

H.M. ELECTRO MECH LIMITED

Registered Address : 305, Ashram Avenue, B/H. Kochrab Ashram,
Paldi, Ahmedabad GJ 380006

Tel : 91 - 79 - 40092538, Email : dipak@hmelectromech.com

CIN : U45500GJ2018PLC102018

DIRECTORS REPORT TO THE MEMBERS FOR THE PERIOD ENDED 31ST MARCH, 2020

The Directors are pleased to submit 2ND ANNUAL REPORT together with Audited Statement of accounts for the period ended 31st March, 2020 of the Company.

Financial Results:

Particulars	2019-20	2018-19
Revenue from Operations	54,73,13,392	59,24,41,812
Other Income	38,76,802	37,08,104
Total Revenue	55,11,90,194	59,61,49,916
Depreciation	15,75,891	19,89,736
Financial Expenses	41,52,506	26,54,677
Employee Benefit expenses	2,01,41,576	1,56,46,432
Other Expenses	49,96,33,160	55,28,44,289
Profit before Tax	2,56,87,061	2,30,14,782
Tax Expense	64,05,767	75,67,000
Profit After Tax	1,92,81,294	1,54,47,782

The Company is taking all the possible steps to increase the profitability.

State of Affairs:

Net Sales during the Financial Year under review was Rs. 54,73,13,392 as against Rs. 59,24,41,812/- . The company has made a profit of Rs. 1,92,81,294/- as against the previous year profit amounting to Rs.1,54,47,782/-.

Dividend:

The Directors do not recommend any payment of dividend for the year ended on 31st March, 2020.

Transfer to Reserves:

The whole profit/(loss) of Rs. 1,92,81,294 is transferred to the Reserves and Surplus. The Closing Balance of Reserves and Surplus Stands at Rs. 3,47,29,076/-.

Material Changes Affecting Financial Position of the Company:

No material changes or commitments, affecting the financial position of the company have occurred between the end of the financial year of the company to which the financial statements relate, i.e. March 31, 2020 and the date of the Board's Report.

Disclosures under Section 134 of the Companies Act, 2013:

Directors Responsibility Statement:

As required u/s 134 (5) of the Companies Act, 2013 the Directors hereby state and confirm:

- a) That in the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures;
- b) That the directors had selected such accounting policies 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 at the end of the financial year and of the profit and loss of the company for that period;
- c) That the directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;
- d) That the directors had prepared the annual accounts on a going concern basis;
- e) That the Directors have devised proper system to ensure compliance with the provisions of all applicable laws and that such system were adequate and operating effectively.

Particulars of Contract and Arrangement with Related Party:

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

Particulars of Loans / Guarantees/ Investment:

The Company has not provided any guarantee or provided any Security for the loans availed by others. The details regarding the investment and loans, if any, are provided in the respective note to the Balance Sheet.

Risk Management Policy:

The Company has a structured risk management policy. The Risk management process is designed to safeguard the organization from various risks through adequate and timely actions. It is designed to anticipate, evaluate and mitigate risks in order to minimize its impact on the business. The potential risks are identified and integrated with the management process such that they receive the necessary consideration during decision making.

Number of Board Meetings during the year:

The Board of Directors, met 6 (Six) times.

The dates of Board Meetings are

2nd May, 2019

22nd May, 2019
18th July, 2019
5th September, 2019
24th December, 2019 and
12th March, 2020

All the meetings were attended by Mr. Dipak Pandya, Mahendra Patel, Mitaben Dipak Pandya and Varshaben Patel.

In respect of all above meetings, proper notices were given and the proceedings were properly recorded and the Minutes Book maintained for the purpose.

Directors:

Mrs. Varsha Mahendra Patel and Mrs. Mita Dipak Pandya, Directors of the Company retire by rotation and being eligible offers themselves for reappointment.

During the year under review Mrs. Neetu Jalan and Ms. Kinjalben Patel were appointed as additional Directors of the Company on 12th March, 2020.

Nomination and Remuneration Committee:

Pursuant to the provision of Section 177 of the Companies Act, 2013 and of Companies (Meetings of Board and its Powers) Rules, 2014 the Company is not required to constitute a nomination and remuneration Committee.

Stakeholders Committee:

Pursuant to the provision of Section 177 of the Companies Act, 2013 the Company is not required to constitute a Stakeholders Relationship Committee.

Audit Committee:

The Company has constituted an Audit Committee

1. Kinjal Patel - Chairman of the Committee
2. Neetu Jalan - Member of the Audit Committee
3. Mahendra Patel - Member of the Audit Committee

During the year there was 1 meeting of the Audit Committee on 13th March, 2020. It was attended by all the members of the Audit Committee.

All the recommendations of the audit committee were accepted by the Board.

Vigil Mechanism:

The requirement of vigil mechanism does not apply to the Company.

Secretarial Standards:

Your Company has complied with the mandatory secretarial standards issued by Institute of Company Secretaries of India.

Company's Policy on Directors Appointment and Remuneration:

Your Company is not covered under the provision of Section 178 of the Companies Act, 2013 and therefore there are no particulars required to be reported pursuant to provision of Section 134 (3) (e) of the Companies Act, 2013.

Extracts of Annual Return:

As required by the provisions of section 134(3)(a) of the Companies Act, 2013 and relevant rules made there under, the extract of the annual return as provided under sub - section (3) of section 92 is attached herewith at **Annexure A.**

Particular of Employees:

There were no employees drawing remuneration exceeding stipulated limit U/s. 197 read with Rule 5 of The Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, as amended, from time to time.

Explanation to Auditors' Report:

Auditors' Report is self-explanatory and does not warrant any explanation. There is no qualification or adverse remarks made by the auditors in their report. No fraud is reported by the auditors

Auditors:

B.V. Gajera & Co., Chartered Accountants, Ahmedabad is reappointed as Statutory Auditor of the Company to hold the office upto the Annual General Meeting for the Financial Year ended on 31st March, 2024.

The Auditor's Report does not contain any qualification, reservation and adverse remark.

During the year under the review there was no fraud and hence not required to be reported.

Cost Audit:

The Provision of Cost audit does not apply to the Company.

Disclosure under Rule 8 (5) of Companies Accounts Rules, 2014:**a) Disclosure of financial Summary / Highlights :**

As stated in financial Results of the Directors Report

b) Disclosure of Change in Nature of Business :

The Company is engaged in various civil and other electro mechanical projects. There is no change in nature of Company Business.

c) Details of Directors / Key Managerial Personnel Appointed / Resigned:

Mrs. Neetu Jalan was appointed as additional director of the company on 12th March, 2020.

Ms. Kinjalben Patel were appointed as additional Director of the Company on 12th March, 2020.

Mrs. Sanjoly Jalan was appointed as a Company Secretary on 18th July, 2019.

d) Details of Holding / Subsidiary Companies / Joint Ventures / Associate Companies:

During the year under review, the Company has no holding / subsidiary / joint venture / associate company.

e) Details regarding Deposit covered under Chapter V of the Companies Act, 2013.

The Company has not invited any deposit other than the exempted deposit as prescribed under the provision of the Companies Act, 2013 and the rules framed there under, as amended from time to time. Hence there are no particulars to report about the deposit falling under Rule 8 (5) (v) and (VI) of Companies (Accounts) Rules, 2014.

f) Details of Deposit which are not in compliance with requirements of Chapter V of the Act.

Not Applicable

g) Details of Significant and Material Orders passed by Regulators or Courts or Tribunals.

During the year under review there were no significant and material orders passed by any Regulators or Court or Tribunals which may have impact on the going concern status. No order has been passed by any Regulators or Court or Tribunals which may have impact on the Company's operation in future.

Internal Financial Control System :

The Company has in place adequate internal financial controls with reference to financial statements. During the year, such controls were tested and no reportable material weakness in the design or operation was observed.

Industrial relations:

The Directors are pleased to report that the relations between the workmen and the management continued to remain cordial during the year under review.

Material Changes and Commitments & Changes, if any affecting the financial Position between financial year end of the Company and date of Report:

There are no material changes and commitments, if any, affecting the financial position of the Company between the financial years end of the Company and date of the report.

Disclosure Under The Sexual Harassment Of Women At Workplace Prevention, Prohibition And Redressal Act, 2013:

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

During the year ended 31st March 2020, No complaints were received pertaining to Sexual Harassment.

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

The information on conservation of energy, technology absorption and foreign exchange earnings and outgo as stipulated under Section 134(3)(m) of the Companies Act, 2013 are either nil or not applicable.

Corporate Social Responsibility:

The Provision of Section 135 is not applicable to the Company.

Other Disclosures:

The independent directors have given a declaration regarding their independence pursuant to Section 149 of the Companies Act, 2013.

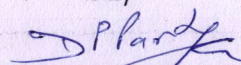
Acknowledgment:

Your Directors are thankful to regulatory and government authorities, bankers, clients, and suppliers of the Company for their co-operation and also wish to place on record the contribution made by all the workers, members of the staff and executives of the Company at all levels for the progress of the Company.

The Directors of your company also express appreciation of the confidence, which the members have reposed in them.

FOR & ON BEHALF OF THE BOARD OF
H.M. ELECTRO MECH LIMITED

Sd/-



**CHAIRMAN CUM WHOLE TIME DIRECTOR
DIPAK PADMAKANT PANDYA
DIN: 02188199**

Place: Ahmedabad
Date : 21/09/2020

Annexure A**Form No. MGT 9
Extract of Annual Return****As on financial year ended on 31.03.2020****Pursuant to Section 92 (3) of the Companies Act, 2013 and rule 12(1) of the Company
(Management & Administration) Rules, 2014.****I. REGISTRATION AND OTHER DETAILS:**

i.	CIN	U45500GJ2018PLC102018
ii.	Registration Date	24/04/2018
iii.	Name of the Company	H.M. ELECTRO MECH LIMITED
iv.	Category/Sub-Category of the Company	Company limited by Shares/ Indian Non-Government Company
v.	Address of the Registered office and contact details	305, Ashram Avenue, B/h. Kochrab Ashram, Paldi, Ahmedabad E mail Id : dipak@hmelectromech.com
vi.	Whether listed company	No
vii.	Name, Address and Contact details of Registrar and Transfer Agent, if any	CAMEO CORPORATE SERVICES LIMITED SUBRAMAINIAN BUILDING, NO. 1 CLUB HOUSE ROAD, CHENNAI 600002 cameo@cameoindia.com

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:-

Sr. No.	Name and Description of main products/ services	NIC Code of the Product/ service	% to total turnover of the company
1	General construction services and other water supply conduits, except pipelines n.e.c.	99542319	93.61

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

Sr. No.	Name And Address Of The Company	CIN/GLN	Holding/ Subsidiary /Associate	%of shares held	Applicable Section
1.	NIL	NIL	NIL	NIL	NIL

IV. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)

i. Category-wise Share Holding

[illegible]

2. Non Institutions									
a) Bodies Corp.	0	0	0	0	0	0	0	0	0
(i) Indian									
(ii) Overseas									
b) Individuals									
(i) Individual shareholders holding nominal share capital upto Rs. 1 lakh	0	10000	10000	0.01	0	10000	10000	0.01	0
(ii) Individual shareholders holding nominal share capital in excess of Rs 1 lakh		0	0	0	0	0	0	0	0
Others(Specify)	0	0	0	0	0	0	0	0	0
Sub-total(B)(2)	0	10000	10000	0.01	0	10000	10000	0.01	0
Total Public Shareholding (B)=(B)(1)+ (B)(2)	0	10000	10000	0.01	0	10000	10000	0.01	0
C. Shares held by Custodian for GDRs & ADRs	0	0	0	0	0	0	0	0	0
Grand Total (A+B+C)	0	10000000	10000000	100	0	10000000	10000000	100	

ii.Shareholding of Promoters

Sr. No.	Shareholders Name	Shareholding at the beginning of the year (since incorporation)			Shareholding at the end of the year			% change in share holding during the year
		No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbe red to total shares	No. of Shares	% of total Shares of the compan y	% of Shares Pledged / encumb ered to total shares	
1.	Harshalkumar Mahendrakumar Patel	10000	0.01	0	10000	0.01	0	0
2.	Pinal Mahendra Patel	10000	0.01	0	10000	0.01	0	0
3.	Suhani Swapnil Patel	20000	0.02	0	20000	0.02	0	0
4.	Mitaben	247500	24.75	0	2475000	24.75	0	0

	Dipakbhai Pandya	0						
5.	Dipak Padmakant Pandya	250000 0	25.00	0	2500000	25.00	0	0
6.	Mahendrakumar Ramabhai Patel	250000 0	25.00	0	2500000	25.00	0	0
7.	Varshaben Mahendrabhai Patel	247500 0	24.75	0	2475000	24.75	0	0
Total		999000 0	99.90	0	9990000	99.90	0	0

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

	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
Harshalkumar Mahendrakumar Patel				
At the beginning of the year	10000	0.01	10000	0.01
Date wise Increase / Decrease in Promoters Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc.):	0	0	10000	0.01
At the End of the year	10000	0.01	10000	0.01
Pinal Mahendra Patel				
At the beginning of the year	10000	0.01	10000	0.01
Date wise Increase / Decrease in Promoters Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc.):	0	0	10000	0.01
At the End of the year	10000	0.01	10000	0.01
Suhani Swapnil Patel				
At the beginning of the year	20000	0.02	20000	0.02
Date wise Increase /	0	0	20000	0.02

Decrease in Promoters Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc.):				
At the End of the year	20000	0.02	20000	0.02
Mitaben Dipakbhai Pandya				
At the beginning of the year	2475000	24.75	2475000	24.75
Date wise Increase / Decrease in Promoters Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc.):	0	0	2475000	24.75
At the End of the year	2475000	24.75	2475000	24.75
Dipak Padmakant Pandya				
At the beginning of the year	2500000	25.00	2500000	25.00
Date wise Increase / Decrease in Promoters Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc.):	0	0	2500000	25.00
At the End of the year	2500000	25.00	2500000	25.00
Mahendrakumar Ramabhai Patel				
At the beginning of the year	2500000	25.00	2500000	25.00
Date wise Increase / Decrease in Promoters Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc.):	0	0	2500000	25.00
At the End of the year	2500000	25.00	2500000	25.00
Varshaben				

Mahendrabhai Patel				
At the beginning of the year	2475000	24.75	2475000	24.75
Date wise Increase / Decrease in Promoters Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc.):	0	0	2475000	24.75
At the End of the year	2475000	24.75	2475000	24.75

(iv) Shareholding pattern of top ten shareholders (other than Promoters and Directors)

Sr. No	For each of the Top 10 Shareholders	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
	Twinkal Nitinbhai Dhorajiya				
	At the beginning of the year	10000	0.01	10000	0.01
	Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase /decrease (e.g. allotment / transfer / bonus/ sweat equity etc):	0	0	10000	0.01
	At the end of the year	10000	0.01	10000	0.01

Note: for the purpose of MGT 9 promoters have been regrouped in accordance with the provision of the Companies Act, 2013 both at the beginning of the year and at the end of the year.

v. Shareholding of Directors and Key Managerial Personnel :

Sr. no		Shareholding at the beginning of the year		Shareholding at the end of the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1	Mitaben Dipakbhai Pandya	2475000	24.75	2475000	24.75

2	Dipak Padmakant Pandya	2500000	25.00	2500000	25.00
3	Mahendrakumar Ramabhai Patel	2500000	25.00	2500000	25.00
4	Varshaben Mahendrabhai Patel	2475000	24.75	2475000	24.75
5	Hareshkumar Ambalal Patel (CFO)	0	0	0	0
6	Sanjoly Jalan (from 18.07.2019)	0	0	0	0

V. INDEBTEDNESS

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

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	0	2,61,67,543	0	2,61,67,543
ii) Interest due but not paid	0	0	0	0
iii) Interest accrued but not due	0	0	0	0
Total(i+ii+iii)	0	2,61,67,543	0	2,61,67,543
Change in Indebtedness during the financial year				
- Addition	1,85,05,848	0	0	1,85,05,848
- Reduction	0	1,71,07,819	0	1,71,07,819
Net Change	1,85,05,848	-1,71,07,819	0	13,98,029
Indebtedness at the end of the financial year				
i) Principal Amount	1,85,05,848	90,59,724	0	2,75,65,572
ii) Interest due but not paid	0	0	0	0
iii) Interest accrued but not due	0	0	0	0
Total (i+ii+iii)	1,85,05,848	90,59,724	0	2,75,65,572

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

A. Remuneration to Managing Director, Whole-time Directors and/or Manager

Sr. No.	Particulars of Remuneration	Name of Managing Director / Whole Time Director		Total Amount
		Dipak Pandya – Whole Time Director	Mahendra Patel – Managing Director	

1	Gross salary	48,00,000	48,00,000	96,00,000
a	Salary as per provisions contained in Section 17 (1) of the Income-tax Act, 1961	48,00,000	48,00,000	96,00,000
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			
	Total(A)	48,00,000	48,00,000	96,00,000
	Ceiling as per the Act	5% of Net Profits or as prescribed under companies Act 2013 and its schedules	5% of Net Profits or as prescribed under companies Act 2013 and its schedules	N.A.

B. Remuneration to other directors:

Sr. No.	Particulars of Remuneration	Name of the Director / Manager		Total Amount
1	Independent Directors	N.A.	N.A.	N.A.
	Fee for attending Board / Committee Meetings			
	Commission			
	Others – Please specify	Mita Pandya – Rs. 24,00,000	Varsha Patel – Rs. 24,00,000	48,00,000
	Total B (1)	24,00,000	24,00,000	48,00,000
2	Other Non Executive Directors	N.A.	N.A.	N.A.
	Fee for attending Board / Committee Meetings			
	Commission			
	Others – Please specify [Salary]			
	Total B (2)			
	Total B (1 + 2)	24,00,000	24,00,000	48,00,000
	Overall Ceilings as per Act	N.A.	N.A.	N.A.

C. Remuneration to Key Managerial Personnel Other Than MD/Manager/WTD

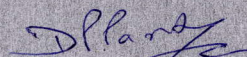
SN	Particulars of Remuneration	Key Managerial Personnel			
		CEO	CS	Hareshkumar Ambalal Patel - CFO	Total
1	Gross salary	N.A.	0	5,27,847	5,27,847
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	N.A.	0	5,27,847	5,27,847
	(b) Value of perquisites u/s 17(2) Income-tax 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				
	Total	N.A.	0	5,27,847	5,27,847

VII. PENALTIES/PUNISHMENT/COMPOUNDING OF OFFENCES:

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)
A. COMPANY					
Penalty	NIL				
Punishment					
Compounding					
B. DIRECTORS					
Penalty	NIL				
Punishment					
Compounding					
C. OTHER OFFICERS IN DEFAULT					
Penalty	NIL				
Punishment					
Compounding					

Place: Ahmedabad
Date : 21/09/2020

FOR & ON BEHALF OF THE BOARD OF
H.M. ELECTROMECH LIMITED



CHAIRMAN CUM WHOLE TIME DIRECTOR
DIPAK PADMAKANT PANDYA
DIN: 02188199