

## **H.M. ELECTRO MECH LIMITED**

CIN: L45500GJ2018PLC 102018

**REGD OFF:** 305, ASHRAM AVENUE, B/H. KOCHRAB ASHRAM, PALDI, AHMEDABAD, GUJARAT, INDIA, 380006

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### **DIRECTORS' REPORT**

**To,**

**The Members,**

Your Directors have pleasure in presenting the 07<sup>th</sup> Annual Report together with the Audited Statement of Accounts for the year ended on 31<sup>st</sup> March, 2025.

#### **FINANCIAL RESULTS:**

The operating results of the Company for the year ended on 31<sup>st</sup> March, 2025 are briefly indicated below: (Rs. in lacs)

<b>Particulars</b>	<b>Year 2024-25</b>	<b>Year 2023-24</b>
Total Income	12,205.25	11,729.98
Profit before interest, depreciation, extraordinary items and tax expense	1330.01	1263.77
Financial Expenses	177.38	172.88
<b>Total Expenses</b>	<b>11,063.92</b>	<b>10,651.19</b>
<b>Profit before Taxation</b>	<b>1141.34</b>	<b>1078.79</b>
Provision for taxation - For Current Tax	306.77	279.23
Provision for taxation - For Deferred Tax	(0.50)	(1.04)
MAT credit Entitlement	-	-
<b>Profit after Taxation</b>	<b>835.07</b>	<b>801.00</b>
<b>EPS</b>	<b>07.88</b>	<b>08.01</b>

#### **DIVIDEND AND TRANSFER TO RESERVES:**

An amount of Rs. 835.07 Lacs (previous year Rs. 801.00 Lacs) is proposed to be held as retained earnings.

The Company does not propose to transfer any amount to reserves during the year.

#### **STATE OF THE AFFAIRS OF THE COMPANY & FUTURE PROSPECTS:**

With the consistent performance and dedication, the Company was stable in performance. Not only, the Company was able to continue the momentum of earning profit but has shown outstanding performance by reaching the hike in profits of Rs. 835.07 Lakhs as compared to Rs. 801.01 Lakhs in the previous financial year.

Total revenue from Operations of the Company for fiscal year 2024-25 increased to Rs.12,166.69 Lakhs as against Rs. 11,703.45 Lakhs for fiscal year 2023-24, showing a increase of 3.95% and also Company's Net profit after Tax (PAT) is Rs.835.07 lakhs for fiscal year 2024-25 against Profit of Rs. 801.01 lakhs for fiscal year 2023-24 i.e. increase by 4.25%.

The company has come up with an Initial Public Offer during F.Y 2024-2025 and listed its equity shares on BSE Limited on 31.01.2025, as company is planning to expand its business in various incidental field of Civil and Mechanical Work.

The Company is confident to complete received projects successfully which will create wealth of both company and its members. Directors are hopeful of achieving great financial results this year than previous years.

Our Promoters are the guiding force behind the success of our company. We believe the stability of our management team and the industry experience brought on by our individual Promoters

will enable us to continue to take advantage of future market opportunities and expand into newer markets.

For further details on Company's performance, operation and strategies for growth, please refer to Management Discussion and Analysis Report which forms part of Annual report.

**MATERIAL CHANGES AND COMMITMENTS, IF ANY AFFECTING THE FINANCIAL POSITION OF THE COMPANY FROM THE CONCLUSION OF THE FINANCIAL YEAR TILL THE END OF THIS REPORT:**

There were no other material changes and commitments affecting the financial position of the Company which have occurred between the end of the financial year of the Company and the date of this report. The company will continue to monitor any material changes to future economic conditions.

**SHARE CAPITAL**

The Authorised Share capital of the company is Rs.15,00,00,000/- (Rupees Fifteen Crore Only) divided into 1,50,00,000 (One Crore Fifty Lacs) Equity Shares of Rs. 10/- (Rupees Ten only) each.

During the year the company had come up with an Initial Public Offer of 36,99,200 Equity Shares at price of Rs. 75 Per Equity Share including Share Premium of Rs. 65 Per Equity Share and raised fund of Rs. 27,74,40,000/- (Rupees Twenty Seven crore Seventy Four Lakhs and Forty Thousand Only).

The Paid up capital of the Company is Rs. 13,69,92,000/- divided into 1,36,99,200 equity shares of Rs. 10/- each, as on 31<sup>st</sup> March, 2025.

The company has listed its equity shares on the BSE Limited on 31<sup>st</sup> January, 2025.

**UTILIZATION OF FUND:**

During Financial Year, Company had completed its Initial Public Offering ("IPO") 36,99,200 new equity share of face value of Rs.10/- each at premium of Rs.65/- per equity share aggregating to Rs. 27,74,40,000/-.

Pursuant to the IPO, the equity shares of company have to get listed on the SME platform of BSE on 31<sup>st</sup> January, 2025. The Company has utilised the money raised by way of Initial Public offer during the year for the purpose for which they were raised as under:

Sr. No.	Particulars	Modified Objects, if any	Original Allocation	Modified allocation, if any	Funds Utilized upto 31/03/2025 (Rs. In Lakhs)	Balance *	Remarks if any
1.	To meet additional Working Capital Requirement	N.A.	2100.00	N.A.	1208.71	891.29	N.A.
2	General Corporate Purpose	N.A.	401.94	N.A.	296.00	105.94	N.A.
3	Issue related expense	N.A.	272.46	N.A.	272.46	--	N.A.
			<b>2774.40</b>		<b>1777.17</b>	<b>997.23</b>	

## **DIVIDEND**

The company has not declared any dividend for the financial year ended March 31, 2025. There was no amount liable or due to be transferred to Investor Education and Protection fund (IEPF) during the financial year ended March 31, 2025.

## **MANAGEMENT DISCUSSIONS AND ANALYSIS REPORT:**

A report on Management Discussion and Analysis (MDA) is annexed to this report as **Annexure I**, inter-alia deals adequately with the operations and also current and future outlook of the Company.

## **DISCLOSURE REGARDING SHARES:**

The company has issued 36,99,200 Equity Shares at face value of Rs. 10 Per Equity Share and at Share Premium of Rs. 65 Per Equity Share through IPO. The company has listed its equity shares on BSE Limited on 31<sup>st</sup> January, 2025.

## **DEPOSITS:**

The Company has not accepted or renewed any deposits from public falling within the purview of Section 73 of Companies Act, 2013 and the Companies (Acceptance of Deposits) Rules, 2014.

## **LOAN FROM DIRECTOR:**

The company has taken loan from directors as mentioned as per financial statements.

## **CORPORATE SOCIAL RESPONSIBILITY:**

According to provision of Section 135 of Companies Act, 2013 the details of Corporate Social Responsibility is provided in **Annexure II** which forms part of Director's Report.

## **DIRECTORS AND KEY MANAGERIAL PERSONNEL:**

The Composition of Board is in compliance with requirement of the provisions of the Companies Act, 2013.

Mrs. Mita Dipak Pandya (DIN: 07556372), Whole Time Director of the Company is liable to retire by rotation at the forthcoming Annual General Meeting and She being eligible offers herself for re-appointment.

Mrs. Dipak Padmakant Pandya (DIN: 02188199), Managing Director of the Company is liable to retire by rotation at the forthcoming Annual General Meeting and He being eligible offers himself for re-appointment.

Details of Director seeking re-appointment as required are provided in the Notice forming part of this Annual Report. Their re-appointments are appropriate and in the best interest of the Company.

During the Financial year 2024-25 following changes have been occurred in Directorship and KMP.

1. Mrs. Mita Dipak Pandya is re-designated as Whole Time Director w.e.f 12<sup>th</sup> June, 2024.
2. Mrs. Kinjal Patel is resigned from the office of Independent Director w.e.f 23<sup>rd</sup> June, 2024.
3. Mrs. Twinkal Sagarkumar Paneliya is resigned from the office of Independent Director w.e.f 27<sup>th</sup> June, 2024.
4. Mrs. Bhavisha Kunal Chauhan is appointed as Additional Independent Director of the

company w.e.f. 27<sup>th</sup> June, 2024 and regularized as Independent Director of the company w.e.f. 30<sup>th</sup> September, 2024.

5. Mr. Aayush Kamleshbhai Shah is appointed as Additional Independent Director of the company w.e.f. 27<sup>th</sup> June, 2024 and regularized as Independent Director of the company w.e.f. 30<sup>th</sup> September, 2024
6. Mr. Harshal Mahendra Patel is regularized as Non-Executive Director of the company w.e.f. 30<sup>th</sup> September, 2024.
7. Mr. Chetankumar Solanki is resigned from the office of Company Secretary and compliance officer of the company w.e.f. 25<sup>th</sup> February, 2025
8. Mrs. Himani Upadhyay is appointed as Company Secretary and Compliance Officer of the company w.e.f. 01<sup>st</sup> March, 2025.
9. Mr. Haresh A Patel has resigned from the post of Chief Financial Officer w.e.f. 3<sup>rd</sup> October, 2024.
10. Mr. Nitinbhai Dhorajiya is appointed as Chief Financial Officer of the company w.e.f. 03<sup>rd</sup> October, 2024.

Pursuant to the provisions of Section 152 and other applicable provisions if any, of the Companies Act, 2013,

Your Directors recommends passing above stated resolutions.

The Key Managerial Personnel (KMP) in the Company as per Section 2(51) and 203 of the Companies Act, 2013 are as follows:

1. Mr. Dipak Padmakant Pandya- Chairman and Managing Director
2. Mr. Mahendra Ramabhai Patel- Whole Time Director
3. Mrs. Mita Dipak Pandya- Whole Time Director
4. Mr. Harshal Mahendra Patel- Whole Time Director (w.e.f 01<sup>st</sup> August, 2025)
5. Mr. Nitinbhai Pragibhai Dhorajiya- Chief Financial Officer (w.e.f 03<sup>rd</sup> October 2024)
6. Mrs. Himani Mayur Upadhyay-Company Secretary (w.e.f 01<sup>st</sup> March, 2025)

None of the Directors of the Company is disqualified for being appointed as Director as specified in Section 164 (2) of the Companies Act, 2013.

Disclosure about receipt of any commission by MD/WTM from a company and also receiving commission/remuneration from its Holding or Subsidiary pursuant to section 197(14) of the Act: Not Applicable

Disclosure on Reappointment of Independent director pursuant to section 149(10): Not Applicable as term of appointment of none of the independent directors is expiring during FY 2024-25 and up to the date of the report.

#### **ANNUAL RETURN:**

Pursuant to Section 92 of the Act read with the applicable Rules, the Annual Return for the year ended 31<sup>st</sup> March 2025 will be accessed on the Company's website at [www.hmelectromech.com](http://www.hmelectromech.com).

#### **CORPORATE GOVERNANCE REPORT:**

As per regulation 15(2) of the Listing Regulation, the Compliance with the Corporate Governance provisions shall not apply in respect of the following class of the Companies:

- a) Listed entity having paid up equity share capital not exceeding Rs.10 Crore and Net Worth not exceeding Rs.25 Crore, as on the last day of the previous financial year;
- b) Listed entity which has listed its specified securities on the SME Exchange.

Since, our Company falls within the ambit of aforesaid exemption i.e in point number (b); hence compliance with the provision of Corporate Governance shall not apply to the Company and it does not form the part of the Annual Report for the financial year 2024-25.

#### **DIRECTORS' RESPONSIBILITY STATEMENT:**

Pursuant to the provisions of Section 134(5) of the Companies Act, 2013 with respect to the Directors' responsibility Statement, the Directors' confirms that:

- i. in the preparation of the annual accounts, the applicable accounting standards have been followed along with proper explanations relating to material departures, if any;
- ii. they have selected such appropriate accounting policies and applied them consistently and made judgments and estimates that were reasonable and prudents as to give a true and fair view of the state of affairs of the Company at the end of the financial year on 31<sup>st</sup> March, 2025 and of the profit of the Company for the year under review;
- iii. they have taken proper and sufficient care 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;
- iv. they have prepared the accounts for the period ended on 31<sup>st</sup> March, 2025 on a going concern basis.
- v. They have laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and operating effectively; and
- vi. They have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

#### **NUMBER OF BOARD MEETINGS:**

During the year, 15 (Fifteen) Board Meetings were held on 13-05-2024, 06-06-2024, 11-06-2024, 27-06-2024, 18-07-2024, 26-07-2024, 01-08-2024, 04-09-2024, 30-09-2024, 14-10-2024, 06-11-2024, 28-11- 2024, 27-01-2025, 29-01-2025, 01-03-2025.

The Company has observed the meeting of Board of Directors and that the time gap between two consecutive board meetings was not more than one hundred and twenty days.

The necessary quorum was present for all the meetings.

The composition of the Board, category, the attendance of Directors at the Board Meetings during the year are given below:

<b>No.</b>	<b>Name of Director</b>	<b>Category of Directorship</b>	<b>No. of Board Meeting Attended</b>
1.	Mr. Dipak Padmakant Pandya	Promoter/ Chairman and Managing Director	15
2.	Mr. Mahendra Ramabhai Patel	Promoter/Whole Time Director	15
3.	Mrs. Mita Dipak Pandya	Promoter/Whole Time Director	15
4.	Mr. Harshal Mahendra Patel	Promoter/Whole Time Director	15
5.	Mrs. Kinjal Patel (Upto 23.06.2024)	Independent Non-Executive Director	3

6.	Mrs. Twinkal Sagarkumar Paneliya (Upto 27.06.2024)	Independent Non-Executive Director	4
7.	Mrs. Bhavisha Kunal Chauhan (w.e.f 27.06.2024)	Independent Non-Executive Director	11
8.	Mr. Aayush Kamleshbhai Shah (w.e.f 27.06.2024)	Independent Non-Executive Director	11

The Company did not have any pecuniary relationship or transactions with the non-executive directors during the year under review except to the extent of their shareholding in the Company and sitting fees if any.

The Annual General Meeting of the Company held on 30<sup>th</sup> September, 2024 for the financial year 2023-24

### COMMITTEES OF BOARD

The company have following committee.

#### 1. Audit Committee:

AUDIT COMMITTEE	
Name of Director	Designation
Aayush Kamleshbhai Shah	Chairman
Dipak Padmakant Pandya	Member
Bhavisha Kunal Chauhan	Member

The Company Secretary of our Company shall act as a secretary of the Audit Committee.

During the year the Audit Committee duly met Four (4) times i.e. 11-06-2024, 25-07-2024, 05-11-2024, 28-02-2025.

No.	Name of Director	Category of Directorship	No. of Board Meeting Attended
1.	Aayush Kamleshbhai Shah, Chairman	Independent Director	4
2.	Dipak Padmakant Pandya, Member	Managing Director	4
3.	Bhavisha Kunal Chauhan, Member	Independent Director	4

#### Role of Audit Committee:

The scope of audit committee shall include, but shall not be restricted to, the following:

1. Oversight of the company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is 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. Scrutiny of inter-corporate loans and investments.
4. Approval of payment to statutory auditors for any other services rendered by the statutory auditors;
5. Reviewing, with the management, the annual financial statements before submission to the board for approval, with particular reference to:
  - a. Matters required to be included in the Director's Responsibility Statement to be included in the Board's report in terms of clause (c) of sub section 3 of section 134 of the Companies Act, 2013
  - 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
  - g. Qualifications in the draft audit report.

6. Reviewing, with the management, the quarterly financial statements before submission to the board for approval;
7. 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 the Board to take up steps in this matter;
8. Reviewing, with the management, performance of statutory and internal auditors, and adequacy of the internal control systems;
9. 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;
10. Discussion with internal auditors any significant findings and follow up there on;
11. 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;
12. 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;
13. To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors;
14. To review the functioning of the Whistle Blower mechanism, in case the same is existing;
15. 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;
16. Carrying out any other function as is mentioned in the terms of reference of the Audit Committee.
17. Valuation of undertakings or assets of the company, where ever it is necessary.
18. Evaluation of internal financial controls and risk management systems;
19. Monitoring the end use of funds raised through public offers and related matters.

## 2. Stakeholders Relationship Committee:

Stakeholders Relationship Committee	
Name of Director	Designation
Bhavisha Kunal Chauhan	Chairman
Mahendra Ramabhai Patel	Member
Aayush Kamleshbhai Shah	Member

The Company Secretary of our Company shall act as a Secretary to the Stakeholder Relationship Committee.

During the year the Stakeholder Relationship Committee duly met One (1) times on 29/03/2025.

No.	Name of Director	Category of Directorship	No. of Board Meeting Attended
1.	Mrs. Bhavisha Kunal Chauhan	Independent Director	1
2.	Mr. Mahendra Ramabhai Patel	Whole Time Director	1
3.	Mr. Aayush Kamleshbhai Shah	Independent Director	1

### Terms of Reference:

1. Efficient transfer of shares; including review of cases for refusal of transfer / transmission of shares;
2. Redressal of shareholder and investor complaints like transfer of Shares, non-receipt of balance sheet, non-receipt of declared dividends etc.,
3. Issue duplicate/split/consolidated share certificates;
4. Dematerialization/Rematerialization of Share
5. Review of cases for refusal of transfer / transmission of shares and debentures;

6. Reference to statutory and regulatory authorities regarding investor grievances and to otherwise ensure proper and timely attendance and redressal of investor queries and grievances;
7. Such other matters as may from time to time are required by any statutory, contractual or other regulatory requirements to be attended to by such committee
8. Any other power specifically assigned by the Board of Directors of the Company from time to time by way of resolution passed by it in a duly conducted Meeting, and
9. Carrying out any other function contained in the equity listing agreements as and when amended from time to time.

**The status of the Investors' Complaints during the Financial Year 2024-25 are as under:**

<b>Investor Complaints during F Y 2024-25</b>	<b>No. of Complaints</b>
Pending at the beginning of the Financial Year 2024-25	0
Received during the Financial Year 2024-25	0
Disposed of during the Financial Year 2024-25	0
Remaining unresolved at the end of the Financial Year 2024-25	0

**3. Nomination and Remuneration Committee:**

<b>Nomination and Remuneration Committee</b>	
<b>Name of Director</b>	<b>Designation</b>
Aayush Kamleshbhai Shah	Chairman
Harshal Mahendra Patel	Member
Bhavisha Kunal Chauhan	Member

During the year the Nomination and Remuneration Committee duly met Four (4) times on 11-06-2024, 27-06-2024, 03-10-2024, 01-03-2025.

<b>No.</b>	<b>Name of Director</b>	<b>Category of Directorship</b>	<b>No. of Board Meeting Attended</b>
1.	Mr. Aayush Kamleshbhai Shah, Chairman	Independent Director	4
2.	Mr. Harshal Mahendra Patel, Member	Independent Director	4
3.	Mr. Bhavisha Kunal Chauhan, Member	Independent Director	4

**REMUNERATION POLICY**

In accordance with the provisions of Section 178 of the Companies Act, 2013 the Nomination and Remuneration Committee recommended the remuneration policy relating to the remuneration of the Directors, Key Managerial Personnel and other employees which was approved by the Board and is annexed with the Directors' Report.

There was not any performance linked incentives paid to Whole-time Directors. The Company has not formulated any scheme for giving any stock options to the employees. Hence no stock options have been granted to the Executive Directors during the year ended on 31-03-2025.

Details of remuneration paid for the year ended on 31-03-2025:

<b>No.</b>	<b>Name of Director</b>	<b>Category of Directorship</b>	<b>Remuneration and Allowances Rs. In Lacs</b>
1.	Mr. Dipak Padmakant Pandya	Chairman and Managing Director	72.00
2.	Mr. Mahendra Ramabhai	Whole Time Director	72.00



	Patel		
3.	Mrs. Mita Dipak Pandya	Whole Time Director	24.00
4	Mr. Harshal Mahendra Patel	*Whole Time Director (w.e.f. 01 <sup>st</sup> August, 2025)	Nil

\*Mr. Harshal Mahendra Patel was appointed as Non Executive Director of the company on 21.10.2024. He was then re-designated as Whole Time Director w.e.f from 01.08.2025. As Non Executive Director he was not getting remuneration for F.Y. 2024-25.

### **FAMILIARISATION PROGRAMME OF INDEPENDENT DIRECTORS**

All new independent directors inducted into the Board attend an orientation program known as Familiarization Programme, which is for every new independent director of the Board to familiarize the new inductee(s) with the strategy, operations and functions of our Company. The Executive Directors/ Senior Managerial Personnel make presentations to the inductees about the Company's strategy operations, product and service offerings, markets, organization structure, finance, human resources, technology, quality, facilities and risk management. In addition, the Company also keeps the Independent Directors, updated on the events and developments in the industry and business environment.

### **INSURANCE:**

The properties and assets of the Company are adequately insured.

### **DECLARATION BY INDEPENDENT DIRECTORS:**

The Independent Directors have submitted their declaration of independence, stating that:

- i) They continue to fulfill the criteria of independence provided in Section 149 (6) of the Act along with Rules framed thereunder and Regulation 16(1)(b) ; and
- ii) There has been no change in the circumstances affecting his/ their status as Independent Directors of the Company.

The Independent Directors have also confirmed that they have complied with the Company's Code of Conduct. In terms of Section 150 of the Act and Rules framed thereunder, the Independent Directors have also confirmed their registration (including renewal of applicable tenure) and compliance of the online proficiency self- assessment test (unless exempted) with the Indian Institute of Corporate Affairs (IICA).

The Board opined and confirm, in terms of Rule 8 of the Companies (Accounts) Rules, 2014 that the Independent Directors are persons of high repute, integrity and possess the relevant expertise and experience in their respective fields.

### **PERFORMANCE EVALUATION OF THE BOARD COMMITTEES AND INDEPENDENT DIRECTORS:**

Pursuant to the provisions of the Companies Act, 2013 and Rules framed thereunder read with the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 formal annual evaluation is to be made by the Board of its own performance and that of its Committees and Individual Directors. The Board after taking into consideration the criteria of evaluation laid down by the Nomination and Remuneration Committee in its policy such as Board Composition, level of involvement, performance of duties, attendance etc. had evaluated its own performance, the performance of its committees and Independent Directors (excluding the Director being evaluated).

The performance evaluation of the Chairman and the Non-Independent Directors was carried out by the Independent Directors at their separate meeting. The Directors expressed their

satisfaction with the evaluation process.

Independent Directors at their meeting held on 07<sup>th</sup> March, 2025 interalia, to discuss evaluation of Board, Committee(s) and Individual Directors.

**POLICY ON DIRECTORS' APPOINTMENT AND POLICY ON REMUNERATION:**

Pursuant to the requirements of the Companies Act, 2013, the policy on appointment of Board Members and policy on remuneration of the Directors, KMPs and other employees is as attached as **Annexure III** to this report.

**SECRETARIAL AUDIT REPORT:**

M/s. Kinkhabwala & Associates, Practicing Company Secretaries, was appointed as Secretarial Auditor of the Company to conduct secretarial audit for the financial year 2024-25 pursuant to the provisions of Section 204 of the Companies Act, 2013. The Annual Secretarial Compliance Report and Secretarial Audit Report submitted by them is attached as **Annexure IV** to this report.

**CONTRACTS OR AGREEMENTS WITH RELATED PARTIES:**

Pursuant to the provisions of the Companies Act, 2013 all the contracts and arrangements with related as details of the transactions are as mentioned in **Annexure V**.

**DISCLOSURE UNDER RULE 5 OF THE COMPANIES (APPOINTMENT AND REMUNERATION OF MANAGERIAL PERSONNEL) RULES, 2014:**

Details pertaining to remuneration and other details as required under Section 197(12) of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 is attached as **Annexure-VI** to this report.

**INTERNAL FINANCIAL CONTROL AND THEIR ADEQUACY:**

The Company has adopted internal control system considering the nature of its business and the size and complexity of operations. The Board has adopted the policies and procedures for ensuring the orderly and efficient conduct of its business, including adherence to the 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 disclosures etc. The management is taking further steps to strengthen the internal control system.

**RISK MANAGEMENT POLICY:**

The Company has formulated the Risk Management Policy in order to safeguard the organization from various risks through timely actions. It is designed to mitigate the risk in order to minimize the impact of the risk on the Business. The Management is regularly reviewing the risk and is taking appropriate steps to mitigate the risk.

In the opinion of the Board there has been no identification of element of risk that may threaten the existence of the Company.

**PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS UNDER SECTION 186 OF THE COMPANIES ACT, 2013:**

The details of loan provided and investments made, if any are as mentioned in the notes to accounts. The Company has not provided any guarantee or security falling under purview of Section 186 of the Companies Act, 2013 during the financial year under review.

**PARTICULARS OF CONTRACTS OR ARRANGEMENTS MADE WITH RELATED PARTIES  
MADE PURSUANT TO SECTION 188 OF THE COMPANIES ACT, 2013:**

The company have not related parties transaction during the period except for salary to directors as per mentioned in note No: 28 of Financial Statement.

**STATUTORY AUDITORS:**

In terms of the provisions of section 139 of the Companies Act, 2013, the Company had appointed M/S S V J K And Associates Chartered Accountants, Ahmedabad (Registration No. 135282W), for the term of 5 years in the 06<sup>th</sup> Annual General Meeting.

In the Statutory Auditors' Report on the financial statements of the Company for the financial year ended on 31st March, 2025, there is no Qualified/Adverse Opinion from Statutory Auditor during the financial year under review. During the financial year under review, auditors of the company has not reported any fraud under sub-section (12) of section 143 of the Companies Act, 2013.

**DETAILS IN RESPECT OF FRAUDS REPORTED BY AUDITORS:**

The Statutory Auditors of the Company have not reported any frauds to the Audit Committee or to the Board of Directors as prescribed under Section 143(12) of the Companies Act, 2013, including rules made thereunder.

**INTERNAL AUDITOR**

M/S B V Gajera & Co., Chartered Accountants, Ahmedabad has been appointed as Internal Auditors of the Company for the financial year 2024-2025. Internal Auditors are appointed by the Board of Directors of the Company on a yearly basis, based on the recommendation of the Audit Committee. The Internal Auditor reports their findings on the Internal Audit of the Company, to the Audit Committee on a yearly basis. The scope of internal audit is approved by the Audit Committee.

**EXPLANATIONS / COMMENTS ON QUALIFICATION, RESERVATION OR ADVERSE REMARK  
OR DISCLAIMER MADE BY THE AUDITOR AND COMPANY SECRETARY IN THE AUDIT  
REPORTS:**

There is no qualifications, reservations, adverse remark or disclaimer in Auditors Report.

**MAINTENANCE OF COST RECORDS:**

Company is not required to maintain cost records pursuant to section 148 (1) of the Companies Act, 2013.

**VIGIL MECHANISM:**

Pursuant to provisions of Section 177(9) of the Companies Act, 2013 and Rule 7 of the Companies (Meetings of Board and its Powers) Rules, 2014 read with SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Board of Directors had approved the Policy on Vigil Mechanism/ Whistle Blower Policy. Through this policy Directors, Employees or business associates may report the unethical behavior, malpractices, wrongful conduct, frauds, violations of the Company's code etc. to the Chairman of the Audit Committee.

**COMPOSITION OF INTERNAL COMPLAINTS COMMITTEE UNDER THE SEXUAL  
HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION AND  
REDRESSAL) ACT, 2013:**

The Company has complied with the provision relating to constitution of Internal Complaints Committee under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and

Redressal) Act, 2013. Further, no case has been received under the said act during the year.

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

The information pertaining to conservation of energy, technology absorption, Foreign exchange Earnings and outgo as required under Section 134 (3)(m) of the Companies Act, 2013 read with Rule 8(3) of the Companies (Accounts) Rules, 2014 is furnished in **Annexure VII** which is attached to this report.

**SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS OR COURTS OR TRIBUNALS:**

The Company has not received any significant or material orders passed by any regulatory authority, court or tribunal which shall affect the going concern status of the Company's operations as on date of this report.

**INDUSTRIAL RELATIONS:**

The Company has maintained cordial relations with the employees of the Company throughout the year. The Directors wishes to place on record sincere appreciation for the services rendered by the employees of the Company during the year.

**COMPLAINE OF SECRETARIAL STANDARAD:**

The Company has complied with the applicable secretarial standards.

**CFO CERTIFICATE:**

The CFO of the Company has given certification on the financial reporting and internal controls to the Board in terms of SEBI (Listing Obligations and disclosure Requirements) Regulations, 2015.

**SUBSIDIARIES, JOINT VENTURE AND ASSOCIATE COMPANIES:**

As on March 31, 2025, the Company has no subsidiary company. The Company did not have any Associate Companies or Joint Ventures at the end of this Financial Year. Statement in Form AOC1 pursuant to the first proviso to Section 129 of the Act read with rule 5 of the Companies (Accounts) Rules, 2014 shall not be thus applicable in view of above explanation.

**ACKNOWLEDGEMENT:**

The Board is thankful to its bankers for their continued support and assistance, which has played important role in progress of the Company.

Your Directors places on records the contribution of employees of the Company at all levels and other business associates for their commitment, dedication and respective contribution to the Company's operations during the year under review.

Place: Ahmedabad  
Date: 28<sup>th</sup> August, 2025

**BY ORDER OF THE BOARD  
FOR H.M. ELECTRO MECH LIMITED.**

**REGISTERED OFFICE**  
305, Ashram Avenue,  
B/H. Kochrab Ashram, Paldi. Ahmedabad,  
Gujarat, India, 380006

**Sd/-**  
**Dipak Padmakant Pandya**  
Chairman and Managing Director  
(DIN: 02188199)

## **ANNEXURE-I**

### **MANAGEMENT DISCUSSION AND ANALYSIS REPORT**

#### **Industry Structure and Developments:**

Companies within the infrastructure industry serve All Type of Project Work of Pumping Machineries for Water and Waste Water, Electrification Project of Central and State Government, Corporations, Diesel Generating Sets Projects With Government, Nationalised Bank and Industries, Instrumentation Work, Civil Work Etc.

Our company is engaged in the field of turnkey projects of supply, installation, testing and commissioning of pumping machineries along with comprehensive operation and maintenance.

Over the years we have diversified in the field of electrification projects with Indian railways, Nationalized Banks and Municipal Corporations. Recently we have started EPC (Engineering, Procurement and Construction) field projects which involves laying cross country pipe line and civil work related to water supply projects including construction of water treatment plant (WTP), Civil Work for Pump Houses, Diesel Generating Sets, Panel Room, Instrumentation, PLC-SCADA.

The Company has capacity to withstand in the market and face the stiff competition prevailing in the Infrastructure business market.

#### **Opportunities and Outlook:**

The Company is optimistic about its growth prospect us in the future. The Company has been concentrating on building brand image in the market.

The Company is facing stiff competition from various companies in domestic market. However, Company is well positioned to leverage the opportunities to manage the challenges that have arisen in domestic market.

#### **Outlook:**

The company has achieved a great reputation in this field within a short span of time with its strong & effective management and in time project execution. We are proud to highlight our accomplishments and ongoing efforts in various projects. Since 2018 we have completed 16 projects having aggregating of ₹ 13,209.82 lakhs. Apart from this, currently we are engaged in 37 ongoing projects having aggregating of ₹ 41,034.41 lakhs out of which revenue recognised till September 30, 2024 amounts to ₹ 22,732.05 lakhs. These projects not only met but exceeding our clients' expectations, providing a lasting benefit to the community. It underscores our commitment to delivering high quality, impactful projects that meets diverse needs and drive progress.

Our Promoters are the guiding force behind the success of our company. We believe the stability of our management team and the industry experience brought on by our individual Promoters will enable us to continue to take advantage of future market opportunities and expand into newer markets.

#### **Risk and Concerns:**

Company is facing competition from various small-scale manufacturers and administrative costs are also increasing day by day. But Company is equipped to meet the challenges by better marketing tactics and effective management of cost and expenses.

**Internal Control Systems and their adequacy:**

The Company has an adequate system of Internal Control relating to purchase of raw materials, plant & machineries, equipments & various components and for providing services commensurate with the size and nature of business and projects of the Company.

**Financial Performance:**

Financial Performance with respect to Operational Performance is discussed in the main part of the Report.

**Details of Key Financial Ratios are given below:**

<b>Ratios</b>	<b>2024-25</b>	<b>2023-24</b>	<b>Change</b>
Debtors Turnover	3.53	3.90	-9.61%
Inventory Turnover	5.86	4.97	17.99%
Interest Service Coverage Ratio	2.82	1.87	50.64%
Current Ratio	2.47	1.51	63.97%
Debt Equity Ratio	0.12	0.38	-68.80
Operating Profit Margin %	22.43%	33.46%	-32.97%
Net Profit Margin %	6.86%	6.84%	0.28%
Return on Net Worth %	12.76%	24.96%	-48.89%

**Material Developments in Human Resources / Industrial Relations:**

The industry is knowledge driven, considering this aspect we continue to build our team with high quality talent. The Company is putting thrust on providing training both in-house and outside. The key personnel are technically qualified and fully trained to run sites.

The Company maintains cordial & harmonious relation with its employees.

Place: Ahmedabad  
Date: 28<sup>th</sup> August, 2025

BY ORDER OF THE BOARD  
FOR H.M. ELECTRO MECH LIMITED.

**REGISTERED OFFICE**  
305, Ashram Avenue,  
B/H. Kochrab Ashram, Paldi. Ahmedabad,  
Gujarat, India, 380006

**Sd/-**  
Dipak Padmakant Pandya  
Chairman and Managing Director  
(DIN: 02188199)

## **Annexure II**

### **CORPORATE SOCIAL RESPONSIBILITY**

#### **1. Brief Outline of the Company's CSR Policy**

During the year company have achieved the Net Profit of Rs. 8,35,07,000 which triggers the applicability limit of Corporate Social Responsibility as provided under Section 135 of Companies Act, 2013.

Upholding the principles of social and economic progress, the Company is devoted to enhancing societal well-being through CSR activities, as outlined in Section 135 of the Companies Act, 2013, read with CSR Rules. These commitments form the foundation of our Corporate Social Responsibility (CSR) policy.

#### **2. The Composition of CSR Committee as on 31<sup>st</sup> March, 2025 is as under:**

The Meeting of CSR Committee was held on 14.10.2024.

<b>Sr. No.</b>	<b>Name</b>	<b>Designation/ Nature of Directorship</b>	<b>Number of meetings of CSR Committee held during the year</b>	<b>Number of meetings of CSR Committee attended during the year</b>
1	Aayush Kamleshbhai Shah	Chairperson/ Independent Director	1	1
2	Dipak Padmakant Pandya	Member/ Managing Director	1	1
3	Harshal Mahendra Patel	Member/ Whole Time Director (w.e.f. 01.08.2025)	1	1

#### **3. Weblink for composition of CSR Committee:**

<https://www.hmelectromech.com/board-and-kmp-and-committees.php>

- 1. Details of Impact assessment of CSR Projects carry out in pursuance of sub rule ( 3) of Rule 8 of the Companies ( Corporate Social Responsibility) Rules, 2014 : Not Applicable.**
- 2. Details of the amount available for set off in pursuance of sub-rule (3) of rule 7 of the Companies (Corporate Social responsibility Policy) Rules, 2014 and amount required for set off for the financial year, if any:**

<b>Sr. No.</b>	<b>Financial Year</b>	<b>Amount available for set-off from preceding financial years (in Rs)</b>	<b>Amount required to be setoff for the financial year, if any (in Rs)</b>
1	2023-24	51,000	NIL

Company has not avail excess set-off of Rs. 51000 from previous year as company has spent full Contribution in the F.Y 2024-2025 of Rs. 14.93 Lacs.

- 3. Average Net Profit for the last three years as per Section 135 of the Companies Act, 2013 is Rs. 746.94 lacs**

4. (a) Two percent (2%) of net profit of the Company as per Section 135(5): Rs. 14.93 lacs
- (b) Surplus arising out of the CSR project/ activities of the previous FY: - 0.51 lacs.
- (c) Amount required to be set off for the FY : 0.51 lacs
- (d) Total CSR obligation for the FY [5(b) + 5(c) - 5(d)]: Rs. 14.93 lacs

5. a. CSR amount spent or unspent for the financial year:

Total Amount Spent for the Financial Year. (in Rs.)	Amount Unspent				
	Total Amount transferred to Unspent CSR Account as per section 135(6).		Amount transferred to any fund specified under Schedule VII as per second proviso to section 135(5).		
	Amount.	Date of transfer.	Name of the Fund	Amount.	Date of transfer.
Rs. 14.93 Lacs	NIL	NIL	NIL	NIL	NIL

- b. Details of CSR amount spent against ongoing projects for the financial year: NIL

- c. Details of CSR amount spent against other than ongoing projects for the financial year:

Sr. No	Name of Project	Item from the list of activities in Schedule VII of the Act.	Local Area (Yes/ No)	Location of the Project District/ State	Amount spent for the project (in Rs.).	Mode of Implementation Direct (Yes/No)	Mode of implementing agency	
							Name	CSR Registration No.
1.	Sahyog Chhatralay / Education Trip/ Fruit plantation /Ration/ Emergency Support /Medical : Education Support	ii & iv	No	Vadodara/ Gujarat	14,93,900	No	Lok Sahyog	CSRO0042 483

- d) Amount spent in administrative overheads: - Nil
- e) Amount spent on impact assessment, if applicable: - NIL
- f) Total amount spent for the financial year (8b+8c+8d+8e): 14.93 Lacs



g) Excess amount for set off, if any:

Sr. No.	Particular	Amount (Rs. in Lacs)
i	Two percent of average net profit of the company as per section 135(5)	14.93
ii	Total amount spent for the Financial Year	14.93
iii	Excess amount spent for the financial year [(ii)-(i)]	0.00
iv	Surplus arising out of the CSR projects or programmes or activities of the previous financial years, if any	0.51
v	Amount available for set off in succeeding financial years	0.51

6. (a) Details of Unspent CSR amount for the preceding three financial years: NA

(b) Details of CSR amount spent in the financial year for **ongoing projects** of the preceding financial year(s): N.A.

7. In case of creation or acquisition of capital asset, furnish the details relating to the asset so created or acquired through CSR spent in the financial year: N.A.

8. Specify the reason(s), if the company has failed to spend two per cent of the average net profit as per section 135(5): N.A.

**Place:** Ahmedabad  
**Date:** 28<sup>th</sup> August, 2025

**BY ORDER OF THE BOARD**  
**FOR H.M. ELECTRO MECH LIMITED.**

Sd/-

**Dipak Padmakant Pandya**  
**Chairman and Managing Director**  
**(DIN: 02188199)**

Sd/-

**Aayush Kamleshbhai Shah**  
**Chairman of CSR Committee**  
**(DIN: 10149440)**

### **ANNEXURE- III**

#### **POLICY ON DIRECTORS APPOINTMENT AND REMUNERATION:**

In terms of Section 178 of the Companies Act, 2013 read with the applicable rules thereunder and Regulation 19 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, Nomination and Remuneration Committee recommended the policy on nomination and remuneration of Directors, Key Managerial Personnel and Senior Management of the Company which was approved and adopted by the Board of Directors of the Company.

#### **The Policy is framed with the objective(s):**

To lay down criteria with regard to identifying persons who are qualified to become Directors (Executive and Non-executive) and persons who may be appointed in Key Managerial positions and to determine their remuneration;

To determine remuneration based on the Company's size and financial position and trends and practices on remuneration prevailing in peer companies, in the industry;

To carry out evaluation of the performance of Directors, as well as Key Managerial Personnel and to provide for reward(s) linked directly to their effort, performance, dedication and achievement relating to the Company's operations and

To ensure that the level and composition of remuneration is reasonable and sufficient to attract, retain and motivate the working potential of all the Directors and Key Managerial Personnel (KMP) of the Company;

To ensure that the remuneration to Directors and Key Managerial Personnel (KMP) of the Company involves a balance between fixed and incentive pay reflecting short and long-term performance objectives appropriate to the working of the Company and its goals;

To lay down criteria for appointment, removal of directors and Key Managerial Personnel and evaluation of their performance.

To ascertain that the relationship of remuneration to performance is clear and meets appropriate performance benchmarks;

#### **Definitions:**

Act means the Companies Act, 2013 and Rules framed thereunder, as amended from time to time.

Board means Board of Directors of the Company.

Directors mean Directors of the Company.

Policy or this Policy means "Nomination and Remuneration Policy."

Key Managerial Personnel means

- Chief Executive Officer or the Managing Director or the Manager;
- Whole-time director;
- Chief Financial Officer;
- Company Secretary and such other officer as may be prescribed.

**Role of Committee:**

The Committee shall:

Identify persons who are qualified to become Directors and Key Managerial Personnel (KMP) who may be appointed in accordance with the criteria laid down.

Recommend to the Board appointment and removal of Directors and KMP and shall carry out evaluation of every director's performance.

Formulate the criteria for determining qualifications, positive attributes and independence of a director.

Recommend to the Board a policy, relating to the remuneration for the Directors and Key Managerial personnel and other employees.

To consider and determine the Remuneration Policy, based on the performance and also bearing in mind that the remuneration is reasonable and sufficient to attract, retain and motivate members of the Board and Key Managerial Personnel and such other factors as the Committee shall deem appropriate.

Make independent/ discreet references, where necessary, well in time to verify the accuracy of the information furnished by the applicant.

Policy for appointment and removal of Director and Key Managerial Personnel (KMP)  
Appointment criteria and qualifications:

a) The Committee shall identify and ascertain the integrity, qualification, expertise and experience of the person for appointment as Director and Key Managerial Personnel and recommend to the Board his / her appointment,

b) A person should possess adequate qualification, expertise and experience for the position he / she is considered for appointment. The Committee has discretion to decide whether qualification, expertise and experience possessed by a person are sufficient / satisfactory for the concerned position,

Criteria for Remuneration to Directors, Key Managerial Personnel and Senior Management:

**(a) Responsibilities and Accountability:** The roles and responsibilities towards the organization and the position of the Director and Key Managerial Personnel shall be formerly evaluated to fix the remuneration,

**(b) Flexibility:** The Remuneration payable shall be flexible to meet both the needs of individuals and those of the Company while complying with relevant tax and other legislation,

**(c) Performance:** The Committee shall while determining remuneration ensure that the performance of the Director and Key Managerial Personnel and their commitment and efficiency is constructive and beneficial in generating commercial for the Company,

**(d) Affordability and Sustainability:** The remuneration payable is affordable and on a sustainable basis.

**(e) Transparency:** The process of remuneration management shall be transparent, conducted in good faith and in accordance with appropriate levels of confidentiality.

**Remuneration to Directors and Key Managerial Personnel:** The Committee shall ensure that the Remuneration payable to Directors and Key Managerial Personnel shall be paid after complying with the provisions of Section 197 and Schedule V and such other applicable provisions of the Companies Act, 2013.

**Term / Tenure:****a) Managing Director/Whole-time Director:**

The Company shall appoint or re-appoint any person as its Executive Chairman, Managing Director or Executive Director for a term not exceeding five years at a time. No re-appointment shall be made earlier than one year before the expiry of term.

**b) Independent Director:**

- An Independent Director shall hold office for a term up to five consecutive years on the Board of the Company and will be eligible for re-appointment on passing of a special resolution by the Company and disclosure of such appointment in the Board's report.

- No Independent Director shall hold office for more than two consecutive terms, but such Independent Director shall be eligible for appointment after expiry of three years of ceasing to become an Independent Director. Provided that an Independent Director shall not, during the said period of three years, be appointed in or be associated with the Company in any other capacity, either directly or indirectly.

**Evaluation:**

The Committee shall carry out evaluation of performance of every Director and KMP at regular interval (yearly).

**Retirement:**

The Director and Key Managerial Personnel shall retire as per the applicable provisions of the Act and the prevailing policy of the Company. The Board will have the discretion to retain the Director and Key Managerial Personnel in the same position/ remuneration or otherwise even after attaining the retirement age, for the benefit of the Company.

**Removal:**

Due to reasons for any disqualification mentioned in the Act or under any other applicable Act, rules and regulations thereunder, the Committee may recommend, to the Board with reasons recorded in writing, removal of a Director and Key Managerial Personnel subject to the provisions and compliance of the said Act, rules and regulations.

**Policy relating to the Remuneration for the Whole-time Director:****General**

- a) The remuneration / compensation / commission etc. to the Whole-time Director and Key Managerial Personnel will be determined by the Committee and recommended to the Board for approval. The remuneration / compensation / commission etc. shall be subject to the prior/post approval of the shareholders of the Company, wherever required.
- b) In determining the remuneration of Whole-time Director and Key Managerial Personnel the Committee should consider among others:
  - Conducting benchmarking with companies of similar type on the remuneration package;
  - The level and composition of remuneration is reasonable and sufficient to attract, retain and motivate Directors of the quality required to run the Company successfully;
  - Clear linkage of remuneration and appropriate performance benchmarking and

- Remuneration involves a balance between fixed and incentive pay reflecting short and long term performance objectives to the working of the Company and its goals. c) Increments including bonuses, incentive and other rewards to the existing remuneration/compensation structure may be recommended by the Committee to the Board which should be approved by the Shareholders of the Company and/or Central Government, wherever required.

#### **Remuneration to Non-Executive / Independent Director:**

Non-Executive / Independent Director may receive remuneration by way of sitting fees for attending meetings of Board or Committee thereof. Provided that amount of fees shall not exceed INR One Lakh per meeting of the Board and Committee or such amount as may be prescribed by the Central Government from time to time.

#### **Membership: -**

- Members of the Committee shall be appointed by the Board with a minimum of three Non-Executive Directors out of which not less than one-half shall be Independent Director.
- The Chairman of the Committee shall be elected from members amongst themselves who shall be an Independent Director. In the absence of the Committee's Chairman, the remaining members present shall elect one of themselves to chair the meeting.
- Only members of the Committee have the right to attend and vote at the Committee meetings and any other person required to attend the meeting will have no right to vote.
- The Chairperson of the Committee or in his absence, any other member of the Committee authorised by him in this behalf shall attend the general meetings of the Company.

#### **Minutes of Committee Meetings:**

Proceedings of all the meetings are recorded and signed by the Chairman of the said meeting or by the Chairman of the next succeeding meeting. Minutes of the Committee meeting are tabled at the Meeting of the Board and entered in the Minutes binder.

#### **Committee Members Interests:**

1. A member of the Committee is not entitled to be present when his or her own remuneration is discussed at a meeting or when his or her performance is being evaluated.
1. The Committee may invite such executives, as it considers appropriate, to be present at the meetings of the Committee.

#### **Frequency of the meetings:**

The Committee shall meet at such times so as to enable it to carry out its powers, functions, roles & responsibilities

Place: Ahmedabad  
Date: 28<sup>th</sup> August, 2025

BY ORDER OF THE BOARD  
FOR H.M. ELECTRO MECH LIMITED.

**REGISTERED OFFICE**  
305, Ashram Avenue,  
B/H. Kochrab Ashram, Paldi. Ahmedabad,  
Gujarat, India, 380006

*Sd/-*  
**Dipak Padmakant Pandya**  
Chairman and Managing Director  
(DIN: 02188199)

## **ANNEXURE- IV**

### **Form No. MR-3**

#### **Secretarial Audit Report**

For The Financial Year Ended on March 31, 2025

[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,

**H.M. Electro Mech Limited**

**CIN: L45500GJ2018PLC102018**

305, Ashram Avenue, B/H. Kochrab Ashram, Paldi.,

Ahmedabad, Gujarat, India, 380006

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **H.M. Electro Mech Limited** (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 our opinion thereon.

Based on our 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; we hereby report that in our opinion, the company has, during the audit period covering the financial year ended on March 31, 2025 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:

We 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, 2025 according to the provisions of:

- 1) The Companies Act, 2013 (the Act) and the Rules made thereunder;
- 2) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the Rules made thereunder;
- 3) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- 4) Foreign Exchange Management Act, 1999 and the Rules and Regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
- 5) 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;
  - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
  - (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018;
  - (d) The Securities and Exchange Board of India (Share Based Employees Benefits) Regulations, 2014 -Not Applicable as the Company has not issued any Shares / options to the Directors /Employees under the said Regulations during the year under review;
  - (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 -Not Applicable as the Company has not issued any debt securities during the year under review;

- (f) 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;
- (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009-Not Applicable as the securities of the Company have not been delisted from any Stock Exchange during the year under review;
- (h) The Securities and Exchange Board of India (Buy Back of Securities) Regulations, 2018 -Not Applicable as the Company has not bought – back any of its securities during the year under review;
- (i) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

We have also examined compliance with the applicable Standards / Clauses / Regulations of the following:

- i. Secretarial Standards issued by The Institute of the Company Secretaries of India (ICSI) and made effective from time to time.
- ii. The Uniform Listing Agreement entered into by the Company with BSE Limited.

During the Audit period under review, the Company has complied with all material aspects of the applicable provisions of the Act, Rules, Regulations, Guidelines, Standards etc. as mentioned above.

**We further report that:**

During the audit period under review there were no specific laws which were exclusively applicable to the Company / Industry. However, having regard to the compliance system prevailing in the Company and on examination of relevant documents and records on test - check basis, the Company has complied with the material aspects of the following significant laws applicable to the Company being engaged in the manufacturing activities:

- 1. Factories Act, 1948;
- 2. Acts prescribed under prevention and control of pollution;
- 3. Acts prescribed under Environmental protection.

**We 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 Board that took place during the year under review were carried out in compliance of the provisions of Act.

Adequate notice is given to all 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.

Decisions at the meetings of Board of Directors/ Committees of the Company were carried unanimously. We were informed that there were no dissenting views of the members' on any of the matters during the year that were required to be captured and recorded as part of the minutes.

**We further report that:**

Based on the review of compliance mechanism established by the Company, the information provided by the Company, its officers and authorized representatives during the conduct of the audit, 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 general laws, rules, regulations and guidelines such as Labour Laws, the Trade Marks Act, 1999, the Indian Copyright Act, 1957, the Patents Act, 1970.

**We further report that:**

The compliance by the Company of the applicable financial laws like Direct and Indirect Tax laws, have not been reviewed in this Audit since the same have been subject to the review by the Statutory Auditor(s) and other designated professionals.

**We further report that:**

During the audit period under review, there were passing of Special resolution for:

1. Approval of Initial Public Offer by fresh issue of Equity Shares through EGM on 02.08.2024
2. Change in Designation of Mrs. Mita Dipak Pandya, as Whole Time Director.
3. Mrs. Bhavisha Kunal Chauhan is appointed as Additional Independent Director of the company w.e.f. 27<sup>th</sup> June, 2024 and regularized as Independent Director of the company w.e.f. 30<sup>th</sup> September, 2024.
4. Mr. Aayush Kamleshbhai Shah is appointed as Additional Independent Director of the company w.e.f. 27<sup>th</sup> June, 2024 and regularized as Independent Director of the company w.e.f. 30<sup>th</sup> September, 2024
5. Harshal Mahendra Patel is regularized as Non-Executive Director of the company w.e.f. 30<sup>th</sup> September, 2024

**One instance of :**

- a) For Allotment of new share:

During the year the company had come up with an Initial Public Offer of 36,99,200 Equity Shares at price of Rs. 75 Per Equity Share including Share Premium of Rs. 65 Per Equity Share and raised fund of Rs. 27,74,40,000/- (Rupees Twenty Seven crore Seventy Four Lakhs and Forty Thousand Only).

**However no other instance:**

- b) Right issue of shares/ debentures/sweat equity etc.;
- c) Redemption / buy-back of securities;
- d) Obtaining the approval from Shareholders under Section 180 of the Companies Act, 2013;
- e) Merger / amalgamation / reconstruction, etc.;
- f) Foreign technical collaborations.

**FOR KINKHABWALA & ASSOCIATES  
COMPANY SECRETARIES**

**DARSHAN KINKHABWALA  
PRACTICING COMPANY SECRETARY  
PROPRIETOR**

**ACS No.: 53260 C. P. No.: 21883  
P/R No.: 1878/2022  
UDIN: A053260G001093222**

**Place: Ahmedabad  
Date : August 27, 2025**

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



**ANNEXURE - A**

Our report of even date is to be read along with this letter.

1. Maintenance of Secretarial record is the responsibility of the management of the Company. Our responsibility is to express an opinion on these secretarial records based on our audit.
2. We have followed the audit practices and process as were 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. We believe that the process and practices followed by us provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.
4. Wherever required, we 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 the management. Our examination was limited to the verification of procedure 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.

**FOR KINKHABWALA & ASSOCIATES  
COMPANY SECRETARIES**

**DARSHAN KINKHABWALA  
PRACTICING COMPANY SECRETARY  
PROPRIETOR  
ACS No.: 53260 C. P. No.: 21883  
P/R No.: 1878/2022  
UDIN: A053260F001090615**

**Place: Ahmedabad  
Date : August 27, 2025**

**ANNEXURE – V**

**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>
a)	Name (s) of the related party & nature of relationship	N.A
b)	Nature of contracts/arrangements/transaction	N.A
c)	Duration of the contracts/arrangements/ transaction	N.A
d)	Salient terms of the contracts or arrangements or transaction including the value, if any	N.A
e)	Justification for entering into such contracts or arrangements or transactions'	N.A
f)	Date of approval by the Board	N.A
g)	Amount paid as advances, if any	N.A
h)	Date on which the special resolution was passed in General meeting as required under firstprovisotosection188	N.A

2. Details of contracts or arrangements or transactions at Arm's length basis.

<b>Sr. No.</b>	<b>Particulars</b>	<b>Details</b>
a)	Name (s) of the related party & nature of relationship	N.A
b)	Nature of contracts/arrangements/transaction	
c)	Duration of the contracts/arrangements/transaction	
d)	Salient terms of the contracts or arrangements or transaction including the value, if any	
e)	Date of approval by the Board	
f)	Amount paid as advances, if any	

**Place: Ahmedabad**  
**Date: 28<sup>th</sup> August, 2025**

**BY ORDER OF THE BOARD**  
**FOR H.M. ELECTRO MECH LIMITED.**

**REGISTERED OFFICE**  
**305, Ashram Avenue,**  
**B/H. Kochrab Ashram, Paldi. Ahmedabad,**  
**Gujarat, India, 380006**

*Sd/-*  
**Dipak Padmakant Pandya**  
**Chairman and Managing Director**  
**(DIN: 02188199)**

**ANNEXURE- VI**  
**DISCLOSURE UNDER RULE 5 OF THE COMPANIES (APPOINTMENT AND  
 REMUNERATION OF MANAGERIAL PERSONNEL) RULES, 2014**

**i. Ratio of the remuneration of each director to the median remuneration of the employees of the company for the financial year ended on 31<sup>st</sup> March, 2025;**

Sr. No	Director	Remuneration	Median Remuneration	Ratio
1.	Mr. Dipak Padmakant Pandya	72.00 Lacs	2.49 Lacs	28.91:1
2.	Mr. Mahendra Ramabhai Patel	72.00 Lacs	2.49 Lacs	28.91:1
3.	Mrs. Mita Dipak Pandya	24.00 Lacs	2.49 Lacs	9.64:1

**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.	Key Managerial Personnel	% increase
1.	Mr. Dipak Padmakant Pandya	50%
2.	Mr. Mahendra Ramabhai Patel	50%
3.	Mrs. Mita Dipak Pandya	-50%
4.	Mr. Nitinbhai Pragajibhai Dhorajiya	NIL
5.	Mrs. Himani Mayur Upadhyay	NIL

**iii. The percentage increase in the median remuneration of employees in the financial year;**

Overall, there was increase in the median remuneration of the employees in the financial year.

**iv. The Company has 150 permanent employees on the rolls of company**

Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration;

The increase in remuneration of KMPs in conformity with industrial practice and policy.

There is no exceptional circumstances for increase in managerial remuneration Directors.

**v. The key parameters for any variable component of remuneration availed by the directors;**

The Whole Time Directors have not availed any variable remuneration components.

**vi. Affirmation that the remuneration is as per the remuneration policy of the company:**

It is affirmed that the remuneration paid is as per the remuneration policy of the company.

Place: Ahmedabad  
 Date: 28<sup>th</sup> August, 2025

**BY ORDER OF THE BOARD  
 FOR H.M. ELECTRO MECH LIMITED.**

**REGISTERED OFFICE**  
 305, Ashram Avenue,  
 B/H. Kochrab Ashram, Paldi. Ahmedabad,  
 Gujarat, India, 380006

*Sd/-*  
**Dipak Padmakant Pandya**  
 Chairman and Managing Director  
 (DIN: 02188199)

## **ANNEXURE-VII**

### **A. Details of Conservation of Energy, Technology Absorption, Foreign Exchange Earning and Outgo:**

(i)	the steps taken or impact on conservation of energy;	The Company has taken measures and applied strict control system to monitor day to day power consumption, to endeavor to ensure the optimal use of energy with minimum extent possible wastage as far as possible. The day to day consumption is monitored and various ways and means are adopted to reduce the power consumption in an effort to save energy. The office area is designed in such a way that during day time not much artificial lighting is necessary in the office.
(ii)	the steps taken by the company for utilizing alternate sources of energy;	N.A.
(iii)	the capital investment on energy conservation equipment	Company is continuously monitoring and making fort for optimum utilization of equipment's which ensures to conserve energy during routine operations itself.

### **(B) Technology Absorption:**

(i)	the efforts made towards technology absorption;	Company has always been making best effort towards technology absorption, adaptation and innovation to improve the quality.
(ii)	the benefits derived like product improvement, cost reduction, product development or import substitution	It improves the quality of company's products being manufactured and reduces the cost of production.
(iii)	in case of imported technology (imported during the last three years reckoned from the beginning of the financial year:-	N.A.
	(a) the details of technology imported;	N.A.
	(b) the year of import	N.A.
	(c) whether the technology been fully absorbed	N.A.
	(d) if not fully absorbed, areas where absorption has not taken place, and the reasons thereof;	N.A.
(iv)	the expenditure incurred on Research and Development	NIL
(v)	Foreign Exchange Earning: Foreign Exchange Outgo:)	Rs. NIL (previous year Rs. NIL) Rs. NIL (previous year Rs. NIL)

**Place: Ahmedabad**  
**Date: 28<sup>th</sup> August, 2025**

**REGISTERED OFFICE**  
**305, Ashram Avenue,**  
**B/H. Kochrab Ashram, Paldi. Ahmedabad,**  
**Gujarat, India, 380006**

**BY ORDER OF THE BOARD**  
**FOR H.M. ELECTRO MECH LIMITED.**

**Sd/-**  
**Dipak Padmakant Pandya**  
**Chairman and Managing Director**  
**(DIN: 02188199)**