statements based on our audit. We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made there under.

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Holding Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on whether the company has in place an adequate internal financial controls system over financial reporting and the operating effectiveness of such controls. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Holding Company's Directors, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence obtained by us and by the other auditor in terms of their reports referred to in the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the consolidated financial statements.

We did not audit the financial statements of the associate company whose financial statements reflect total assets of Rs.9.94 crores as at March 31, 2019 total revenues of Rs.4.78 crores for the year then ended, as the case may be, on that date and financial statements of the associate company in which the share of net profit / [loss] of the Holding Company is Rs.(-)5,21,162. These financial statements have been audited by other auditors whose reports have been furnished to us and our opinion is based solely on the reports of the other auditors.

Our opinion on the consolidated financial statements, and our report on Other Legal and Regulatory Requirements below is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditors and the financial statements certified by the Management.

### **Opinion**

**According to Note 2A(g) on the Significant Accounting Policies, Gratuity Liability and Leave Encashment Liability is not provided for fully in the books of accounts of the Holding Company and is thus not in accordance with Accounting Standard 15 on "Employee Benefits" issued by the Institute of Chartered Accountants of India.**

Subject to the above, in our opinion and to the best of our information and according to the explanations given to us, the aforesaid Consolidated financial statements give the information required by the Act in the manner so required and give a true and fair view, in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31<sup>st</sup> March, 2019, its profit for the year ended on that date and its Cash Flows for the same period.

### Emphasis of Matters

There is no matter in the Notes to the financial Statements , which require the immediate attention of the members apart from the above non compliance of the AS 15 issued by the Institute of Chartered Accountants of India

### Report on Other Legal and Regulatory Requirements

1. As required by Section 143 (3) of the Act, we report that:

- (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated financial statements.
- (b) in our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books and the reports of the other auditors;
- (c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss (including Other Comprehensive Income) and the Consolidated Cash Flow Statement dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements;
- (d) in our opinion, the aforesaid Consolidated financial statements comply with the Accounting Standards specified under Section 133 of the Act
- (e) On the basis of the written representations received from the directors of the Holding Company as on March 31, 2019 taken on record by the Board of Directors of the Holding Company and the reports of the statutory auditors of its associate company, none of the directors of these entities is disqualified as on March 31, 2019 from being appointed as a director in terms of Section 164 (2) of the Act.
- (f) With respect to the adequacy of the Internal Financial Controls over financial reporting of the company and the operating effectiveness of such controls, refer to our separate report in Annexure B which is based on the auditors' reports of the associate company.
- (g) In our opinion and to the best of our information and according to the explanations given to us with respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, we report as under
  - i. the Holding Company and its Associate Company has no pending litigations having impact on the financial position of the Group;
  - ii. the Group does not have any material foreseeable losses, on long-term contracts including derivative contracts; and

- iii. there has been no amount, required to be transferred, to the Investor Education and Protection Fund by the Company.

For and on behalf  
**P. D. DALAL & CO.,**  
*Chartered Accountants,*  
Firm Reg No.102047W

*Mumbai*  
*30<sup>th</sup> July, 2019*

(Aashish S. Kakaria)  
*Partner*  
Membership No.102915

**Annexure “A” to the Independent Auditors Report**

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of section 143 of the Companies Act, 2013 (“the Act”)

We have audited the internal financial controls over financial reporting of Nitiraj Engineers Limited as of 31st March, 2019 in conjunction with our audit of the Consolidated financial statements of the Company for the year ended on that date.

**Management’s Responsibility for Internal Financial Controls**

The respective Board of Directors of the Holding Company, its associate which are incorporated in India, are responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by these entities, considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the Guidance Note) issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to respective 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 information, as required under the Companies Act, 2013.

**Auditors’ Responsibility**

The respective Board of Directors of the Holding Company and the associate company which are incorporated in India, are responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by these entities, considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the Guidance Note) issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to respective 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 information, as required under the Companies Act, 2013.

Our responsibility is to express an opinion on the Company’s internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting ( the, “ Guidance Note”) and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143 (10) of the Companies Act,2013 to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting,



assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error.

We believe that the audit evidence obtained by us and the other auditors in terms of their reports referred to in the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the Holding Company and the associate company incorporated in India, internal financial controls system over financial reporting.

### **Meaning of Internal Financial Controls over Financial Reporting**

A Company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the Company's assets that could have a material effect on the financial statements.

### **Inherent Limitations of Internal Financial Controls over Financial Reporting**

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedure may deteriorate.

### **Opinion**

In our opinion, to the best of our information and according to the explanations given to us and based on the consideration of reports of other auditors, as referred to in the Other Matters paragraph, the Holding Company and the associate company which are incorporated in India, have, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2019, based on the internal control over financial reporting criteria established by the respective companies, considering the essential components of internal control stated in the Guidance Note.

Other Matters

Our aforesaid report under section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls over financial reporting in so far as it relates to consolidated/standalone financial statements of 1 associate company which is a company incorporated in India, is based on the corresponding reports of the auditors of that company

For and on behalf  
**P. D. DALAL & CO.,**  
*Chartered Accountants,*  
Firm Reg No.102047W

*Mumbai*  
*30<sup>th</sup> July, 2019*

(Aashish S. Kakaria)  
*Partner*  
Membership No.102915

Particulars	Note No.	As at 31.03.2019		As at 31.03.2018	
<b>EQUITY AND LIABILITIES</b>					
<b>Share Holders Funds</b>					
Share Capital	" 3 "	8,20,08,000	<b>66,80,07,870</b>	8,20,08,000	<b>60,78,43,356</b>
Reserves & Surplus	" 4 "	58,59,99,870		52,58,35,356	
<b>Non-Current Liabilities</b>					
Deferred Tax Liabilities (Net)		19,03,255	<b>19,03,255</b>		29,37,744
<b>Current Liabilities</b>					
Short Term Borrowings	" 5 "	-	<b>5,80,00,473</b>	-	<b>2,98,81,337</b>
Trade Payables	" 6 "	5,80,00,473		2,98,81,337	
<b>TOTAL</b>			<b>72,79,11,598</b>		<b>64,06,62,437</b>
<b>ASSETS</b>					
<b>Non-Current Assets</b>					
<b>Fixed Assets</b>					
Tangible Assets	" 7 "	23,54,33,949	<b>26,80,39,228</b>	10,49,94,941	<b>12,50,04,581</b>
Intangible Assets		3,26,05,278		2,00,09,641	
<b>Non-Current Investments</b>					
Long Term Loans And Advances	" 8 " " 9 "	1,92,86,169 8,89,05,766	<b>10,81,91,935</b>	24,65,56,847 6,88,24,748	<b>31,53,81,596</b>
<b>Current Assets</b>					
Inventories	"10"	17,46,10,700	<b>35,16,80,435</b>	12,35,60,671	<b>20,02,76,259</b>
Trade Receivables	"11"	15,38,49,903		4,18,82,398	
Cash And Cash Equivalents	"12"	1,59,82,119		1,41,22,425	
Other Current Assets	"13"	72,37,713		2,07,10,766	
<b>TOTAL</b>			<b>72,79,11,598</b>		<b>64,06,62,437</b>

See accompanying notes forming part of the financial statements

**For P.D.Dalal & Co.,**  
 Chartered Accountants,  
 Firm Registration No.102047W

**For Nitiraj Engineers Limited,**

(Aashish S. Kakaria)  
 Partner  
 Membership No.102915

(Rajesh R. Bhatwal) (Shakuntala R. Bhatwal)  
 Managing Director Director  
 Din No.00547575 Din No.01953906

Mumbai  
 30th July, 2019

Particulars	As at 31.03.2019	As at 31.03.2018
<b>NOTE 3 - SHARE CAPITAL</b>		
Authorised Share Capital 9000000 Equity Shares of Rs. 10 each	9,00,00,000	9,00,00,000
Pursuant to the members resolution the authorised capital of the company was increased from Rs.1 crore to Rs.6 crores and subsequently to Rs.9 crores by creation of additional 8000000 shares		
<b>Issued, Subscribed &amp; Paid - up</b> 6000000 Equity Shares of Rs. 10 each, fully paid- up	<b>6,00,00,000</b>	<b>6,00,00,000</b>
The Company had issued 2200800 fresh equity shares of face value of Rs.10 each by way of an Initial Public Offering during 2016 - 2017 at a premium of Rs.90 per share	2,20,08,000	2,20,08,000
All Shares are Equity Shares of a Single Class having equal voting rights and other rights, preferences and restrictions including restrictions on distribution of dividend and repayment of capital.		
EQUITY SHARES CAPITAL A/C		-
		-
	<b>8,20,08,000</b>	<b>8,20,08,000</b>
Reconciliation of shares - (No. of shares)		
Equity shares at the beginning of the year	82,00,800	82,00,800
Add : Issue of shares during the year	-	-
Less : Shares forfeited / cancelled during the year	-	-
Equity shares at the end of the year	<b>82,00,800</b>	<b>82,00,800</b>
More than 5% shares held by each shareholders at the end		
<b>Name of shareholder</b>	<b>No of shares held</b>	
1. Shri Rajesh Raghunath Bhatwal	33,67,500	33,49,500
2. Mrs. Shakuntala Rajesh Bhatwal	18,16,800	18,16,800
3. Shri Yi Hung Sing	6,46,800	6,28,800
<b>NOTE 4 - RESERVES &amp; SURPLUS</b>		
<b>I Securities Premium Account</b>		
Balance at The Beginning of The Year	19,80,72,000	19,80,72,000
Add : Amount received on Public Issue of Equity Shares		
Less : Utilised / During The Year		
Balance at The End of The Year	<b>19,80,72,000</b>	<b>19,80,72,000</b>
<b>II GENERAL RESERVE</b>		
Balance at the beginning of the year		
Add : Additions / Transfer during the year		-
Less : Utilised / during the year	-	-
Balance at the end of the year	-	-
<b>III SURPLUS / (DEFICIT) IN THE STATEMENT OF PROFIT AND LOSS</b>		
Balance at the beginning of the year	32,63,57,810	29,59,18,654
Add : Profit / (Loss) during the year	6,01,64,514	3,04,39,156
Add : MAT Credit available		
	<b>38,65,22,324</b>	<b>32,63,57,810</b>
Less : Transfer to Reserve during the year	-	-
Interim Dividend paid during the year		
Tax on the above Dividend		
Bonus Shares Issued during the year	-	-
	-	-
Balance at the end of the year	<b>38,65,22,324</b>	<b>32,63,57,810</b>
<b>IV CAPITAL RESERVES</b>		
Cash Subsidy	14,05,546	14,05,546
	<b>58,59,99,870</b>	<b>52,58,35,356</b>

Particulars	As at 31.03.2019	As at 31.03.2018
NOTE 5 - SHORT TERM BORROWINGS Secured loans repayable on demand from bank Cash Credit hypothecation loan from Banks HDFC.BANK LTD DHULE  (Secured against Hypothecation of Stock, Debtors, Equitable Mortgage of Nasik and Dhule Property, and Personal Guarantee of Directors)	-	-
NOTE 6 - TRADE PAYABLES Sundry Creditors Advances from Customers Provision Other Liabilities	2,48,54,671 33,26,803 1,44,24,892 1,53,94,107	1,13,71,342 28,87,956 - 1,56,22,039
	<b>5,80,00,473</b>	<b>2,98,81,337</b>
NOTE 8 - NON CURRENT INVESTMENTS OTHER INVESTMENTS INVESTMENTS (Unquoted) (Long Term ) (At cost) 690 Shares of 10 each of Merchant Co-op. Bank Ltd  In Associates Equity Shares of Hyper Drive Information Technologies Private Limited 3334 Equity Shares of Rs.10 each at a premium of Rs.5990 per share (Unquoted) (Long Term ) Add: Share in Profit / (Loss) after tax during the year	6,905  1,97,01,398  (5,21,154)	6,905  2,00,04,000  (3,02,603)
	<b>1,91,80,244</b>	<b>1,97,01,398</b>
INVESTMENT IN HDFC MUTUAL FUND HDFC Cash Management Fund - Treasury LFGN HDFC Liquid Fund Regular Plan-Growth STG HDFC Regular Saving Fund Regular Plan-Growth HCDGR - HDFC Credit Risk Debt Fund - Regular Plan - Growth	- - - -	50,00,000 52,01,391 3,00,00,000 -
INVESTMENT IN ICICI PRUDENTIAL ICICI Prudential Saving Fund - Treasury Adv ICICI Prudential Regular Saving Fund	- -	2,61,98,738 9,44,00,000
INVESTMENT IN BIRLA SUNLIFE Aditya Birla Sun Life Cash Plus (G) Regular Plan Aditya Birla Sun Life Medium Term Regular Plan Aditya Birla Sun Life Short Term Opportunity Fund		9,49,396 1,00,00,000 2,00,00,000
INVESTMENT IN FRANKL TEMPLETON INVESTMENT Franklin India Ultra Short Bond Fund -Super Institutional P		1,00,00,000
INVESTMENT IN RELIANCE REGULAR SAVING FUND SDGP - Reliance Regular Saving Fund Debt Plan (G)	-	2,50,00,000
National Savings Certificate	99,020	99,020
	<b>1,92,86,169</b>	<b>24,65,56,847</b>

Notes on the Consolidated financial statements for the year ended 31st March, 2019

Particulars	As at 31.03.2019	As at 31.03.2018
<b>NOTE 9 - LONG TERM LOANS AND ADVANCES</b>		
[Unsecured, considered good, except otherwise stated]		
Loans & Advances		
Advances recoverable in cash or kind or for value to be received	7,93,93,663	5,55,79,144
Deposits	78,42,453	86,62,247
Stock of Gold	16,69,650	16,69,650
Advance Payment of Taxes <i>(Net of Provisions)</i>	-	29,13,707
	<b>8,89,05,766</b>	<b>6,88,24,748</b>
<b>NOTE 10 - INVENTORIES [Valued at Cost]</b>		
[As Valued, Verified and Certified by the Management]		
Raw Materials	10,38,30,652	8,33,82,783
Work in progress	1,97,37,083	1,29,99,080
Stock in Trade	-	9,99,505
Finished Goods	5,10,42,965	2,61,79,303
	<b>17,46,10,700</b>	<b>12,35,60,671</b>
<b>NOTE 11 - TRADE RECEIVABLES</b>		
<b>SUNDRY DEBTORS</b>		
[Unsecured, considered good except otherwise stated]		
Over Six Months	4,99,81,618	15,90,168
Others	10,38,68,285	4,02,92,230
	<b>15,38,49,903</b>	<b>4,18,82,398</b>
<b>NOTE 12 - CASH AND CASH EQUIVALENTS</b>		
Cash in hand and remittance in transit	26,63,847	10,79,076
Balances with Banks :		
Scheduled Banks		
Current Account	76,33,621	95,13,756
Fixed Deposit Accounts	56,84,651	35,29,593
	-	
	<b>1,59,82,119</b>	<b>1,41,22,425</b>
<b>NOTE 13 - OTHER CURRENT ASSETS</b>		
Interest Accrued	3,96,391	1,24,08,566
Unamortized Expenditure	68,41,322	83,02,200
	<b>72,37,713</b>	<b>2,07,10,766</b>

## Consolidated Statement of Profit and Loss for the year ended 31st March, 2019

[Amount Rs.]

Particulars	Note No.	For the year ended 31st March, 2019	For the year ended 31st March, 2018
<b>Continuing Operations</b>			
Revenue from Operations (Net)	" 14 "	53,88,37,843	38,82,84,161
Other Income	" 15 "	1,18,72,919	2,27,23,000
<b>Total Revenue</b>		<b>55,07,10,761</b>	<b>41,10,07,161</b>
<b>Expenses</b>			
Cost of Materials Consumed	" 16 "	29,65,20,816	23,32,48,778
Changes in Inventory	" 17 "	(3,06,02,160)	(3,08,76,988)
Employee Benefit Expenses	" 18 "	4,14,56,958	5,64,57,408
Finance Cost	" 19 "	11,03,539	5,41,053
Depreciation	" 20 "	1,25,82,031	1,74,61,758
Other Expenses	" 21 "	14,48,37,265	9,11,90,348
Corporate Social Responsibility		-	-
Service Tax		-	5,51,653
<b>Total Expenses</b>		<b>46,58,98,449</b>	<b>36,85,74,009</b>
Profit from Continuing Operations before Tax		<b>8,48,12,312</b>	<b>4,24,33,152</b>
Share in Profit [Loss] of Associates		(5,21,154)	(3,02,602)
Net profit after exceptional items		<b>8,42,91,158</b>	<b>4,21,30,550</b>
Tax Expenses			
Current Tax		2,51,61,134	87,53,650
Deferred Tax		(10,34,489)	29,37,744
Total Tax Expenses		2,41,26,645	1,16,91,394
<b>Profit for the year</b>		<b>6,01,64,514</b>	<b>3,04,39,156</b>
<b>Earnings per share (of Rs.10 each):</b>			
Basic / Diluted Earnings per share		7.34	3.71

See accompanying notes forming part of the financial statements

**For P.D.Dalal & Co.,**  
 Chartered Accountants,  
 Firm Registration No.102047W

**For Nitiraj Engineers Limited,**

(Aashish S. Kakaria)  
 Partner  
 Membership No.102915

(Rajesh R. Bhatwal)      (Shakuntala R. Bhatwal)  
 Managing Director      Director  
 Din No.00547575      Din No.01953906

Mumbai  
 30th July, 2019

**Nitiraj Engineers Limited**

Notes on the Consolidated financial statements for the year ended 31st March, 2019

Particulars	For the year ended 31st March, 2019	For the year ended 31st March, 2018
<b>NOTE 14 - REVENUE FROM OPERATIONS</b>		
<b>Sales of Manufactured Goods</b>	55,67,07,121	39,54,97,376
<i>Less : Inter Unit Sales</i>	1,77,66,172	58,65,886
Less : Local and Central Sales Tax	1,03,106	2,71,037
Net Sales of Manufactured Goods	53,88,37,843	38,93,60,453
<b>Sales of Traded Goods</b>		
<b>Sales of Services</b>		
Net Income from AMC Charges		
AMC Charges received during the year	-	10,76,292
Less : Consumption of Raw Material	-	-
Less : Salaries & Other Expenses	-	(10,76,292)
	-	
<b>Other Operating Revenue</b>	-	
	<b>53,88,37,843</b>	<b>38,82,84,161</b>
<b>NOTE 15 - OTHER INCOME</b>		
Gain on Mutual Fund	49,45,644	1,39,32,330
Other Income	62,14,482	78,76,951
Interest Income	7,12,793	9,13,719
	<b>1,18,72,919</b>	<b>2,27,23,000</b>
<b>NOTE 16 - COST OF MATERIALS CONSUMED</b>		
Raw Material Consumption	29,65,20,816	23,32,48,778
	<b>29,65,20,816</b>	<b>23,32,48,778</b>
<b>NOTE 17 - CHANGES IN INVENTORY</b>		
Inventories at the end of the year		
Finished Goods	5,10,42,965	2,68,92,436
Material - in - Progress	1,97,37,083	1,29,99,080
	7,07,80,048	3,98,91,516
Inventories at the beginning of the year		
Finished Goods	2,71,78,808	90,14,528
Material -in-progress	1,29,99,080	-
	4,01,77,888	90,14,528
Net ( Increase ) / Decrease	<b>(3,06,02,160)</b>	<b>(3,08,76,988)</b>
<b>NOTE 18 - EMPLOYEE BENEFIT EXPENSES</b>		
Payments to & Provision for Employees :		
Salaries, Wages and Bonus	2,70,83,409	4,02,18,051
Contribution to Provident & Other Funds	32,37,547	35,12,743
Other Benefits	1,01,37,908	1,07,50,214
Salary to Managing Director & Directors	9,98,094	19,76,400
	<b>4,14,56,958</b>	<b>5,64,57,408</b>
<b>NOTE 19 - FINANCE COST</b>		
Interest on Loan from HDFC Bank Cash Credit	6,22,912	14,400
Bank Charges	4,80,627	5,26,653
	<b>11,03,539</b>	<b>5,41,053</b>



**Nitiraj Engineers Limited**

Notes on the Consolidated financial statements for the year ended 31st March, 2019

Particulars	For the year ended 31st March, 2019	For the year ended 31st March, 2018
<b>NOTE 20 - DEPRECIATION</b>		
Depreciation on		
Buildings	21,11,862	22,47,116
Plant and Machineries	74,06,424	76,78,130
Solar System	3,84,000	38,40,000
Electric Installation	2,43,039	2,56,155
Office Equipments	4,70,173	5,24,735
Furniture and Fixtures	6,49,943	7,10,890
Computers	6,37,786	16,47,601
Vehicles	6,78,804	5,57,132
	<b>1,25,82,031</b>	<b>1,74,61,758</b>
<b>NOTE 21 - OTHER EXPENSES</b>		
<b>MANUFACTURING EXPENSES</b>		
Power & Fuel	18,80,589	29,32,508
Labour and Processing Charges	4,51,09,642	2,43,12,033
	4,69,90,230	2,72,44,541
<b>SELLING AND OTHER EXPENSES</b>		
Commission to Selling Agents	14,57,980	60,19,432
Stamping Fee	3,59,23,278	1,07,47,118
Brokerage & Other Expenses	20,14,690	47,519
Advertisement	23,56,466	5,87,614
Transportation & Handling Charges [Net]	1,82,10,718	1,53,52,342
Tender Expenses	8,33,750	1,84,403
	6,07,96,882	3,29,38,428
<b>OTHER EXPENSES</b>		
Repairs & Maintenance of :		
Buildings	-	2,97,882
Plant & Machinery	3,21,858	3,58,231
Others	6,66,272	9,82,532
Rent	11,98,754	9,29,978
Rates & Taxes	12,36,584	11,25,443
Insurance [Net]	10,90,274	12,15,993
Telephone Exp.	10,99,951	16,19,185
Donations	71,701	64,400
Software & Computer Exp.	13,38,601	12,07,942
Professional Fees	73,69,845	13,60,450
Travelling	1,17,36,598	1,26,91,943
Loss on Sale of Assets	5,23,750	1,19,303
Sundry balances written off / written back	5,50,803	16,546
Preliminary Expenses written off	18,50,825	24,45,279
Miscellaneous Expenses	70,44,338	48,64,772
	3,61,00,153	2,92,99,879
<b>Payment to Auditor comprises of -</b>		
As Auditor	7,00,000	13,07,500
For Taxation Matters	2,50,000	4,00,000
	9,50,000	17,07,500
	<b>14,48,37,265</b>	<b>9,11,90,348</b>

Nitiraj Engineers Limited  
Note 7 - Statement of Fixed Assets

A.Y. : 2019 - 2020  
F.Y. : 2018 - 2019

(All Amounts in Rs.)

Particulars	Rate of Depreciation	WDV As on 1.4.18	Additions		Deductions	Total as on 31.03.19	Depreciation for the year	WDV as on 31-03-19
			> Than 180 Days	< Than 180 Days				
<b>Buildings :</b>								
A] Factory Building	10%	26,23,173	-	-	-	26,23,173	16,704	26,06,469
	5%						-	
B] Office Building	10%	95,75,254	1,30,944	34,785	-	97,40,982	9,69,583	87,71,399
	5%						-	
C] Guest House	5%	2,25,11,487	-	-		2,25,11,487	11,25,574	2,13,85,913
	3%						-	
Land		40,83,760	-	-	-	40,83,760	-	40,83,760
<b>Capital W.I.P.</b>								
Land		5,59,318	57,43,989	3,12,67,745		3,75,71,052		3,75,71,052
Building				9,34,77,169		9,34,77,169		9,34,77,169
Office Equipments				8,058		8,058		8,058
Electrical Installations				35,080		35,080		35,080
Computers				10,00,000		10,00,000		10,00,000
Plant & Machinery		-	1,46,659	15,80,380		17,27,039		17,27,039
Plant & Machinery	15%	4,64,87,824	41,12,511	22,02,105	-	5,28,02,441	74,06,424	4,53,96,017
	7.5%	-	-	-	-	-	-	-
Solar System	40%	9,60,000	-	-		9,60,000	3,84,000	5,76,000
	20%							
Electrical Installations	10%	29,31,220	51,572	18,838.84	-	30,01,630	2,43,039	27,58,591
	5%	-	-	-	-	-	-	-
Office Equipments	15%	32,27,605	1,00,346	26,395	-	33,54,346	4,70,173	28,84,173
	7.5%	-	-	-	-	-	-	-
Furniture & Fixtures	10%	72,85,135	36,886	-	-	73,22,020	6,49,943	66,72,077
	5%	-	-	-	-	-	-	-
Vehicles	15%	34,36,101	-	35,29,157.00	9,20,051	60,45,207	6,78,804	53,66,403
	7.5%	-	-	-	-	-	-	-
Computers	40%	13,14,064	1,48,416	2,90,056.51	-	17,52,536	6,37,786	11,14,750
	20%	-	-	-	-	-	-	-
<b>Grand Total</b>		<b>10,49,94,941</b>	<b>1,04,71,322</b>	<b>13,34,69,769</b>	<b>9,20,051</b>	<b>24,80,15,982</b>	<b>1,25,82,032</b>	<b>23,54,33,950</b>
<b>Intangible Assets</b>								
Software Development		49,95,520	-	-		49,95,520	-	49,95,520
Research & Development		1,50,14,121	80,25,829	45,69,809		2,76,09,758		2,76,09,758
<b>Total</b>		<b>2,00,09,641</b>	<b>80,25,829</b>	<b>45,69,809</b>	<b>-</b>	<b>3,26,05,278</b>	<b>-</b>	<b>3,26,05,278</b>
<b>Grand Total</b>		<b>12,50,04,582</b>	<b>1,84,97,151</b>	<b>13,80,39,578</b>	<b>9,20,051</b>	<b>28,06,21,260</b>	<b>1,25,82,032</b>	<b>26,80,39,228</b>

	For the year ended 31st March 2019		For the year ended 31st March 2018	
<b>A.) CASH FLOW FROM OPERATING ACTIVITIES</b>				
Net profit after tax and extraordinary items adjustments for:		6,01,64,514		3,04,39,156
Depreciation on Fixed Assets	1,25,82,031		1,74,61,758	
Profit & Loss Balance of Associate	-		-	
(Profit)/Loss on Sale of assets	5,23,750		1,19,303	
Interest Expense	6,22,912		14,400	
Others (Tax)	2,50,16,149		87,53,650	
Sundry balances written off / written back	5,50,803		16,546	
Preliminary Expenses written off	18,50,825		24,45,279	
MAT Credit available	-	4,11,46,469	-	2,88,10,936
<b>Operating profit before working capital changes</b>		10,13,10,983		5,92,50,092
<b>Adjustments for :</b>				
Decrease (Increase) in Investments	22,67,49,525		(2,67,54,525)	
Decrease (Increase) in Loans & Advances	(2,00,81,018)		38,60,123	
Decrease (Increase) in Receivables	(11,25,18,308)		1,23,34,507	
Decrease (Increase) in Inventories	(5,10,50,029)		(92,49,908)	
Decrease (Increase) in Other Current Assets	1,16,22,228		(1,63,19,940)	
Increase / (Decrease) in Deferred Tax Liabilities	(10,34,489)		29,37,744	
Increase / (Decrease) in Trade Payables	29,58,002		(5,44,09,277)	
Increase / (Decrease) in Short Term Provisions			-	
		5,66,45,911		(8,76,01,276)
<b>Operating profit after working capital changes</b>		15,79,56,894		(2,83,51,184)
		-		-
<b>B.) CASH FLOW FROM INVESTING ACTIVITIES</b>				
(Purchase) Of Fixed Assets	(14,39,41,091)		(2,33,07,813)	
Sale of fixed assets	3,96,302		4,08,492	
Investment made (Net)				
(Investment) in Intangibles	(1,25,95,637)		(1,16,46,705)	
Cash Subsidy received during the year	-		12,43,793	
<b>Net cash from investing activities</b>		(15,61,40,426)		(3,33,02,233)
<b>C.) CASH FLOW FROM FINANCIAL ACTIVITIES</b>				
Issue of Share Capital & Share premium received			-	
Increase / (Repayment of Long Term Borrowings)	-		-	
Increase / (Repayment of Short Term Borrowings)	-		-	
Interest Paid	(6,22,912)		(14,400)	
<b>Net cash used in financial activities C</b>		(6,22,912)		(14,400)
<b>Net increase/(decrease) in Cash and Cash Equivalents</b>		11,93,555		(6,16,67,812)
Cash and cash equivalent at the beginning of the year		1,38,19,823		7,54,87,635
Cash and cash equivalent at the end of the year		1,50,13,378		1,38,19,823

See accompanying notes forming part of the financial statements

In terms of our report attached

**For P.D.Dalal & Co.,**  
 Chartered Accountants,  
 Firm Registration No.102047W

**For Nitiraj Engineers Limited,**

 (Aashish S. Kakaria)  
 Partner  
 Membership No.102915

 (Rajesh R. Bhatwal) (Shakuntala R. Bhatwal)  
 Managing Director Director  
 Din No.00547575 Din No.01953906

 Mumbai  
 30th July, 2019

**Nitiraj Engineers Limited**

Notes forming part of the Consolidated Financial Statements for the year ended 31<sup>st</sup> March, 2019

1. Corporate Information:  
Nitiraj Engineers was incorporated in April 1999 as a private limited company. The company is engaged in the manufacturing and selling of a variety of Electronic Weighing Scales, Currency Counting Machines, Taxi Fare Meters etc.  
The company was converted into a Limited Company on 22<sup>nd</sup> June, 2015 and the new name of the company is Nitiraj Engineers Limited. The company launched its Initial Public Offer of equity shares during the F.Y.2016 – 2017 and got listed on the NSE Emerge [SME] Exchange.
2. The Significant Accounting Policies followed by the company are as stated below
  - A. BASIS OF ACCOUNTING POLICIES:
    - A.1 BASIS OF PREPARATION AND PRESENTATION  
The consolidated financial statements relate to Nitiraj Engineers Limited (‘the Company’) and its associate Hyper Drive Information Technologies Limited. The consolidated financial statements have been prepared on the following basis:
      - a) Investment in Associates has been accounted under the equity method as per Ind AS 28 - Investments in Associates and Joint Ventures.
      - b) As per the information and explanations given to us the 3334 equity shares of Hyper Drive Information Technologies Limited are held by the holding company, thereby making its holding 25% in the Equity of the associate.
      - c) The Net Assets of the associate company as on 31<sup>st</sup> March 2019 was Rs.7,45,27,879 and the holding company’s share in the Net Assets of the associate company of 25% was Rs.1,86,31,970
      - d) The holding company’s share in the profit / [loss] of the associate company for the year ended 31<sup>st</sup> March 2019 is Rs.(-)5,21,154
  - B. OTHER SIGNIFICANT ACCOUNTING POLICIES  
  
These are set out under “Significant Accounting Policies” as given in the Company’s standalone financial statements.

For and on behalf of  
**P.D.Dalal & Co.,**  
*Chartered Accountants,*  
Firm Reg. No..102047W

(Aashish S. Kakaria)  
*Partner*  
Membership No.102915

*Mumbai*  
30<sup>th</sup> July, 2019