



*34th*  
*ANNUAL REPORT*  
&  
*ACCOUNTS*  
*2015 - 2016*

**DEEPAK SPINNERS LIMITED**



# DEEPAK SPINNERS LIMITED

Corporate Identity Number (CIN) – L17111HP1982PLC016465

## Board of Directors

Shri Pradip Kumar Daga, *Chairman & Managing Director*  
Shri Vikram Prakash  
Shri Yashwant Kumar Daga  
Shri Pradeep Kumar Drolia  
Smt. Nilu Agrawal

Notice for Annual General Meeting is being sent separately through Speed Post/Registered Post as required under the Companies Act, 2013 & Rules made thereunder.

## Administrative Office

SCO 16, II Floor, Sector 26,  
Madhya Marg, Chandigarh – 160019.

Shri S. B. Sharda, *President & Chief Financial Officer*  
Shri R. A. Sharma, *Vice President (Purchase)*  
Shri M. S. Shekhawat, *Vice President (Sales)*  
Shri P. C. Sharma, *Asst. Vice President (Accounts)*

## Baddi Works

121, Industrial Area, Baddi  
Tehsil Nalagarh, Dist. Solan  
Himachal Pradesh – 173205

Shri Sudesh Tiwari, *Sr. Vice President (Technical)*  
Shri S. K.Thakur, *Sr. Vice President (Engineering)*

## Guna Works

Village : Pagara  
Tehsil & Distt. Guna - 473 001  
Madhya Pradesh

Shri Ashok Kumar Gupta, *Sr. Vice President (Works)*  
Shri Onkar Nath Singh, *Vice President (Personnel & Admn.)*  
Shri V. K. Shrivastav, *Vice President (Engineering)*

## Company Secretary

Smt. Puneeta Arora

## Bankers

State Bank of India

## Auditors

Messrs. Singhi & Co., Chartered Accountants  
New Delhi.

## Registered office

121, Industrial Area, Baddi  
Tehsil Nalagarh, Distt. Solan  
Himachal Pradesh – 173205

## Corporate Office

16, Hare Street  
Kolkata – 700001

## BOARD'S REPORT

Dear Shareholders,

Your Directors are pleased to present their Report together with the Audited Financial Statements for the year ended 31st March 2016.

<b>1. FINANCIAL RESULTS</b>	<b>(₹ in Lacs)</b>
Profit before Depreciation & Tax	3518.22
Less : Depreciation	1353.53
Provision for Tax	
- Current year	465.00
- Deferred Tax	131.52
Net Profit	<u>1568.17</u>
<b>Transfers and Appropriations :</b>	
Less : Interim Dividend and Dividend Tax	<u>173.06</u>
Balance carried forward to Reserves and Surplus	<u>1395.11</u>

### 2. Dividend

The Company had paid Interim Dividend of Rs. 2/- per equity share during the year 2015-16. The Directors have not recommended any final dividend.

### 3. General Review

The project of capacity expansion at Guna plant, by installing 14,112 spindles together with related machinery and accessories has been completed.

In spite of sluggish market conditions, profitability of the Company has been maintained due to better utilization of resources and efficiency in working.

The Company has planned to upgrade its electricity supply at Baddi works. The dyeing capacity is being increased by 8 MT per day at Baddi enabling the Company to increase the product mix of own dyed yarn which would offer better profit margins. These activities are expected to be completed within the current financial year and its capital expenditure will be met through internal accruals.

### 4. Internal Financial Control Systems

The Company has an adequate Internal Financial Control System commensurate with the size, scale and nature of its operations. Internal

Audit is conducted by independent Chartered Accountants, on quarterly basis. To maintain its objectivity and independence, the Internal Auditors report directly to the Audit Committee of the Board. Based on the report of the Internal Audits, functional heads undertake corrective action and thereby strengthening the controls in their respective areas.

### 5. Statutory Auditors

M/s. Singhi & Co, Chartered Accountants (ICAI Registration no. 302049E), New Delhi, who are Statutory Auditors of the Company, hold office up to the forthcoming Annual General Meeting and are recommended for re-appointment to audit the accounts of the Company for the Financial Year 2016-17.

As required under the provisions of Section 139 of the Companies Act, 2013, the Company has obtained written confirmation from M/s. Singhi & Co. that their appointment, if made, would be in conformity with the limits specified in the said Section.

The appointment proposed is within the time frame for transition under sub-section (2) of Section 139 of the Companies Act, 2013.

### 6. Auditors' Report :

The Auditors' Report to the Shareholders does not contain any reservation, qualification or adverse remark. During the year under review, the Auditors have not reported any matter under Section 143(12) of the Companies Act, 2013, therefore, no detail is required to be disclosed under Section 134(3)(ca) of the Act.

### 7. Secretarial Audit

Secretarial Audit was carried out by M/s. A. Arora & Co., Company Secretaries (PCS Registration no. 993) for the financial year 2015-16. The Secretarial Audit Report is annexed as '**Annexure – I**', and forms integral part of this Report.

There has been no qualification, reservation or adverse remark or disclaimer in the report. During the year under review, the Auditors have not reported any matter under Section 143(12) of the Companies Act, 2013, therefore, no detail is required to be disclosed under Section 134(3)(ca) of the Act.

## 8. Cost Audit

Pursuant to Section 148 of the Companies Act, 2013 read with the Companies (Cost Records and Audit) Amendment Rules, 2014, as amended, on the recommendation of the Audit Committee, the Board of Directors had appointed, M/s Shakti K. & Associates, Cost Accountants (ICWAI Registration no. 11338), as Cost Auditors of the Company, to carry out cost audit of the products manufactured by the Company.

The Company has received their written consent that the appointment is in accordance with the applicable provisions of the Act and rules framed there under. The remuneration of Cost Auditors has been approved by the Board of Directors on the recommendation of Audit Committee and the requisite resolution for ratification of remuneration payable to Cost Auditors, by members is included in the Notice convening the ensuing Annual General Meeting of the Company.

## 9. Directors and Key Managerial Personnel :

### a) Changes in Directors & Key Managerial Personnel

In accordance with the provisions of Companies Act, 2013 and Articles of Association of the Company, Shri Yashwant Kumar Daga, retires by rotation at the forthcoming Annual General Meeting and being eligible, offers himself for re-appointment. The brief resume and other details as required under the Listing Regulations are provided in the Notice of the 34th Annual General Meeting.

There were no changes in Key Managerial Personnel of the Company.

### b) Statement on declaration given by Independent Directors

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

### c) Meetings

During the year, five Board Meetings and four Audit Committee meetings were convened and held, the details of which are given in the Corporate Governance Report.

## d) Board Evaluation

Pursuant to the provisions of the Companies Act, 2013 and Listing Regulations, the Board has carried out an annual evaluation of its own performance, the Directors individually, as well as the evaluation of the working of its Committees. At the meeting of the Board, all the relevant factors that are material for evaluating the performance of the Committees and of the Board were discussed in detail.

Evaluation of the performance of individual Directors was carried out, evaluation being made on parameters such as level of engagement and contribution, independence of judgement, safeguarding the interest of the Company and its minority shareholders, etc. The performance evaluation of the Independent Directors was carried out by the entire Board. The performance evaluation of the Chairman and non-independent Directors was carried out by the Independent Directors. The Directors expressed their satisfaction with the evaluation process.

## 10. Directors' Responsibility Statement –

In terms of the provisions of Section 134(5) of the Companies Act, 2013, your Directors confirm as under –

- 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; and

- e) That the Directors, had laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and were operating effectively.
- f) That the Directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

#### 11. Corporate Social Responsibility –

In accordance with the requirements of Section 135 of the Companies Act, 2013, the Company has a Corporate Social Responsibility Committee, the terms of reference and other details of which are provided in the Corporate Governance Report. The CSR Policy has been framed and posted on the website of the Company, [www.dsl-india.com](http://www.dsl-india.com).

As a good corporate citizen, the Company is committed to discharging its social responsibility. As required by Section 134(3)(o) of the Companies Act, 2013 and Rule 9 of the Companies (Corporate Social Responsibility ) Rules, 2014, Annual Report on CSR activities is annexed as ‘Annexure – II’ to form part of this report.

#### 12. Vigil Mechanism

The Company has a Vigil Mechanism to provide an avenue for Directors and employees to raise concerns of any fraud, mismanagement, negligence, violations of legal or regulatory requirement. The policy of Vigil Mechanism is an internal policy, to make protected disclosures in good faith and to raise concerns to be appropriately dealt by Vigil Officer or the Audit Committee as the case may be. Complaints received by Vigil Officer are investigated by the Vigil Officer and a report thereon is submitted to the Audit Committee.

Although no personnel were denied access to the Vigil Officer and the Audit Committee, no complaints were received during 2015-16.

To ensure that this mechanism is adhered to, and to assure that the concern will be acted upon seriously, the Company will:

1. Ensure that the Complainant and/or the person processing the Protected Disclosure is not victimized for doing so.
2. Ensure complete confidentiality.
3. Take disciplinary action, if any one

destroys or conceals evidence of the Protected Disclosure made/to be made.

4. Provide an opportunity of being heard to the persons against whom the complaint is received.

The Policy on Vigil Mechanism is also posted on the website of the Company.

#### 13. Risk Management Policy –

The Company has an efficient Risk Management framework to identify and evaluate business risks and opportunities. Risk Management forms an integral part of the Company’s Mid-Term Planning cycle. It defines the risk management approach across the enterprise at various levels. The Audit Committee has been delegated the responsibility for monitoring and reviewing risk management, assessment and minimization procedures.

#### 14. Nomination and Remuneration Policy

The Board has on the recommendations of the Nomination and Remuneration Committee framed a policy for selection and appointment of Directors, KMP and Senior Management and their remuneration. The details of Company’s Remuneration Policy is attached as ‘Annexure– III’ and forms part of this report of the Board of Directors.

#### 15. Related Party Transactions

All related party transactions that were entered into during the financial year were on an arm’s length basis and were in the ordinary course of business.

There were no materially significant transactions with related parties during the financial year which were in conflict with the interest of the Company and hence, Form AOC 2 is not required.

All related party transactions are placed before the Audit Committee as also the Board for approval. Prior omnibus approval of the Audit Committee is obtained for transactions which are of foreseen and repetitive nature for a period of one year. The transactions entered into pursuant to the omnibus approval so granted are placed before the Audit Committee on a quarterly basis. Where the need for Related Party Transactions cannot be foreseen, the Audit Committee has granted omnibus approval for such transactions subject to their value not exceeding Rs. 1 crore per transaction, which is valid for a period of one year.

The Policy on Related Party Transactions, as approved by the Board is uploaded on the Company's website.

None of the Directors has any pecuniary relationships or transactions vis-à-vis the Company.

**16. Disclosures regarding Employees**

- a) The Statement of Details of Remuneration as required under Section 197 and Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 is attached as 'Annexure – IV' and forms a part of this Board's Report.
- b) No employee of the Company was in receipt of remuneration in excess of limits laid down in Rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014. Also, no employee, by himself or along with his spouse and dependent children holds 2% or more of the equity shares of the Company.
- c) The Company has not received any complaint under 'The Sexual Harassment of Women at Workplace (Prohibition, Prevention and Redressal) Act, 2013, during the year.

**17. Fixed Deposits :**

During the year, the Company has not accepted any deposits from the public and as such, there are no outstanding deposits in terms of the Companies (Acceptance of Deposits) Rules, 2014.

**18. Loans, Guarantees and Investments**

The Company has not given loans, directly or indirectly to any person or other body corporate or given guarantee or provided any security in connection with a loan to any other body corporate or person. The Company has also not made any investments as per the provisions of Section 186 of the Companies Act, 2013.

**19. Corporate Governance**

A report on Corporate Governance and Management Discussion and Analysis as required under Regulation 34 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Listing Regulations') is annexed herewith. Compliance Certificate issued by Statutory

Auditors of the Company, regarding compliance of Corporate Governance is also annexed.

**20. Extract of Annual Return**

The extract of annual return in Form MGT-9 is annexed herewith as 'Annexure – V'.

**21. Energy Conservation, Technology Absorption and Foreign Exchange Earnings and Outgo.**

As required by Section 134(3)(m) of the Companies Act, 2013 and Rule 8(3) of the Companies (Accounts) Rules, 2014, information with regard to Conservation of energy, technology absorption and foreign exchange earnings and outgo are annexed as 'Annexure – VI' to form part of this report.

**22. Significant and material orders passed by the regulators or courts**

There are no significant material orders passed by the regulators / courts which would impact the going concern status and its future operations.

**23. Acknowledgement**

Your Directors place on record their deep appreciation of the co-operation extended by our Bankers, stakeholders, business associates, Central and State Governments and district level authorities for their co-operation and support and look forward to their continued support in future. They also record their appreciation of the dedicated services rendered by the executives, staff members and workers of the Company.

**24. Cautionary Statement**

Statements in the Board's Report and the Management Discussion & Analysis describing the Company's objectives, expectations or forecasts may be forward looking within the meaning of applicable securities laws and regulations. Actual results may differ materially from those expressed in the statement. Important factors that could influence the Company's operations include global and domestic demand and supply conditions affecting selling prices of finished goods, input availability and prices, changes in government regulations, tax laws, economic developments within the country and other factors such as litigation and industrial relations.

Place : New Delhi  
Date : 30.05.2016

**P. K. DAGA**  
*Chairman and Managing Director*

**YASHWANT KUMAR DAGA**  
**P. K. DROLIA**  
**VIKRAM PRAKASH** } *Directors*

## **MANAGEMENT DISCUSSION AND ANALYSIS REPORT**

### **INDUSTRY STRUCTURE & DEVELOPMENT**

The Indian Textile Industry, one of the oldest industries of Indian economy has been growing and contributing significantly to the economy. Apart from satisfying consumers needs, the industry is also playing a crucial role by providing employment to more than 100 million people, contributing 5% to India's Gross Domestic Product (GDP), 14% to Industrial Production and 12% to export earnings.

The textile sector has witnessed a spurt in investments, including Foreign Direct Investment (FDI) during the last five years. Recently, Indian Government has also allowed 100 % FDI in textile sector under the automatic route. The Government of India is expected to soon announce a new National Textiles Policy to take steps to encourage FDI and enhance job creation in this sector.

The Government has approved Amended Technology Upgradation Fund Schemes (ATUFS) in December 2015 for giving subsidy in interest rate on loans to textile industry and also for clearing pending claims under current TUFs.

The man-made fibre (MMF) textiles account for about 16 percent of total exports of textile products from India. India produces most of the varieties of MMF. In view of requirements of manufacturers of readymade apparels, furnishing textiles and technical textiles, the need and consumption of manmade and synthetic fibre is likely to grow. A supportive government policy and tax structure is important to give a boost to man made fibre industry. The man made and synthetic textiles sector, being highly technology intensive can attract FDI.

### **OPPORTUNITY AND THREATS**

Demand for textile products will be fueled by population growth, resilient long term demand due to rising middle classes in emerging markets, increased local sourcing by global brands and retailers in India.

India enjoys significant advantage in terms of labour cost per hour over developed countries. Changes announced by Government in duty drawback scheme will help boost exports. However, higher excise duty makes Indian MMF products costlier in world market.

Increase in power costs, lowering margins due to fierce competition and e-commerce, high cost of labour and volatile raw material prices may pose a threat to progress of textile industry.

### **SEGMENTAL REVIEW AND ANALYSIS**

At present, the Company has only one reportable segment, and that is synthetic yarn. The financial performance of our Company is steadily improving. In the past year, we have focused on energy conservation measures and modernisation of our production processes. This has helped us improve quality and increase our production and has enabled us to meet our commitments to our customers more efficiently.

The problem of lack of skilled and unskilled labour is under control. Increased automation technologies in our production process have reduced dependence on labour to some extent.

Having in-house power generation has helped us to some extent to contain our power costs.

### **OUTLOOK**

Manmade fibres have evolved and are more breathable. Also, being more durable and reasonably priced are gradually increasingly replacing cotton in many areas. The main growth drivers for MMF industry are increase in number of working women, increase in demand for sportswear, rising manufacture of automobiles, increasing demand for school and corporate uniforms and protective wear.

The global and domestic MMF market will continue to grow provided industry focuses on design and product development.

Our Company has competitive edge in terms of quality and ability to be flexible on the face of changing requirements of the market.

**RISKS AND CONCERNS**

The Trans Pacific Partnership (TPP), a duty free trade agreement signed in February 2016 between 12 countries, may impact Indian exports. The TPP member nations account for 40% of world trade and the deal gives them duty free access to each other and makes imports from other countries like India, uncompetitive. Two main textile exporting countries – Vietnam and Malaysia, also TPP members, are major competitors for Indian textile products.

Also, duty free entry of textile products from Bangladesh and Pakistan to European Union – 27 has impacted Indian exports to EU-27. Bangladesh textile exports to India also have duty free entry.

**INTERNAL CONTROL SYSTEMS AND ADEQUACY**

The Company has in place adequate internal control systems and procedures commensurate with the size and nature of its business. Internal Audit is conducted by independent Chartered Accountants, on a quarterly basis. Independence of the Internal Audit and compliance function is ensured by the direct reporting of the internal audits to the Audit Committee of the Board. The Audit Committee periodically reviews internal control systems with help of the internal and statutory auditors and reports to the Board on its adequacy.

**FINANCIAL PERFORMANCE**

The report of the Board of Directors may be referred to for financial performance.

**HUMAN RESOURCES**

The employees on roll in the Company as on 31st March 2016 were 2137.

During the year, there has been no material development in human resources and industrial relations. The Company has a favourable work environment that motivates performance and innovation while adhering to high degree of quality and integrity. The focus of the Company is that rewards and recognition should commensurate with performance and employees should have opportunity to develop and grow for future responsibilities in terms of professional skills as well as business skills.

Industrial relations remained normal at all levels. Customized training programs that enhance both personal as well as career growth are conducted on a continuing basis.

**CAUTIONARY STATEMENT**

Statements in this Management Discussions and Analysis Report describing the Company objectives, projections, estimates, expectations or predictions may be 'forward looking statements' within the meaning of applicable security laws or regulations. These statements are based on reasonable assumptions and expectations of future events. Actual results could however, differ materially from those expressed or implied. Factors that could make a difference to the Company's operations include market price both domestic and overseas availability and cost of raw materials, change in Government regulations and tax structure, economic conditions affecting demand / supplies and other factors over which the Company does not have any control. The Company takes no responsibility for any consequence of decisions made based on such statements and holds no obligation to update these in future.

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**SECRETARIAL AUDIT REPORT**  
FOR THE FINANCIAL YEAR ENDED MARCH 31, 2016

[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,  
Deepak Spinners Limited  
#121, Industrial Area, Baddi  
Tehsil: Nalagarh, Dist: Solan  
Himachal Pradesh

I have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by DEEPAK SPINNERS LIMITED (hereinafter called "the Company"). Secretarial Audit was conducted in a manner that provided me a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon.

Based on my verification of the DEEPAK SPINNERS LIMITED'S books, papers, minute books, forms and returns filed and other records maintained by the company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, I hereby report that in my opinion, the company has, during the audit period covering the financial year ended on March 31, 2016 complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter :

I have examined the books, papers, minute books, forms and returns filed and other records maintained by DEEPAK SPINNERS LIMITED ("the Company") for the financial year ended on March 31, 2016 according to the provisions of :

- (i) The Companies Act, 2013 (the Act) and the rules made thereunder;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- (iv) 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;
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):
  - (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011 and The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) (Amendment) Regulations, 2013.
  - (b) The erstwhile Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992 and Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015 effective from May 15, 2015;
  - (c) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009 and the amendments thereof;
  - (d) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 - Not applicable as the company has not issued any securities during the financial year under review.
  - (e) The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations 2014 - Not Applicable as the company has not provided any share based benefits to the employees during the year.
  - (f) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 and Chapter V of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 effective from December 01, 2015 - Not applicable as the company has not issued any debt securities during the financial year under review.
  - (g) 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 - Not applicable as the company is not registered

as Registrar to an Issue and Share Transfer Agent during the financial year under review.

- (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998- Not applicable as the company has not bought back any of its securities during the financial year under review.
- (vi) The major provisions and requirements have also been complied with as prescribed under all applicable Labour laws viz. The Factories Act, 1948, The Payment of Wages Act, 1936, The Minimum Wages Act, 1948, The Payment of Bonus Act, 1965, Industrial Dispute Act, 1947, Employee State Insurance Act, 1948, The Employee's Provident Fund and Miscellaneous Provisions Act, 1952, The Payment of Gratuity Act, 1972, The Industrial Employment (Standing Order) Act, 1946, Equal Remuneration Act, 1976, The Employment Exchange (Compulsory Notification of Vacancies) Act, 1956.
- (vii) Environment Protection Act, 1986 and other environmental laws.
- (viii) Hazardous Waste (Management and Handling) Rules, 1989 and the Amendments Rules, 2003.
- (ix) The Air (Prevention and Control of Pollution) Act, 1981.
- (x) The Water (Prevention and Control of Pollution) Act, 1974.

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

- a) Secretarial Standards issued by The Institute of Company Secretaries of India as notified by Government of India, effective from July 01, 2015.
- b) The Listing Agreements entered into by the Company with National Stock Exchange of India Limited and BSE Limited and SEBI (Listing Obligations & Disclosure) Regulations, 2015;

During the period under review the Company has complied with the provisions of the act, rules, regulations, guidelines, standards, etc. mentioned above.

Based on our examination and the information received and records maintained, I further report that :

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

carried out in compliance with the provisions of the Act

2. Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent well 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.
3. All decision is carried through majority while the dissenting members' views, if any, are captured and recorded as part of the minutes.
4. The company has proper board processes.

Based on the compliance mechanism established by the company and on the basis of the compliance certificate(s) issued by the Company Secretary/ Officers and taken on record by the board of directors in their meeting(s), I am of an opinion that :

1. There are adequate systems and processes in the company commensurate with the size and operations of the company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.
2. On examination of the relevant documents and records, on test check basis, the company has complied with the following laws specifically applicable to the company :
  - a. The Indian Electricity Act, 2003 and Indian Electricity Rules, 2005.
  - b. The Boilers Act, 1923
  - c. The Petroleum Act, 1934 and Petroleum Rule, 2002

I further report that during the audit period the shares of the company were delisted from the Calcutta Stock Exchange w.e.f. July 03, 2015.

Apart from the business stated above, there were no instances of :

- (i) Public / Rights / Preferential issue of shares / debentures / sweat equity.
- (ii) Redemption / buy-back of securities.
- (iii) Major decisions taken by the Members in pursuance to Section 180 of the Companies Act, 2013.
- (iv) Merger / amalgamation / reconstruction etc.
- (v) Foreign technical collaborations.

For **A. ARORA & COMPANY**

**AJAY K. ARORA**  
*Proprietor*

Place : Chandigarh  
 Date : 30.05.2016

FCS No. 2191  
 C P No. : 993

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.

To,  
The Members,  
Deepak Spinners Limited  
#121, Industrial Area, Baddi  
Tehsil: Nalagarh, Dist: Solan  
Himachal Pradesh

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

1. Maintenance of secretarial records 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 processes as were appropriate to obtain reasonable assurance about the correctness of the contents of secretarial records. The verification was done on test basis to ensure that the correct facts are reflected in secretarial records. We believe that the processes and practices, we followed, 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 extent of verification of procedures on test basis.
6. The secretarial audit report is neither an assurance as to the future viability of the company nor of the efficacy or effectiveness with which the management has conducted the affairs of the company.

For **A. ARORA & COMPANY**

**AJAY K. ARORA**

*Proprietor*

FCS No. 2191

C P No. : 993

Place : Chandigarh

Date : 30.05.2016

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## ANNUAL REPORT ON CORPORATE SOCIAL RESPONSIBILITY (CSR) ACTIVITIES

1. **A brief outline of the Company’s CSR policy, including overview of projects or programs proposed to be undertaken and a reference to the web-link to the CSR policy and projects or programs.**

Pursuant to Section 135 of the Companies Act, 2013 and rules framed there under, the Company has formulated a Corporate Social Responsibility (CSR) Policy. The CSR Policy relates to the activities to be undertaken by the Company as specified in Schedule VII of the Act and the expenditure thereon and focuses on addressing critical social, environmental and economic needs of the weaker sections of the society.

CSR Policy can be perused on the following website :

[http://www.dsl-india.com/wp-content/uploads/2014/09/csr\\_policy.pdf](http://www.dsl-india.com/wp-content/uploads/2014/09/csr_policy.pdf)

2. **The Composition of the CSR Committee :**

Sr. No.	Name of the Member	Category
1.	Shri Yashwant Kumar Daga (Chairman)	Non-Executive
2.	Shri Vikram Prakash	Non-Executive Independent
3.	Shri Pradeep Kumar Drolia	Non-Executive Independent

3. **Average net profit of the Company for last three financial years as per Section 198 of the Companies Act, 2013**

Year		Profit / Loss (-) (₹ In Lakhs)
2012-13	:	2004.61
2013-14	:	2255.08
2014-15	:	966.57
Total	:	5226.26
<b>Average Net Profits</b>	:	<b>1742.09</b>

4. **Prescribed CSR Expenditure (two per cent of the amount as in item 3 above)**

₹ 34.84 Lakhs (being 2% of the average net profits as stated in item 3 above)

5. **Details of CSR spent during the financial year :**

(a) Total amount to be spent for the financial year: ₹ 34.84 Lakhs

(b) Amount unspent, if any : ₹ 32.69 Lakhs

(c) Manner in which the amount spent during the financial year is detailed below.

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
Sl. No.	CSR project or activity identified	Sector in which the Project is covered	Projects or programs (1) Local area or other (2) Specify the State and district where projects or programs was undertaken	Amount outlay (budget) project or programs wise (₹)	Amount spent on the projects or programs Sub – heads: (1) Direct expenditure on projects or programs (2) Overheads (₹)	Cumulative expenditure upto to the reporting period (₹)	Amount spent : Direct or through implementing agency
1.	Financial assistance for the education of a mentally challenged Child	Education	Chandigarh	90,000	90,000	90,000	Direct
2.	Contribution to construction cost of boundary wall of a school	Education	Guna District, Madhya Pradesh	1,25,000	1,25,000	1,25,000	Direct
	<b>TOTAL</b>			<b>2,15,000</b>	<b>2,15,000</b>	<b>2,15,000</b>	

6. **In case the Company has failed to spend the two per cent of the average net profit of the last three financial years or any part thereof, the Company shall provide the reasons for not spending the amount in its Board report.**

The Company recognizes that it cannot prosper in isolation from the community and environment in which it operates. It aims to take up CSR initiatives focusing on holistic development of local communities, and create social, environmental and economic value to the society. The Company is in the process of identifying the suitable projects and stepping up efforts to increase its expenditure on CSR activities.

7. **A responsibility statement of the CSR Committee that the implementation and monitoring of CSR Policy, is in compliance with CSR objectives and Policy of the Company**

The implementation and monitoring of Corporate Social Responsibility Policy is in compliance with the CSR objectives and Policy of the Company.

**P. K. Daga**  
*(Chairman and Managing Director)*

**Yashwant Kumar Daga**  
*(Chairman CSR Committee)*

## **EXTRACT FROM NOMINATION AND REMUNERATION POLICY**

### **Objective and Purpose of the Policy :**

- To lay down criteria and terms and conditions with regard to identifying persons who are qualified to become Directors (Executive and Non-Executive) and persons who may be appointed in Senior Management and 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 textile industry.
- To carry out evaluation of the performance of Directors, as well as Key Managerial and Senior Management Personnel.
- To provide them reward, linked directly to their effort, performance, dedication and achievement relating to the Company's operations.
- To retain, motivate and promote talent and to ensure long term sustainability of talented managerial persons and create competitive advantage.

### **Applicability :**

The Policy is applicable to Directors (Executive and Non Executive), Key Managerial Personnel (KMP) and Senior Management Personnel

### **Matters To Be Dealt With, Perused And Recommended To The Board By The Nomination and Remuneration Committee :**

The Committee shall :

- Formulate the criteria for determining qualifications, positive attributes and independence of a director.
- Identify persons who are qualified to become Director and persons who may be appointed in Key Managerial and Senior Management positions in accordance with the criteria laid down in this policy.
- Carry out the evaluation of performance of Directors, KMP and Senior Management Personnel and recommend to the Board, their appointment and removal.
- Recommend to the Board, a policy relating to remuneration for the directors, KMP and other employees and recommend to the Board, amendments to such policy as and when required.

### **Guiding Principles For Appointment And Removal Of Director, KMP And Senior Management**

- Remuneration policy and arrangements for Directors, KMPs and Senior Management Personnel, shall be determined by the Committee on the basis of Company's financial position, pay and employment conditions prevailing in peer companies or elsewhere in competitive market to ensure that the remuneration and the other terms of employment shall be competitive to ensure that the Company can attract, retain and motivate competent executives.
- Remuneration packages may be composed of fixed and incentive pay depending on short and long term performance objectives appropriate to the working of the Company.
- The Committee considers that a successful remuneration policy must ensure that a significant part of the remuneration package is linked to the achievement of corporate performance targets and a strong alignment of interest with stakeholders.

### **Remuneration of the Whole-Time Directors, Directors, KMP And Senior Management Personnel**

1. The remuneration / compensation / commission etc. to the Whole-time Directors and Directors will be determined by the Committee. It shall be fixed as per the slabs and conditions mentioned in the Articles of Association of the Company, the Companies Act, 2013, the rules made there under and the Listing

Agreement with Stock Exchanges as amended from time to time. The Committee shall recommend the remuneration / compensation / commission etc. to be paid to the Whole-time Director and Directors to the Board for approval. The remuneration / compensation / commission etc. shall be subject to the prior/post approval of the shareholders of the Company and Central Government, wherever required.

2. Increments to the existing remuneration / compensation structure of Whole time Director and Directors may be recommended by the Committee to the Board which should be within the slabs approved by the Shareholders.
  3. The Non-Executive / Independent Directors may receive remuneration by way of sitting fees for attending meetings of Board or Committee thereof. Provided that the amount of such fees shall not exceed such amount as may be prescribed by the Central Government from time to time.
  4. Commission to Non-executive Directors may be paid within the monetary limit approved by shareholders, as per the applicable provisions of the Companies Act, 2013.
  5. The remuneration / compensation / commission etc. to the KMP and Senior Management Personnel will be determined based on the Company's financial position, trends and practices on remuneration prevailing in peer companies, in the textile industry and performance of such KMP and Senior Management Personnel.
  6. Where any insurance is taken by the Company on behalf of its Whole-time Director, Chief Executive Officer, Chief Financial Officer, the Company Secretary and any other employees for indemnifying them against any liability, the premium paid on such insurance shall not be treated as part of the remuneration payable to any such personnel.
  7. An Independent Director shall not be entitled to any stock option of the Company.
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**DETAILS PERTAINING TO REMUNERATION AS REQUIRED UNDER SECTION 197(12) OF THE COMPANIES ACT, 2013 READ WITH RULE 5(1) OF THE COMPANIES (APPOINTMENT AND REMUNERATION OF MANAGERIAL PERSONNEL) RULES, 2014.**

- i) **The ratio of the remuneration of each director to the median remuneration of the employee of the company for the financial year.**

Sr. No.	Name of Director	Remuneration of Director for financial year 2015-16 (₹ In Lacs)	Ratio of remuneration of each Director to median remuneration of employees
1.	Shri Pradip Kumar Daga, <i>Chairman and Managing Director</i>	Nil	Nil
2.	Shri Yashwant Kumar Daga	3.20	3.85
3.	Shri Vikram Prakash	3.40	4.10
4.	Shri Pradeep Kumar Drolia	3.40	4.10
5.	Smt. Nilu Agrawal	2.65	3.19

- 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.**

Directors - N.A.

**Key Managerial Personnel :**

Shri S. B. Sharda , Chief Financial Officer - 10.97% and Smt. Puneeta Arora, Company Secretary - 24.53%

- iii) **The percentage decrease in the median remuneration of employees in the financial year 2015-16** was 14.48%. Decrease in the median remuneration is due to increase of labour force at non-managerial level pursuant to expansion in production capacity.

- iv) There were 2137 number of permanent employees on the roll of the Company as on 31.03.2016.

- v) **The explanation on the relationship between average increase in remuneration and Company's performance**

Average increase in remuneration of all employees was about 9.56% which was in line with the increase in remuneration in the industry. The increase in remuneration was given on the basis of individual performance of the concerned employee taking into account the inflation. The total Profit after tax earned during the financial year 2015-16 increased by 75.74% since previous year.

- vi) **Comparison of the remuneration of the Key Managerial Personnel against the performance of the Company**

The total remuneration of Key Managerial Personnel increased by 13% in 2015-16 as compared to the year 2014-15. The total Profit after Tax earned during the financial year 2015-16 increased by 75.74% since previous year.

- vii) **Variations in the market capitalisation of the Company at the closing date of the current financial year and previous financial year.**

The market capitalization as on 31st March 2016 was ₹ 5931 Lacs (₹ 3109 Lacs as on 31st March 2015).



**viii) Variations in the price earnings ratio of the Company at the closing date of the current financial year and previous financial year**

Price Earning Ratio of the Company was 3.78 as at March 31, 2016, and was 3.48 as at March 31, 2015.

**ix) Percentage increase/decrease in the market quotations of the shares of the Company in comparison to the rate at which Company came out with the last public offer in the year.**

The company has not made any public issue or rights issue of securities since last 23 years, so comparisons have not been made of current share price with public offer price.

**x) Average percentile increase already made in the salaries of employees other than the Managerial Personnel in the last Financial Year and its comparison with percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration.**

Average salary increase of employees other than Key Managerial Personnel in the last financial year, i.e. 2015-16 was 9.21%. Average increase in the remuneration of Key Managerial Personnel was 13%. There are, no exceptional circumstances for increase in managerial remuneration.

**xi) Comparison of the each remuneration of the Key Managerial Personnel against' the performance of the Company.**

Same as in (vi) above

**xii) The key parameters for any variable component of remuneration availed by the Directors.**

The Non-executive Directors are paid commission. The amount of commission is decided by the Board of Directors, considering the performance of the Company, at a rate not exceeding 1% of the net profits of the Company calculated in accordance with the relevant provisions of the Act and other applicable laws in a financial year

**xiii) The ratio of the remuneration of the highest paid Director to that of employees who are not Directors but receive remuneration in excess of the highest paid Director during the year.**

The ratio of the remuneration of the highest paid Director to that of average remuneration of employees, who are not directors but receive remuneration in excess of highest paid Director during the year is – 1 : 1.84

**xiii) It is hereby affirmed that the remuneration paid is as per the Remuneration Policy of the Company.**

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**FORM NO. MGT-9**  
**EXTRACT OF ANNUAL RETURN**  
**As on the financial year ended on 31st March 2016**

[Pursuant to section 92(3) of the Companies Act, 2013 and Rule 12(1) of the Companies  
(Management and Administration) Rules, 2014]

**I. REGISTRATION AND OTHER DETAILS**

i)	CIN	L17111HP1982PLC016465
ii)	Registration Date	25th March 1982
iii)	Name of the Company	DEEPAK SPINNERS LIMITED
iv)	Category / Sub-Category of the Company	Public Limited Company
v)	Address of the Registered office and contact details	121, Industrial Area, Baddi, Tehsil Nalagarh, District Solan 173205 (Himachal Pradesh) Telephone nos. 0172 2790973, 2790974, Fax – 0172 2790977 Website : www.dsl-india.com Email : share@dsl-india.com
vi)	Whether Listed company	Yes
vii)	Name, Address and Contact details of Registrar and Transfer Agent, if any	M/s MAHESHWARI DATAMATICS PRIVATE LIMITED 6, MANGOE LANE, 2ND FLOOR KOLKATA – 700 001 Telephone : (033)22435029, (033)22433809 (033) 22482248 e-mail : mdpldc@yahoo.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:-

Sl. No.	Name and Description of main products / services	NIC Code of the Product / Service	% to total turnover of the Company
1.	Synthetic Yarn	5509-10	100%

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

Sl. No.	Name and Address of the Company	CIN/ GLN	Holding / Subsidiary/ Associate	%ge of shares held	Applicable Section
The Company does not have any holding, subsidiary or associate company.					

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

Category of Shareholders		No of Shares held at the beginning of the year [As on 01-April-2015]				No of Shares held at the end of the year [As on 31-March-2016]				% change during the Year
		Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
<b>A.</b>	<b>Promoters</b>									
<b>1.</b>	<b>Indian</b>									
	a) Individual/HUF	1155936	-	1155936	16.08	1155936	-	1155936	16.08	0.00
	b) Central Govt	-	-	-	-	-	-	-	-	-
	c) State Govt(s)	-	-	-	-	-	-	-	-	-
	d) Bodies Corp.	1796099	-	1796099	24.98	1796099	-	1796099	24.98	0.00
	e) Banks/FI	-	-	-	-	-	-	-	-	-
	f) Any other	-	-	-	-	-	-	-	-	-
	<b>Sub-total (A)(1)</b>	<b>2952035</b>	<b>-</b>	<b>2952035</b>	<b>41.06</b>	<b>2952035</b>	<b>-</b>	<b>2952035</b>	<b>41.06</b>	<b>0.00</b>
<b>2.</b>	<b>Foreign</b>									
	a) NRIs - Individuals	-	-	-	-	-	-	-	-	-
	b) Other - Individuals	-	-	-	-	-	-	-	-	-
	c) Bodies Corp.	-	-	-	-	-	-	-	-	-
	d) Banks/FI	-	-	-	-	-	-	-	-	-
	e) Any other	-	-	-	-	-	-	-	-	-
	<b>Sub-total (A)(2)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
	<b>Total shareholding of Promoter (A)=(A)(1)+(A)(2)</b>	<b>2952035</b>	<b>-</b>	<b>2952035</b>	<b>41.06</b>	<b>2952035</b>	<b>-</b>	<b>2952035</b>	<b>41.06</b>	<b>0.00</b>
<b>B.</b>	<b>Public Shareholding</b>									
<b>1.</b>	<b>Institutions</b>									
	a) Mutual Funds	-	5400	5400	0.08	-	5400	5400	0.08	0.00
	b) Banks/FI	319210	570	319780	4.45	319210	570	319780	4.45	0.00
	c) Central Govt	-	-	-	-	-	-	-	-	-
	d) State Govt(s)	-	-	-	-	-	-	-	-	-
	e) Venture Capital Funds	-	-	-	-	-	-	-	-	-
	f) Insurance Companies	3700	-	3700	0.05	3700	-	3700	0.05	0.00
	g) FIs	-	-	-	-	-	-	-	-	-
	h) Foreign Venture Capital Funds	-	-	-	-	-	-	-	-	-
	i) Others (specify)	-	-	-	-	-	-	-	-	-
	<b>Sub-total (B)(1)</b>	<b>322910</b>	<b>5970</b>	<b>328880</b>	<b>4.58</b>	<b>322910</b>	<b>5970</b>	<b>328880</b>	<b>4.58</b>	<b>0.00</b>

Category of Shareholders		No of Shares held at the beginning of the year [As on 01-April-2015]				No of Shares held at the end of the year [As on 31-March-2016]				% change during the Year
		Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
<b>2.</b>	<b>Non-Institutions</b>									
	a) Bodies Corp.									
	i) Indian	157392	8361	165753	2.31	240879	8361	249240	3.47	1.16
	ii) Overseas	-	-	-	-	-	-	-	-	-
	b) Individuals									
	i) Individual shareholders holding nominal share capital upto Rs. 1 lakh	1300972	609686	1910658	26.58	1241329	592274	1833603	25.50	-1.08
	ii) Individual shareholders holding nominal share capital in excess of Rs. 1 lakh	1691975	-	1691975	23.53	1665160	-	1665160	23.16	-0.37
	c) Others (Specify)									
	Non Resident Indians	36646	101640	138286	1.92	42764	101640	144404	2.01	0.09
	Qualified Foreign Investor	-	-	-	-	-	-	-	-	-
	Custodian of Enemy Property	-	-	-	-	-	-	-	-	-
	Foreign Nationals	100	-	100	0.00	100	-	100	0.00	0.00
	Clearing Members	1681	-	1681	0.02	15946	-	15946	0.22	0.20
	Trusts	-	-	-	-	-	-	-	-	-
	Foreign Bodies-D R	-	-	-	-	-	-	-	-	-
	<b>Sub-total(B)(2) :</b>	<b>3188766</b>	<b>719687</b>	<b>3908453</b>	<b>54.36</b>	<b>3206178</b>	<b>702275</b>	<b>3908453</b>	<b>54.36</b>	<b>0.00</b>
	<b>Total Public Shareholding (B)=(B)(1)+ (B)(2)</b>	<b>3511676</b>	<b>725657</b>	<b>4237333</b>	<b>58.94</b>	<b>3511676</b>	<b>725657</b>	<b>4237333</b>	<b>58.94</b>	<b>0.00</b>
	<b>C. Shares held by Custodian for GDRs &amp; ADRs</b>									
	<b>Grand Total (A+B+C)</b>	<b>6463711</b>	<b>725657</b>	<b>7189368</b>	<b>100.00</b>	<b>6463711</b>	<b>725657</b>	<b>7189368</b>	<b>100.00</b>	<b>0.00</b>

**(ii) Shareholding of Promoters**

Sl No	Shareholder's Name	Shareholding at the beginning of the Year			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 / encumbered to total shares	No. of Shares	% of total Shares of the Company	% of Shares Pledged / encumbered to total shares	
1	Mangalam Engineering Projects Limited	918929	12.78	0.00	918929	12.78	0.00	0.00
2	Pradip Kumar Daga	495649	6.90	0.00	495649	6.90	0.00	0.00
3	Contransys Pvt Ltd	402100	5.59	0.00	402100	5.59	0.00	0.00
4	Jalpaiguri Holdings Private Limited	400070	5.56	0.00	400070	5.56	0.00	0.00
5	Asha Devi Daga	364062	5.06	0.00	364062	5.06	0.00	0.00
6	Yashwant Kumar Daga	215910	3.00	0.00	215910	3.00	0.00	0.00
7	Coplama Products Private Limited	49500	0.69	0.00	49500	0.69	0.00	0.00
8	Shantanu Daga	29615	0.41	0.00	29615	0.41	0.00	0.00
9	Longview Tea Company Ltd	25500	0.36	0.00	25500	0.36	0.00	0.00
10	Yashwant Kumar Daga	25110	0.35	0.00	25110	0.35	0.00	0.00
11	Nandini Daga	18850	0.26	0.00	18850	0.26	0.00	0.00
12	Pradip Kumar Daga	4830	0.07	0.00	4830	0.07	0.00	0.00
13	Pradip Kumar Daga	1910	0.03	0.00	1910	0.03	0.00	0.00
	<b>TOTAL</b>	2952035	41.06	0.00	2952035	41.06	0.00	0.00

**(iii) Change in Promoters' Shareholding**

Sl No		Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
	At the beginning of the year	2952035	41.06	2952035	41.06
	Transactions during the year	--	--	2952035	41.06
	At the end of the year	2952035	41.06	2952035	41.06

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

Sl No	Name	Shareholding		Date	Increase/ Decrease in shareholding	Reason	Cumulative Shareholding during the year (01.04.2015 to 31.03.2016)	
		No. of shares at the beginning (01.04.2015) / end of the year (31.03.2016)	% of total shares of the company				No. of shares	% of total shares of the company
1	M P State Industrial Development Corporation Limited							
		319160	4.44	01.04.2015	0.00	-	319160	4.44
		319160	4.44	31.03.2016	0.00	-	319160	4.44
2	Kunj Bihari Kasat ( H U F )							
		157000	2.18	01.04.2015	0.00		157000	2.18
				07.08.2015	-7000	Transfer	150000	2.09
		150000	2.09	31.03.2016	0.00		150000	2.09
3	Baldev Kumar Garg (HUF)							
		160844	2.24	01.04.2015	0		160844	2.24
				24.04.2015	- 35832	Transfer	125012	1.74
				15.05.2015	+34485	Transfer	159497	2.22
				22.05.2015	+2323	Transfer	161820	2.25
				29.05.2015	+12041	Transfer	173861	2.42
				12.06.2015	+500	Transfer	174361	2.43
				10.07.2015	-5000	Transfer	169361	2.36
				31.07.2015	-2904	Transfer	166457	2.32
				07.08.2015	-27327	Transfer	139130	1.94
				21.08.2015	+2549	Transfer	141679	1.97
				11.09.2015	+9356	Transfer	151035	2.10
				18.09.2015	-200	Transfer	150835	2.10
				30.09.2015	+4050	Transfer	154885	2.15
				09.10.2015	-4119	Transfer	150766	2.10
				20.11.2015	+32259	Transfer	183025	2.54
				22.01.2016	-1000	Transfer	182025	2.53
		18.03.2016	+2571	Transfer	184596	2.57		
		25.03.2016	+5000	Transfer	189596	2.64		
		189596	2.64	31.03.2016	0		189596	2.64

Sl No	Name	Shareholding		Date	Increase/ Decrease in shareholding	Reason	Cumulative Shareholding during the year (01.04.2015 to 31.03.2016)	
		No. of shares at the beginning (01.04.2015) / end of the year (31.03.2016)	% of total shares of the company				No. of shares	% of total shares of the company
4	Devyani Dharmesh Rathod							
		73022	1.02	01.04.2015	0.00		73022	1.06
				13.11.2015	-100	Transfer	72922	1.01
		72922	1.01	31.03.2016	0.00		72922	1.01
5	Baldev Kumar Garg							
		192974	2.68	01.04.2015	0		192974	2.68
				05.06.2015	-6500	Transfer	186474	2.59
				12.06.2015	+4000	Transfer	190474	2.65
				19.06.2015	+150	Transfer	190624	2.65
				03.07.2015	-5550	Transfer	185074	2.57
				10.07.2015	-4000	Transfer	181074	2.52
				31.07.2015	-432	Transfer	180642	2.51
				07.08.2015	-33106	Transfer	147536	2.05
				21.08.2015	-4106	Transfer	143426	1.99
				11.09.2015	+27683	Transfer	171109	2.38
				30.09.2015	+1100	Transfer	172209	2.39
				09.10.2015	-4500	Transfer	164709	2.29
				16.10.2015	-1144	Transfer	163565	2.27
		30.10.2015	-5	Transfer	163560	2.27		
		20.11.2015	+15436	Transfer	178996	2.49		
		18.12.2015	+6013	Transfer	185009	2.57		
		185009	2.57	31.03.2016	0		185009	2.57
6	Muktial Ganulal Paldiwal							
		74724	1.04	01.04.2015	0		74724	1.04
				01.05.2015	-5100	Transfer	69624	0.97
				30.09.2015	-1690	Transfer	67934	0.94
				09.10.2015	-1400	Transfer	66534	0.92
				30.10.2015	-2000	Transfer	64534	0.90
				20.11.2015	-650	Transfer	63884	0.89
				27.11.2015	-278	Transfer	63606	0.88
				04.12.2015	-2124	Transfer	61482	0.85
				11.12.2015	-319	Transfer	61163	0.85
				12.02.2016	-3063	Transfer	58100	0.81
				18.03.2016	-500	Transfer	57600	0.80
				57600	0.80	31.03.2016	0	

Sl No	Name	Shareholding		Date	Increase/ Decrease in shareholding	Reason	Cumulative Shareholding during the year (01.04.2015 to 31.03.2016)	
		No. of shares at the beginning (01.04.2015) / end of the year (31.03.2016)	% of total shares of the company				No. of shares	% of total shares of the company
<b>7.</b>	<b>Santosh Garg</b>							
		74152	1.03	01.04.2015	0		74152	1.03
				12.06.2015	+9260	Transfer	83412	1.16
				26.06.2015	-2559	Transfer	80853	1.12
				10.07.2015	-1000	Transfer	79853	1.11
				31.07.2015	-3227	Transfer	76626	1.06
				07.08.2015	-1309	Transfer	75317	1.05
				21.08.2015	+3260	Transfer	78577	1.09
				30.09.2015	+7800	Transfer	86377	1.20
				09.10.2015	-4850	Transfer	81527	1.13
				16.10.2015	-4000	Transfer	77527	1.08
				30.10.2015	-2041	Transfer	75486	1.05
				27.11.2015	+13481	Transfer	88967	1.24
				31.12.2015	+4645	Transfer	93612	1.30
				01.01.2016	+5115	Transfer	98727	1.37
		98727	1.37	31.03.2016	0		98727	1.37
<b>8.</b>	<b>S Sathya</b>							
		227368	3.16	01.04.2015	0.00	--	227368	3.16
		227368	3.16	31.03.2016	0.00		227368	3.16
<b>9.</b>	<b>Sangeetha S</b>							
		60212	0.84	01.04.2015	0		60212	0.84
				24.04.2015	-2722	Transfer	57490	0.80
				29.05.2015	-1800	Transfer	55690	0.77
				21.08.2015	-1800	Transfer	53890	0.75
				09.10.2015	-2700	Transfer	51190	0.71
				16.10.2015	-2468	Transfer	48722	0.68
				30.10.2015	-10000	Transfer	38722	0.54
				13.11.2015	-1032	Transfer	37690	0.52
				04.12.2015	-1800	Transfer	35890	0.50
				11.12.2015	-2997	Transfer	32893	0.46
				25.12.2015	-1893	Transfer	31000	0.43
		31000	0.43	31.03.2016	0		31000	0.43



Sl No	Name	Shareholding		Date	Increase/ Decrease in shareholding	Reason	Cumulative Shareholding during the year (01.04.2015 to 31.03.2016)	
		No. of shares at the beginning (01.04.2015) / end of the year (31.03.2016)	% of total shares of the company				No. of shares	% of total shares of the company
<b>10</b>	<b>Priyanka</b>							
		42196	0.59	01.04.2015	0		42196	0.59
				03.04.2015	+2732	Transfer	44928	0.62
				17.04.2015	+13692	Transfer	58620	0.81
				24.04.2015	+7999	Transfer	66619	0.93
				29.05.2015	+9269	Transfer	75888	1.06
		75888	1.06	31.03.2016	0		75888	1.06
<b>11</b>	<b>Ritesh Garg</b>							
		113387	1.58	01.04.2015	0		113387	1.58
				15.05.2015	-1	Transfer	113386	1.58
				05.06.2015	+15788	Transfer	129174	1.80
				19.06.2015	+493	Transfer	129667	1.80
				26.06.2015	-1000	Transfer	128667	1.79
				03.07.2015	-65	Transfer	128602	1.79
				10.07.2015	-3500	Transfer	125102	1.74
				24.07.2015	-2000	Transfer	123102	1.71
				31.07.2015	-5700	Transfer	117402	1.63
				07.08.2015	-17441	Transfer	99961	1.39
				21.08.2015	-224	Transfer	99737	1.39
				11.09.2015	+1500	Transfer	101237	1.41
				18.09.2015	+17788	Transfer	119025	1.66
				30.09.2015	+6312	Transfer	125337	1.74
				16.10.2015	-1441	Transfer	123896	1.72
				30.10.2015	-5779	Transfer	118117	1.64
				20.11.2015	+7407	Transfer	125524	1.75
				18.12.2015	+8347	Transfer	133871	1.86
				01.01.2016	+1052	Transfer	134923	1.88
				22.01.2016	+28	Transfer	134951	1.88
				18.03.2016	+1999	Transfer	136950	1.90
		136950	1.90	31.03.2016	0		136950	1.90

**(v) Shareholding of Directors and key Managerial Personnel :**

Sl No	For Each of the Directors and KMP	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
	At the beginning of the year	CFO and Company Secretary do not hold any shares in the Company.			
	Date wise Increase / Decrease in Shareholding during the year specifying the reasons for increase / decrease (e.g allotment / transfer/ bonus/sweat equity etc):	The Independent Directors- Shri Vikram Prakash and Shri Pradeep Kumar Drolia do not hold any shares in the Company. As regards Shri Pradip Kumar Daga and Shri Yashwant Kumar Daga, the details required under this section are provided under Clause IV (ii) of this form under 'Shareholding of Promoters'.			
	At the End of the year.				

**V. INDEBTEDNESS**
**Indebtedness of the Company Including Interest outstanding / accrued but not due for payment.**

₹ in Lakhs

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
<b>Indebtedness at the beginning of the financial year</b>				
i) Principal Amount	12115.18	0.00	0.00	12115.18
ii) Interest due but not paid	0.00	0.00	0.00	0.00
iii) Interest accrued but not due	0.00	0.00	0.00	0.00
<b>Total (i+ii+iii)</b>	<b>12115.18</b>	<b>0.00</b>	<b>0.00</b>	<b>12115.18</b>
<b>Change in Indebtedness during the financial year</b>				
i) Addition	4462.21	0.00	0.00	4462.21
ii) Reduction	1487.00	0.00	0.00	1487.00
<b>Net Change in Indebtedness at the end of the financial year</b>				
i) Principal Amount	15090.39	0.00	0.00	15090.39
ii) Interest due but not paid	118.84	0.00	0.00	118.84
iii) Interest accrued but not due	0.00	0.00	0.00	0.00
<b>Total ( i+ii+iii)</b>	<b>15209.23</b>	<b>0.00</b>	<b>0.00</b>	<b>15209.23</b>

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

Shri Pradip Kumar Daga, Chairman and Managing Director is not taking any remuneration from the Company.

**B. Remuneration to other directors :**

Sl. No.	Particulars of Remuneration	Name of Directors				Total Amount ₹
		Shri Yashwant Kumar Daga	Shri Vikram Prakash	Shri Pradeep Kumar Drolia	Smt. Nilu Agrawal	
1.	Independent Directors					
	Fee for attending board / committee meetings	–	1,40,000	1,40,000	65,000	3,45,000
	Commission	–	2,00,000	2,00,000	2,00,000	6,00,000
	<b>Total (1)</b>	–	<b>3,40,000</b>	<b>3,40,000</b>	<b>2,65,000</b>	<b>9,45,000</b>
2.	Other Non-Executive Directors					
	Fee for attending board / committee meetings	1,20,000	–	–	–	1,20,000
	Commission	2,00,000	–	–	–	2,00,000
	<b>Total (2)</b>	<b>3,20,000</b>	–	–	–	<b>3,20,000</b>
	<b>Total (B)=(1+2)</b>	<b>3,20,000</b>	<b>3,40,000</b>	<b>3,40,000</b>	<b>2,65,000</b>	<b>1265000</b>
	<b>Total Managerial Remuneration</b>	–	–	–	–	<b>1265000</b>
	<b>Overall Ceiling as per the Act</b>	–	–	–	–	<b>239.51 Lakhs</b>

- Commission is taken on payment basis. During the year 2015-16, Commission payable for the year 2014-15 was paid.

**C. Remuneration to Key Managerial Personnel other than MD/Manager/WTD (Amount in ₹)**

Sl. No.	Particulars of Remuneration	Key Managerial Personnel			
		CEO	Company Secretary	CFO	Total
		Shri Pradip Kumar Daga	Smt. Puneeta Arora	Shri S. B. Sharda	
1.	Gross salary				
	(a) Salary as per provisions contained in section 17(1) of the Income – tax Act, 1961		5,36,426	28,23,867	33,60,293
	(b) Value of perquisites u/s 17(2) Income –tax Act, 1961	Shri Pradip Kumar Daga, Chairman and Managing Director is not taking any remuneration from the Company.	77,760	3,00,480	1,69,080
	(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		–	–	–
	<b>Total</b>		<b>6,14,186</b>	<b>31,24,347</b>	<b>37,38,533</b>

**VI. PENALTIES / PUNISHMENT / COMPOUNDING OF OFFENCES :**

There were no penalties / punishment / compounding of offences under any section of the Companies Act, 2013 against the Company or its Directors or other Officers in default, if any, during the year.

## **CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNINGS AND OUTGO, PURSUANT TO SECTION 134(3)(m) OF THE COMPANIES ACT, 2013 READ WITH RULE 8(3) OF THE COMPANIES (ACCOUNTS) RULES, 2014.**

### **1. CONSERVATION OF ENERGY**

#### **a) Steps Taken or Impact on Conservation of Energy**

- Energy saved by connecting of dye house effluent water with CETP as per the State Govt. Regulation.
- Installed led lamps.
- Replaced PCC Panel in power house with the advanced technology resultant saving in energy.
- Arrested compressed air leakage.
- Used Uniflood lights in dye house to save the energy.
- Reuse of Reverse Osmosis (RO) waste in the gardening and irrigation.
- 18 nos of Ring frame Machines spindle sets changed for better quality & energy saving.
- 2 Nos of old Autoconer machines replaced with new ones for energy saving.
- Replacement of tube lights with led 15 watt to increase the lux level And energy saving.
- Installed Variable Frequency Device in unit-1-Waste Collection System (WCS) Machine after optimization of suction pressure for energy saving.
- Optimisation of motor speeds by installing frequency drives.
- Recycle and reuse of Effluent Treatment Plant (ETP) water in gardening and irrigation.
- Installation of inverter for spray pump in humidification plant.
- Switching off the Humidification Plant & Blow Room during winters
- Turbo ventilators used in place of Exhaust fan in dye house and packing department to save the energy.
- Maintaining 0.993 power factor to get the maximum rebate from MPEB & also minimize power losses.
- Replacement of old RJK cheese winding by new Versha cheese winding.
- Replaced the old Switch Fuse Units (SFUs) with MCCBs in distribution boards at Guna Unit to reduce the heat loss.
- Ash handling – Flat belt system was removed and developed Pneumatic Ash Handling System, which is environment friendly and energy efficient.

#### **b) Steps taken by the Company for utilizing alternate sources of energy**

- 40% of total energy requirements in Guna Unit is met by way of Solar Energy.
- Boiler Blow Down Control System to recover heat from Boiler
- Used Acrylic transparent sheets in the dye house, packing unit no.1, Finishing Godown, raw material and DG Hall for sun light in day time as alternate source of energy.
- Re-used the heat of the dye house discharge effluent water in the boiler feed water at 70-75 degree centigrade to save the pet coke.

#### **c) The Capital investment on energy conservation equipments.**

- Installed inverter for spray pump in humidification plant.
- Replacement of Autoconer machines, ring frame machine spindle sets and cheese winding.
- Installation of Heat Recovery System
- Installation of Variable Frequency Devices for optimization of motor speeds and suction pressure.
- Installation of stabilizers for Autoconer machines.

## 2. TECHNOLOGY ABSORPTION

### a) Efforts Made Towards Technology Absorption

The Company absorbs and adapts the technologies on a continuous basis to meet its specific needs from time to time.

### b) Benefits derived like product improvement, cost reduction, product development or import substitution

- (i) Quality and productivity improvement.
- (ii) Cost Reduction.
- (iii) Improved safety measures and pollution control.
- (iv) Energy Conservation.

### c) In the case of imported technology (imported during the last three years reckoned from the beginning of the financial year)

- i) The details of technology imported - Nil
- ii) The year of import - Nil
- iii) Whether the technology been fully absorbed - Nil
- iv) If not fully absorbed, areas where absorption has not taken place and the reasons thereof - Nil

### d) The expenditure incurred on Research and Development (R & D) = - Nil

## 3. FOREIGN EXCHANGE EARNINGS AND OUTGO :

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

		(₹ In Lacs)
Foreign Exchange earned (inflow)	:	2200.82
Foreign Exchange used (outflow)	:	741.11

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## REPORT ON CORPORATE GOVERNANCE

A report on Corporate Governance is set out in compliance with the Corporate Governance requirements as stipulated in Part C of Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (hereinafter referred to as 'Listing Regulations').

### 1) COMPANY'S PHILOSOPHY ON CODE OF CORPORATE GOVERNANCE

The Company believes in adopting the best practices in the area of Corporate Governance, to promote integrity, transparency, accountability and compliance with laws in the management of the Company.

### 2) BOARD OF DIRECTORS

#### a) Composition and attendance of Board of Directors in Meetings

Names of Directors, details of other Directorships / Committee memberships held by them in other companies –

Name of the Director	DIN	Category	No. of Board Meetings attended	Attendance at the last AGM on 23.09.2015	*Number of Directorships in other Indian public limited companies	**Committee(s) positions in other companies	
						As Member	As Chairman
Shri Pradip Kumar Daga (Chairman and Managing Director)	00040692	Promoter/ Executive	4	Yes	4	4	–
Shri Yashwant Kumar Daga	00040632	Promoter / Non-Executive	4	Yes (By Proxy)	7	8	1
Shri Vikram Prakash	00027732	Non-Executive Independent	5	Yes	4	2	2
Shri Pradeep Kumar Drolia	00291966	Non-Executive Independent	5	No	2	–	–
Smt Nilu Agrawal	03107052	Non-Executive Independent	4	No	–	–	–

\* Excludes Directorships in Private Limited Companies, Foreign companies and Section 8 Companies.

\*\* Committee positions only of the Audit Committee and Stakeholders Relationship Committee have been considered.

As on 31st March 2016, in compliance with the Listing Regulations, the Company's Board of Directors headed by Executive Chairman, Shri Pradip Kumar Daga, comprised 4 other Directors, out of which 3 are Independent Non-executive Directors, including a woman director. In compliance with Listing Regulations, 50% of the total number of Directors are Independent Directors.

None of the Independent Directors of the Company serve as Independent Director in more than 7 listed companies and none of the Independent Director is serving as Whole Time Director in any listed Company.

Membership of the Directors in various committees are within the permissible limits of the Listing Regulations. None of the Directors of the Company was a member of more than ten Board level Committees, or a Chairman of more than five such Committees across all listed companies, in which he was a Director.

All the Independent Directors have been issued letters of appointment as per Schedule IV to the Companies Act, 2013 and the terms and conditions of their appointment have been disclosed on the website of the Company. (weblink-[http://www.dsl-india.com/wp-content/uploads/2014/10/Term Cond App Ind Dir.pdf](http://www.dsl-india.com/wp-content/uploads/2014/10/Term_Cond_App_Ind_Dir.pdf))

**b) Familiarisation Programmes for Independent Directors**

The Company has put in place a system to familiarize its Independent Directors about the Company, its product, the industry and business model of the Company Familiarisation Programme is available on the website of the Company (weblink-<http://www.dsl-india.com/wp-content/uploads/2014/12/FPI-Directors-DSL.pdf>).

**c) Relationships of Directors interse**

Shri Pradip Kumar Daga, Chairman and Managing Director and Shri Yashwant Kumar Daga are related to each other. Shri Yashwant Daga is son of Shri Pradip Kumar Daga.

**d) Shareholdings of Non Executive Directors in the Company as on 31st March 2016 :-**

Non-Executive Directors	No of ordinary shares @ Rs.10/-
Shri Yashwant Kumar Daga	241020

The Company does not have any Stock Option Scheme.

**e) Board Meetings held during the year**

During the financial year ended 31st March 2016, five meetings of the Board of Directors were held on 29th May 2015, 6th August 2015, 4th November 2015, 9th February 2016 and 17st March 2016. The maximum gap between any two consecutive Board Meetings was less than 120 days.

Dates for the Board Meetings are decided well in advance and communicated to the Directors. The Agenda along with the explanatory notes are sent in advance to the Directors.

All material information is being made available to the Board as required under Part A of Schedule II of Regulation 17(7) of Listing Regulations.

The Board periodically reviews Compliance Report of all laws applicable to the Company. Steps are taken by the Company to rectify instances of non-compliance, if any.

**f) Code of Conduct**

The Company has adopted Code of Conduct for Directors and Senior Management Personnel of the Company. The Company has received confirmations from the Directors as well as Senior Management Personnel regarding compliance of the Code during the year under review. The declaration by Shri P. K. Daga, Chairman and Managing Director of the Company in this regard is given as 'Annexure A' to this report. The Code is posted on the website of the Company.

**g) Independent Directors Meeting**

During the year, separate meeting of the Independent Directors was held on 9th February 2016 without the attendance of non-independent Directors and members of the management to discuss –

- Evaluation of the performance of Non-Independent Directors and the Board of Directors as a whole.
- Evaluation of the performance of the Chairman of the Company taking into account, the views of other Non-independent Directors.
- Evaluation of the quality, content and timeliness of flow of information between the management and the Board that is necessary for the Board to effectively and reasonably perform its duties

All Independent Directors attended the said meeting.

### 3) AUDIT COMMITTEE

The Audit Committee comprised of three Non - Executive Directors namely Shri Vikram Prakash, Chairman, Shri Yashwant Kumar Daga and Shri Pradeep Kumar Drolia as members. The Members have adequate knowledge of accounts and financial matters. One member, Shri Pradeep Kumar Drolia, has accounting and related financial management expertise. Smt. Puneeta Arora, Company Secretary is Secretary to the Committee. The maximum gap between any two consecutive meetings was less than 120 days.

The role and terms of reference of the Audit Committee cover the matters specified for Audit Committees under Regulation 18 of the Listing Regulations as well as Section 177 of the Companies Act, 2013.

The role includes –

- oversight of Company’s financial reporting process and disclosure of financial information to ensure that the financial statements are correct, sufficient and credible;
- recommending the appointment, re-appointment, remuneration and terms of appointment of auditors and approval of payment for any other services rendered by statutory auditors ;
- reviewing with the management quarterly results and annual financial statements before submission to the Board for approval;
- approval or any subsequent modification of any transactions of the Company with related parties;
- review and monitor the auditor’s independence and performance and effectiveness of audit process;
- evaluation of internal financial controls and risk management system; scrutiny of inter corporate loans and investments, if any and
- reviewing of functioning of Vigil Mechanism.

During the year, Committee met four times, as on 29th May 2015, 6th August 2015, 4th November 2015 and on 9th February 2016. The Composition of the Audit Committee as at 31st March 2016 and the details of Members’ participation at the meetings of the Committee are as under:-

Name of the Member	Status	Category	No. of Meetings attended
Shri Vikram Prakash	Chairman	Non-Executive Independent	4
Shri Yashwant Kumar Daga	Member	Non-Executive	4
Shri Pradeep Kumar Drolia	Member	Non-Executive Independent	4

The necessary quorum was present at the meetings. At the invitation of the Company, representatives from various divisions of the Company, Internal Auditors, Cost Auditors, Statutory Auditors and Chief Financial Officer also try to attend the Meeting to respond to queries raised at the Committee meetings.

### 4) NOMINATION AND REMUNERATION COMMITTEE

The role and terms of reference of the Nomination and Remuneration Committee cover the matters specified under Regulation 19 of the Listing Regulations as well as Section 178 of the Companies Act, 2013.

The role includes –

- Formulation of criteria for determining qualifications, positive attributes and independence of a director;
- Recommending to the Board a policy relating to the remuneration for Directors, Key Managerial Personnel and other employees;
- Formulation of criteria for evaluation of Independent Directors and the Board;
- Devising a policy on diversity of Board of Directors;
- Identifying persons who are qualified to become Directors and who may be appointed in senior management in accordance with the criteria laid down and recommend to the Board of their appointment and removal.



During the year, the Committee met on 29th May 2015. The Composition of the Nomination and Remuneration Committee as at 31st March 2016 and the details of Members' participation at the meetings of the Committee are as under:-

Name of the Member	Status	Category	No. of Meetings attended
Shri Vikram Prakash	Chairman	Non-Executive Independent	1
Shri Yashwant Kumar Daga	Member	Non-Executive	1
Shri Pradeep Kumar Drolia	Member	Non-Executive Independent	1

Commission to Non-Executive Directors is decided by Board of Directors, every year, subject to maximum limit of one percent of the net profits of the Company. The members of the Company have by special resolution passed through Postal Ballot, result of which was declared on 22nd January 2014, authorised the Board of Directors of the Company to pay commission to Non-Executive Directors with in the limit of one percent of net profits of the Company. The Board of Directors of the Company determines the quantum of commission payable to Non-Executive Directors considering the performance of the Company for the said year.

Details of remuneration paid to Whole Time Director and other Directors are given below :-

**Particulars of remuneration paid to Directors during 2015-16 :-**

Name of the Director	Salary	Perquisites/LTA	Commission**	Sitting Fee	Total
Sh. P.K.Daga (Chairman cum Managing Director)	-	-	-	-	-
Sh. Yashwant Kumar Daga	-	-	2,00,000	1,20,000	3,20,000
Sh. Vikram Prakash	-	-	2,00,000	1,40,000	3,40,000
Sh. Pradeep Kumar Drolia	-	-	2,00,000	1,40,000	3,40,000
Smt. Nilu Agrawal	-	-	2,00,000	65,000	2,65,000

(\*\*The commission paid is in respect of financial year 2014-15, but actual payment is made in 2015-16)

The Company pays sitting fees of Rs. 15,000/- per meeting to the Non-Executive Directors for attending the meetings of the Board and Rs. 7,500/- per meeting for attending the meetings of the Committees of the Board. The Independent Directors were paid Rs. 5000/- each as sitting charges for meeting of Independent Directors.

**Criteria for Performance Evaluation**

The Nomination and Remuneration Committee lays down the criteria for performance evaluation of Independent Directors and other Directors, Board of Directors and the Committees of the Board of Directors. The criteria for performance evaluation covers the areas relevant to their functioning as Independent Directors or other Directors or members of Board and is based on the expectation that they are performing their duties in a manner which should create and continue to build sustainable value for shareholders and in accordance with the duties and obligations imposed upon them.

**5) STAKEHOLDERS RELATIONSHIP COMMITTEE**

The Stakeholders Relationship Committee oversees redressal of shareholder and investor grievances, transfer / transmission of shares, issue of duplicate shares, recording of dematerialization / rematerialisation of shares and related matters.

Smt. Puneeta Arora, Company Secretary has been designated as the Compliance Officer by the Board.

During the financial year ended 31st March 2016, 6 (Six) complaints were received and all were satisfactorily disposed off. As on 31.03.2016, pendency was Nil. There were no pending requests for Share transfers as on 31st March 2016.

During the year, Committee met two times, as on 29th May 2015 and on 4th November 2015. The Composition of the Stakeholders Relationship Committee as at 31st March 2016 and the details of Members' participation at the meetings of the Committee are as under:-

Name of the Member	Status	Category	No. of Meetings attended
Shri Vikram Prakash	Chairman	Non-Executive Independent	2
Shri Yashwant Kumar Daga	Member	Non-Executive	2
Shri Pradeep Kumar Drolia	Member	Non-Executive Independent	2

#### 6) CORPORATE SOCIAL RESPONSIBILITY COMMITTEE

The role and terms of reference of the Corporate Social Responsibility Committee cover the matters relating to –

- formulation and review of CSR Policy and to make it comprehensive so as to indicate the activities to be undertaken by the Company as specified in Schedule VII of the Companies Act, 2013;
- to ensure adherence to CSR Policy; and
- to provide guidance on various CSR activities to be undertaken by the company and to monitor its progress.

During the year, the Committee meeting was held on 9th February 2016. The composition of the Corporate Social Responsibility Committee as at 31st March 2016 and the details of Members' participation at the meetings of the Committee are as under :-

Name of the Member	Status	Category	No. of Meetings attended
Shri Yashwant Kumar Daga	Chairman	Non-Executive	1
Shri Vikram Prakash	Member	Non-Executive Independent	1
Shri Pradeep Kumar Drolia	Member	Non-Executive Independent	1

#### 7) SUBSIDIARY COMPANIES

a) Location, date and time of last three Annual General Meetings is as follows :-

Particulars	Location	Date	Time	Whether any Special Resolution passed
31st AGM	121, Industrial Area, Baddi, Tehsil Nalagarh, Dist – Solan, Pin – 173 205 (H.P)	16-08-2013	12.30 P.M	Nil
32nd AGM	– do –	06-09-2014	11.30 A.M	4
33rd AGM	– do –	23-09-2014	02.30 A.M	Nil

The following Special Resolutions were passed in the previous Annual General Meetings with requisite majority :-

#### 32nd AGM held on 06.09.2014

As required, voting was conducted electronically with M/s. Central Depository Services (India) Limited facilitating the e-voting and also by physical ballot and all the resolutions were passed with requisite majority. The following special resolutions were passed :-

- Borrowing powers over and above the aggregate of paid up capital and free reserves of the Company.
- Creation of charges over and above the aggregate of the paid up share capital and free reserves of the Company.

3. Amendment of Articles of Association.
4. Re-appointment of Shri Pradip Kumar Daga as Managing Director of the Company.

**b) Extra Ordinary General Meeting**

No Extra Ordinary General Meeting was held during the year.

**c) Postal Ballot**

**i) Whether any special resolution passed last year through postal ballot and details of voting pattern –**

Special Resolution passed at the Annual General Meeting of the Company held last year was not put through postal ballot.

**ii) Person who conducted the postal ballot exercise - Not applicable.**

**iii) Whether any special resolution is proposed to be conducted through postal ballot?**

Special Resolutions to be passed at the ensuing Annual General meeting of the Company are not proposed to be put through postal ballot. However, for other special resolutions, if any, in the future, the same will be decided at the relevant time.

**iv) Procedures for Postal Ballot**

The procedure for postal ballot, if any, will be as per the provisions of the Companies Act, 2013 and rules made there under.

**8) MEANS OF COMMUNICATION**

Quarterly/ Half Yearly Financial Results are published in leading newspapers such as Aaj Samaj(regional newspapers) and Financial Express (National - English) and are also displayed at the Company's website [www.dsl-india.com](http://www.dsl-india.com)

Official press releases, presentations to analysts and institutional investors, if any and other general information about the Company, in addition to uploading the same on the website of the Company are also sent to Stock Exchanges for dissemination.

**9) GENERAL SHAREHOLDER INFORMATION**

**Annual General Meeting**

Day, Date and Time	: Wednesday, 28th September, 2016 at 2 p.m.
Venue	: 121, Industrial Area, Baddi, Tehsil Nalagarh, Dist – Solan 173205 (HP)
Dates of Book closure	: 24th September, 2016 to 28th September, 2016 (both days inclusive)

**Financial Calendar 2016-17 (Tentative)**

First Quarter Results	– On or before 14th August 2016
Second Quarter Results and Half yearly results	– On or before 14th November 2016
Third Quarter Results	– On or before 14th February 2017
Audited results	– On or before 30th May 2017
Financial Year	– 1st April to 31st March

**Dividend Payment :** Interim Dividend of Rs. 2/- per equity share was paid on 30th March 2016.

**Listing on Stock Exchanges :**

Name & address of the Stock Exchanges	Stock Code / Scrip Code	ISIN no. for NSDL / CDSL
BSE Limited Phiroze Jeejeebhoy Towers Dalal Street, Mumbai – 400001	514030	INE272C01013

Annual listing fees for 2016-17 has been paid to the Stock Exchange. The Company has got itself delisted from Calcutta Stock Exchange on 3rd July 2015.

### Market Price Data

The details of monthly highest and lowest closing quotations of the equity shares of the Company during financial year 2015-16 are as under :-

(In ₹ per Share)

Month	BSE Limited		Month	BSE Limited	
	High	Low		High	Low
April 2015	60.00	38.35	October 2015	89.85	74.90
May 2015	55.90	41.10	November 2015	96.00	76.30
June 2015	57.00	41.05	December 2015	91.00	79.00
July 2015	64.00	48.20	January 2016	92.50	59.05
August 2015	78.85	54.10	February 2016	93.30	66.75
September 2015	73.95	55.10	March 2016	88.80	78.40

(Source : www.bseindia.com)

There was NIL trading in equity shares of the Company at Calcutta Stock Exchange during the period from 1st April 2015 till 2nd July 2015.

The performance of the Company's shares cannot be compared to BSE Sensex for reasons of low liquidity.

### Registrars & Transfer Agents in Physical and Electronic (DEMAT) Mode

M/s. Maheshwari Datamatics Private Limited  
 6, Mangoe Lane, 2nd Floor, Kolkata - 700 001  
 Telephone : (033)22435029, (033)22433809, (033) 22482248

### Share Transfer System

Share transfers are registered and returned within a maximum period of 15 days from the date of receipt, if the documents are clear in all respects. Requests for dematerialization of shares are processed and confirmation thereof is given to the respective depositories within the statutory time limit from the date of receipt of share certificates, if the documents are complete in all respects.

### Pattern of Shareholding as on 31.03.2016

Sr. No.	Category	No. of Shares held	% of Paid up Share Capital
1	Promoters	2952035	41.06
2	Mutual Funds and Insurance Companies	9100	0.13
3	Financial Institutions and Banks	319780	4.45
4	Bodies Corporates	249240	3.47
5	NRIs and OCBs	144504	2.01
6	Other Resident Individuals	3514709	48.89
	<b>Total</b>	<b>7189368</b>	<b>100.00</b>

### Distribution of Shareholding as on 31.03.2016

From – To	No. of Shares held	% of total paid Up Capital	No. of Share holders	% of total No. of Shareholders
Upto – 500	11,39,130	15.85	8,004	92.66
501-1000	2,76,511	3.85	353	4.08
1001-10000	6,69,232	9.30	231	2.68
10001 & above	51,04,495	71.00	50	0.58
<b>Total</b>	<b>71,89,368</b>	<b>100.00</b>	<b>8638</b>	<b>100.00</b>

**Dematerialisation of shares and liquidity**

The equity shares of the Company are under compulsory Demat trading for all categories of investors. The Company's shares are available for Demat trading with both the depositories i.e. CDSL and NSDL. As on 31st March 2016, 90.14% equity shares of the Company stood dematerialized.

**Commodity price risk or foreign exchange risk and hedging activities**

During the year, the Company had managed the foreign exchange risk and hedged to the extent considered necessary. The Company enters into forward contracts for hedging foreign exchange exposures against exports and imports. The details of foreign currency exposure are disclosed in Note no. 26.4 of the Annual Accounts.

**Plant locations**

- i) 121, Industrial Area, Baddi, Tehsil Nalagarh, District Solan 173205 (HP)
- ii) Village Pagara, Tehsil & District Guna - 473001 (MP)

**Address for correspondence**

Deepak Spinners Limited  
Share Department, S.C.O. 16, 2nd Floor, Sector - 26, Chandigarh - 160019.  
Telephone : (0172)2790974, (0172)2790973

**Designated email-id for investor servicing :**

The e-mail ids designated exclusively for investor servicing-[mdpldc@yahoo.com](mailto:mdpldc@yahoo.com) and [share@dsl-india.com](mailto:share@dsl-india.com)

**10) CEO/CFO Certification**

As required by Regulation 17(8) of the Listing Regulations, the Chairman and Managing Director [CEO] and CFO of the Company have certified to the Board about accuracy of the financial statements, maintenance of code of conduct of the Company and adequacy of the internal control systems for the financial year ended on 31st March 2016.

**11) SUBSIDIARY COMPANIES** - The Company does not have any subsidiary Company.**12) DISCLOSURES**

- a) **RELATED PARTY TRANSACTIONS** - There were no materially significant transactions with related parties during the financial year which were in conflict with the interest of the Company. Suitable disclosures as required by the Accounting Standards (AS-18) has been made in the notes to the Financial Statements.

The Board has formulated a Policy for Related Party Transactions which is available on the Company's website.

(weblink: [http://www.dsl-india.com/wp-content/uploads/2014/11/Policy\\_on\\_Related\\_Party\\_Transactions.pdf](http://www.dsl-india.com/wp-content/uploads/2014/11/Policy_on_Related_Party_Transactions.pdf))

- b) The Company has fully complied with all the applicable requirements of regulatory authorities on Capital Markets and consequently, no penalties / strictures have been imposed on the Company by Stock Exchange, SEBI or any other statutory authority on any matter relating to the capital markets, during the last three years.
- c) **VIGIL MECHANISM** - The Company has a Vigil Mechanism to provide an avenue for Directors and employees to raise concerns of any fraud, mismanagement, negligence, violations of legal or regulatory requirement. The Policy on Vigil Mechanism is also posted on the website of the Company.

The mechanism provides for adequate safeguards against victimization of personnel, who avail of the mechanism. Although no personnel was denied access to the Vigil Officer and the Audit Committee, no complaints were received during 2015-16.

- d) All Accounting Standards mandatorily required to be followed, have been followed without exception in preparation of the financial statements.

- e) Procedures for assessment of risk and its minimization have been laid down by the Company and reviewed by the Board. These procedures are periodically reassessed to ensure that management can control risks.
  - f) No money was raised by the Company through any public issue, rights issue, preferential issue, etc. during the financial year 2015-16.
  - g) Management Discussion and Analysis forms part of the Annual Report to the shareholders and it includes discussion on matters as required under Schedule V of the Listing Regulations.
  - h) As per Regulation 26(5) of Listing Regulations, there were no material financial and commercial transactions by Senior Management, where they have personal interest that may have a potential conflict with the interest of the Company at large requiring disclosure by them to the Board of Directors of the Company.
- 13)** The Company has complied with all the mandatory requirements of Corporate Governance specified in Regulation 17 to 27 and clauses (b) to (f) of Regulation 46(2) of Listing Regulations.
- 14)** The status of adoption of the discretionary requirements of as specified in Regulation 27(1) of the Listing Agreement are as follow :-
- 1. **The Board** – The Chairman of the Company is Executive Chairman.
  - 2. **Shareholders' Rights** – Half yearly financial results including summary of the significant events in last six months are published in newspapers and uploaded on Company's website but are not being sent to each household of shareholders of the Company.
  - 3. **Modified opinion(s) in audit report** – The Auditors have raised no qualification on the financial statements.
  - 4. **Separate posts of Chairman and CEO** – The posts of Chairman and CEO are held by a single individual.
  - 5. **Reporting of Internal Auditor** – The Internal Auditors report directly to the Audit Committee.
- 15)** The Corporate Governance Report of the Company for the year ended on 31st March 2016 is in compliance with the requirements of Corporate Governance under Clause 49 of the Listing Agreement with BSE Limited and SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015, as applicable.
- 16) Compliance Certificate**
- Compliance Certificate for Corporate Governance from Auditors of the Company is given as '**Annexure-B**' to this report.

The above report was adopted by the Board of Directors at its meeting held on 30th May 2016.

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**'Annexure – A'**

**DECLARATION REGARDING COMPLIANCE OF THE CODE OF CONDUCT**

To,  
The Members of  
Deepak Spinners Limited

It is hereby confirmed that all the members of the Board and Senior Management Personnel of the Company have affirmed due observance of the said Code of Conduct in so far as it is applicable to them and there is no non-compliance thereof during the year ended 31st March 2016.

Place : New Delhi  
Date : 30.05.2016

**P. K. DAGA**  
*Chairman and  
Managing Director*

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**'Annexure – B'**

**AUDITOR'S CERTIFICATE ON CORPORATE GOVERNANCE**

To,  
The Members of  
Deepak Spinners Limited

We have examined the compliance of conditions of Corporate Governance by Deepak Spinners Limited ('the Company'), for the year ended March 31, 2016, as stipulated in Clause 49 of Listing Agreement ('Listing Agreement') of the Company with the stock exchanges for the period 1st April 2015 to 30th November 2015 and as per the relevant provisions of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Listing Regulations') as referred to Regulation 15(2) of the Listing Regulations for the period 1st December 2015 to 31st March 2016.

The compliance conditions of Corporate Governance is the responsibility of the Management. Our examination was limited to procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above-mentioned Listing Agreement / Listing Regulations, as applicable.

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

For **SINGHI & CO.**  
*Chartered Accountants*  
Firm Reg. No. 302049E

Place : New Delhi  
Date : 30th May, 2016

**B. K. Sipani**  
*Partner*  
Membership No. 088926

## **INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF DEEPAK SPINNERS LIMITED**

### **Report on the Financial Statements**

We have audited the accompanying financial statements of **DEEPAK SPINNERS LIMITED** ("the Company"), which comprise the Balance Sheet as at 31st March, 2016, the Statement of Profit and Loss, the Cash Flow Statement, and a summary of the significant accounting policies and other explanatory information for the year then ended,

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

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

### **Auditors' Responsibility**

Our responsibility is to express an opinion on these financial statements based on our audit.

We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder. We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial statements.

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

### **Opinion**

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Companies Act, 2013 in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31st March, 2016, and its profit and its cash flows for the year ended on that date.



### Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ('the Order'), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Companies Act, 2013 we give in the Annexure A, a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
2. As required by Section 143 (3) of the Act, we report that :
  - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
  - (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
  - (c) The Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
  - (d) In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
  - (e) On the basis of the written representations received from the directors as on 31st March, 2016 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2016 from being appointed as a director in terms of Section 164 (2) of the Act.
  - (f) With respect to the adequacy of the internal financial control over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B".
  - (g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us :
    - i. The Company has disclosed the impact of pending litigations on its financial position in its financial statements – Refer Note 16A to the financial statements
    - ii. The Company has no long-term contracts including derivative contracts having material foreseeable losses
    - iii. The Company has no amount required to be transferred, to the Investor Education and Protection Fund.

For **SINGHI & CO.**  
*Chartered Accountants*  
Firm Reg. No.302049E

**B. K. Sipani**  
*Partner*  
Membership No. 088926

Place : New Delhi  
Date : 30th May, 2016

**Annexure referred to in paragraph 1 of our report of even date on the other legal and regulatory requirements (Re: Deepak Spinners Limited)**

- (i) a. The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- b. Fixed assets have been physically verified by the management at regular interval. No material discrepancies were noticed on such verification.
- c. According to information and explanations given by the management, the title deeds of immovable properties included in fixed assets are held in the name of the company except free hold land for Rs 2.42 Lakhs for which registration in the name of the company is pending.
- (ii) The management has conducted physical verification of inventories at reasonable intervals during the year and no material discrepancies were noticed on such physical verification.
- (iii) According to the information and explanations given to us, the Company has not granted any loans, secured or unsecured to Companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under Section 189 of the Companies Act, 2013. Therefore, the provisions of clause 3(iii) of the order are not applicable to the Company.
- (iv) According to the information and explanations given to us, the Company has not granted any loan, made investments, or provided guarantees and securities in respect of which provisions of section 185 and 186 of the Companies Act, 2013 are applicable. Therefore, the provisions of the clause 3(iv) of the order are not applicable to the Company.
- (v) The company has not received any deposit during the year as covered under Section 76 of the Companies Act, 2013. Therefore, provisions of clause 3(v) of the order are not applicable to the company.
- (vi) We have broadly reviewed the books of accounts maintained by the Company pursuant to the rules made by the Central Government for the maintenance of cost records under section 148 (1) of the Companies Act, 2013 and are of the opinion that prima facie the prescribed accounts and records have been made and maintained. We have not, however, made a detailed examination of the same.
- (vii) a. According to the records of the Company, the Company is generally regular in depositing undisputed statutory dues including Provident Fund, Employees' state Insurance, Income-tax, Sales-tax, Service tax, Duty of customs, Duty of excise, Value Added Tax, Cess and other material statutory dues accrued in the books, with the appropriate authorities. There were no undisputed outstanding statutory dues as at the year end for a period of more than six months from the date they became payable.
- b. According to the records of the Company, there are no dues outstanding of Income Tax, Sales Tax,, Service Tax, Duty of Customs, Duty of Excise and Value Added Tax on account of any dispute, other than the followings :

Name of Statute	Nature of Dues	Amount (₹ In Lakhs)	Forum where Dispute is Pending	Related Period
The Central Excise Act, 1944	Demand for Refund of Claim	45.07	Hon'ble High Court, Gwalior	2001-2002
The Central Excise Act, 1944	Demand for Service Tax, Penalty and Interest	11.92	CESTAT	2004-05 to 2007-08
The Central Excise Act, 1944	Demand for Excise Duty	22.78	CESTAT	2004-05 To 2007-08
Income Tax Act,1961	Demand for excess credit allowed u/s 115JAA	19.74	CIT (Appeals) Kolkata	Assessment year 2002-03

Income Tax Act,1961	Short Allowance of Credit of TDS and Excess charge of Interest u/s 234B&C	6.25	CIT (Appeals) Kolkata	Assessment year 2011-12
Income Tax Act,1961	Dispute for Non-Allowance of Expenses etc.	121.00	DCIT (Appeal), Kolkata	Assessment year 2011-12
Himachal Pradesh Tax on Entry of Goods into Local Area Act-2010	Entry Tax	485.38	Additional Commissioner of Central Excise, Jammu	2010-11 to 2015-16
Madhya Pradesh Upker Adhinyam 1981	Cess on Electricity Duty	62.63	Hon'ble High Court, Gwalior	2012-13 and 2013-14

- (viii) The Company has not defaulted in repayment of dues to banks. The Company did not have any outstanding loan from any financial institution and Government and dues to debenture holders.
- (ix) The Company has not raised any monies by way of initial public offer or further public offer (including debt instruments). Further in our opinion and according to the explanations given to us, term loans were applied for the purpose for which loans were raised.
- (x) Based upon the audit procedures performed in accordance with generally accepted auditing practice in India for the purpose of reporting the true and fair view of the financial statements and according to the information and explanations given to us, no fraud by the Company or no fraud on the Company by its officers and employees has been noticed or reported during the year.
- (xi) According to the information and explanations given by the management, managerial remuneration has been paid /provided in accordance with the requisite approvals mandated by the provisions of section 197 read with schedule V to the Companies Act, 2013.
- (xii) In our opinion, the Company is not a Nidhi company. Therefore, the provisions of clause 3(xii) of the order are not applicable to the Company.
- (xiii) According to the information and explanations given by the management, transactions with the related parties are in compliance with section 177 and 188 of the Companies Act, 2013 where applicable and the details have been disclosed in the Financial Statements as required by the applicable accounting standards.
- (xiv) The Company has not made any preferential allotments or private placement of shares or fully or partly convertible debentures during the year under review. Therefore, the provisions of clause 3(xiv) of the order are not applicable.
- (xv) According to the information and explanations given by the management, the Company has not entered into any non-cash transactions with directors or persons connected with directors. Therefore, the provisions of clause 3(xv) of the order are not applicable.
- (xvi) In our opinion, the Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934. Therefore, the provisions of clause 3 (xvi) of the order are not applicable.

For **SINGHI & CO.**  
*Chartered Accountants*  
 Firm Reg. No.302049E

Place : New Delhi  
 Date : 30th May, 2016

**B. K. Sipani**  
*Partner*  
 Membership No. 088926

**Report on the Internal Financial controls under Clause (i) of Sub - section 3 of Section 143 of the Companies Act, 2013 ("the Act")**

We have audited the internal financial controls over financial reporting of Deepak Spinners Limited ('the Company') as of March 31, 2016 in conjunction with our audit of the financial statements of the company for the year ended on that date.

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

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over the financial reporting criteria established by the company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

**Auditor's Responsibility**

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

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

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

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

A Company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company ; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation

of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorization of management and directors of the company ; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

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

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

#### **Opinion**

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2016, based on the internal control over the financial reporting criteria established by the company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India.

For **SINGHI & CO.**  
*Chartered Accountants*  
Firm Reg. No.302049E

Place : New Delhi  
Date : 30th May, 2016

**B. K. Sipani**  
*Partner*  
Membership No. 088926

## BALANCE SHEET AS AT 31ST MARCH, 2016

	Note	As at 31st March, 2016 (₹ In lakhs)	As at 31st March, 2015 (₹ In lakhs)
<b>I EQUITY AND LIABILITIES</b>			
<b>(1) Shareholders' Funds</b>			
(a)	'1'	720.11	720.11
(b)	'2'	9,793.70	8,398.59
		10,513.81	9,118.70
<b>(2) Non-Current Liabilities</b>			
(a)	'3'	9,578.51	6,579.25
(b)	'4'	2,121.69	1,990.17
(c)	'5'	-	-
(d)	'6'	213.26	269.94
		11,913.46	8,839.36
<b>(3) Current Liabilities</b>			
(a)	'7'	4,129.89	4,042.50
(b)			
(i)	'8'	-	-
(ii)	'8'	997.64	708.11
(c)	'9'	2,446.77	2,119.28
(d)	'6'	862.96	618.01
		8,437.26	7,487.90
<b>Total</b>		<b>30,864.53</b>	<b>25,445.96</b>
<b>II ASSETS</b>			
<b>(1) Non-Current Assets</b>			
(a)			
(i)	'10'	20,323.78	15,472.78
(ii)		223.85	127.65
(b)	'11'	641.29	583.05
(c)	'12'	-	-
(d)	'13'	14.92	14.92
		21,203.84	16,198.40
<b>(2) Current Assets</b>			
(a)	'14'	5,967.31	5,057.74
(b)	'12'	2,632.52	3,035.50
(c)	'15'	198.27	28.67
(d)	'11'	416.61	540.51
(e)	'13'	445.98	585.14
		9,660.69	9,247.56
<b>Total</b>		<b>30,864.53</b>	<b>25,445.96</b>
Contingent Liabilities and Commitments	'16'		
Summary of Significant Accounting Policies and Other Notes on Accounts	'26'		

The accompanying notes are an integral part of the financial statements  
 In terms of our Report of even date attached.

For **SINGHI & CO.**  
 Chartered Accountants  
 Firm Reg. No. 302049E

**B K SIPANI**  
 Partner  
 Membership No. 88926

Place : New Delhi  
 Dated : 30th May, 2016

**S B SHARDA**  
 Chief Financial Officer & President

**PUNEETA ARORA**  
 Company Secretary

**P K DAGA**  
 Chairman and Managing Director

**VIKRAM PRAKASH**  
**YASHWANT KUMAR DAGA**

**P K DROLIA**  
 Directors

## STATEMENT OF PROFIT & LOSS FOR THE YEAR ENDED 31ST MARCH, 2016

	Note	For the Year ended 31st March, 2016 (₹ In lakhs)	For the Year ended 31st March, 2015 (₹ In lakhs)
<b>I. REVENUES</b>			
Revenue from Operations	'17'	40,091.16	43,459.20
Less: Excise Duty		0.67	1.78
Revenue from Operations (Net)		40,090.49	43,457.42
<b>II Other Income</b>	'18'	457.10	627.42
<b>III Total Revenues (I + II)</b>		<b>40,547.59</b>	<b>44,084.84</b>
<b>IV EXPENSES</b>			
Cost of Materials Consumed	'19'	24,867.69	28,362.57
Changes in Inventories of Finished Goods, Work-in-Progress and Waste	'20'	(227.26)	876.87
Employees' Benefit Expenses	'21'	4,111.46	3,706.64
Other Expenses	'22'	7,096.33	6,972.26
<b>V Total</b>		<b>35,848.22</b>	<b>39,918.34</b>
<b>VI Profit before Finance Costs, Depreciation, Exceptional Item and Tax (III - V)</b>		<b>4,699.37</b>	<b>4,166.50</b>
Finance Costs	'23'	1,181.15	1,600.76
Depreciation & Amortisation	'24'	1,353.53	1,411.76
<b>VII Profit before Exceptional item and Tax</b>		<b>2,164.69</b>	<b>1,153.98</b>
Exceptional Item	'24'	-	187.41
<b>VIII Profit before Tax</b>		<b>2,164.69</b>	<b>966.57</b>
<b>IX Tax Expense</b>			
Current Tax	'25'	465.00	195.70
Deferred Tax		131.52	(121.47)
<b>X Profit after Tax for the year (VIII- IX)</b>		<b>1,568.17</b>	<b>892.34</b>
Basic & Diluted Earnings Per Equity Share (of ₹ 10 each)	'26.7'	21.81	12.41
Summary of Significant Accounting Policies and Other Notes on Accounts	'26'		

The accompanying notes are an integral part of the financial statements  
In terms of our Report of even date attached.

For **SINGHI & CO.**  
Chartered Accountants  
Firm Reg. No. 302049E

**B K SIPANI**  
Partner  
Membership No. 88926

Place : New Delhi  
Dated : 30th May, 2016

**S B SHARDA**  
Chief Financial Officer & President

**PUNEETA ARORA**  
Company Secretary

**P K DAGA**  
Chairman and Managing Director

**VIKRAM PRAKASH**  
**YASHWANT KUMAR DAGA**

**P K DROLIA**  
Directors

## CASH FLOW STATEMENT FOR THE YEAR ENDED 31st MARCH, 2016

	Year ended 31st March, 2016	(₹ In lakhs) Year ended 31st March, 2015
<b>A CASH FLOW FROM OPERATING ACTIVITIES :</b>		
Net Profit /(Loss) before Tax	2,164.69	966.57
Adjustment for-		
Depreciation Expenses	1,353.53	1,599.17
Finance Cost	1,181.15	1,600.76
Interest Subsidy from State Govt.	(93.73)	(191.88)
Profit on sale/discard of Fixed Assets (Net)	(9.28)	(55.29)
Interest Income	(186.92)	(207.77)
<b>Operating Profit before Working Capital Changes</b>	<b>4,409.44</b>	<b>3,711.56</b>
Adjustment for -		
Trade Receivable, Loans & Advances and Other Assets	616.26	817.13
Inventories	(909.57)	701.53
Trade Payables, Provisions & Other Liabilities	750.06	(993.95)
	<b>4,866.19</b>	<b>4,236.27</b>
Direct Taxes (Paid)/Refunds	(407.38)	(498.26)
<b>Net Cash from Operating Activities</b>	<b>(A) 4,458.81</b>	<b>3,738.01</b>
<b>B CASH FLOW FROM INVESTING ACTIVITIES :</b>		
Purchase of Fixed Assets	(6,254.05)	(949.34)
Sale of Fixed Assets	40.22	129.38
Movement in Fixed Deposits	(1.14)	46.49
Interest Received (including Subsidy from State Govt).	281.23	408.62
<b>Net Cash from Investing Activities</b>	<b>(B) (5,933.74)</b>	<b>(364.85)</b>
<b>C CASH FLOW FROM FINANCING ACTIVITIES :</b>		
Increase in Long Term Borrowings	2,887.82	(817.50)
Increase in Short Term Borrowings	87.39	(874.80)
Interest Expense (including capitalised ₹ 144.28 lakhs, previous year ₹ 73.25 lakhs)	(1,206.59)	(1,674.01)
Interim Dividend & Tax on Interim Dividend	(173.06)	-
<b>Net Cash from Financing Activities</b>	<b>(C) 1,595.56</b>	<b>(3,366.31)</b>
<b>Net Increase/Decrease in Cash and Cash Equivalents</b>	<b>(A+B+C) 120.63</b>	<b>6.85</b>
Cash and Cash Equivalents as at (Opening Balance)	23.41	16.56
Cash and Cash Equivalents as at (Closing Balance)	<b>144.04</b>	<b>23.41</b>
<b>Components of Cash and Cash Equivalents</b>		
Cash in hand	3.66	9.00
Balance with Banks		
In Current Accounts	140.38	14.41
Fixed Deposit Account	6.40	3.92
Unclaimed Dividend Accounts	47.83	-
Employees Security Deposits Accounts	-	1.34
	<b>198.27</b>	<b>28.67</b>
Less: Employees Security Deposit & Unclaimed Dividend & Fixed Deposit lying with Bank	54.23	5.26
	<b>144.04</b>	<b>23.41</b>

The aforesaid statement is prepared on Indirect Method.

As per our Report of even date attached.

For **SINGHI & CO.**  
Chartered Accountants  
Firm Reg. No. 302049E

**B K SIPANI**  
Partner  
Membership No. 88926

Place : New Delhi  
Dated : 30th May, 2016

**S B SHARDA**  
Chief Financial Officer & President

**PUNEETA ARORA**  
Company Secretary

**P K DAGA**  
Chairman and Managing Director

**VIKRAM PRAKASH**  
**YASHWANT KUMAR DAGA**

**P K DROLIA**  
Directors



## NOTES ANNEXED TO AND FORMING PART OF BALANCE SHEET AS AT 31ST MARCH, 2016

	As at 31st March, 2016 (₹ In lakhs)	As at 31st March, 2015 (₹ In lakhs)
<b>1. Share Capital :</b>		
<b>Authorised :</b>		
80,00,000 (Previous year 80,00,000) Equity Shares of ₹10/- each	800.00	800.00
60,00,000 (Previous year 60,00,000) Unclassified Shares of ₹ 10/- each	600.00	600.00
	<u>1,400.00</u>	<u>1,400.00</u>
<b>Issued :</b>		
72,12,868 (Previous year 72,12,868) Equity Shares of ₹ 10/- each	721.29	721.29
	<u>721.29</u>	<u>721.29</u>
<b>Subscribed and Fully Paid-up Shares</b>		
71,89,368 (Previous year 71,89,368) Equity Shares of ₹ 10/- each fully paid-up	718.94	718.94
Add: Forfeited Shares (Amount originally Paid-up)	1.17	1.17
	<u>720.11</u>	<u>720.11</u>

### Terms / Rights attached to Equity Shares

Each holder of equity shares is entitled to one vote per share. In the event of liquidation of the company, the holders of equity shares will be entitled to receive remaining assets of the company. The distribution will be in proportion to the number of equity shares held by the shareholders. There is no restriction on distribution of dividend. However same other than interim dividend, is subject to the approval of the shareholders in the Annual General Meeting.

### Reconciliation of the number of Equity Shares outstanding :

Equity Shares outstanding at the beginning of the year	71,89,368	71,89,368
Equity Shares allotted during the year	-	-
Equity Shares outstanding at the end of the year	71,89,368	71,89,368

### Shareholders holding more than 5 percent Equity shares of the Company :

S.No.	Name of shareholder	As at 31st March, 2016		As at 31st March, 2015	
		Numbers of Shares held	Percentage of Holding	Numbers of Shares held	Percentage of Holding
1	M/s. Mangalam Engineering Projects Ltd.	9,18,929	12.78	9,18,929	12.78
2	Sh. Pradip Kumar Daga	5,02,389	6.99	5,02,389	6.99
3	M/s. Contransys Pvt. Ltd	4,02,100	5.59	4,02,100	5.59
4	M/s. Jalpaiguri Holdings Pvt. Ltd.	4,00,070	5.56	4,00,070	5.56
5	Sh. Baldev Kumar Garg	374,605	5.21	-	-
6	Smt. Asha Devi Daga	3,64,062	5.06	3,64,062	5.06

	As at 31st March, 2016 (₹ In lakhs)	As at 31st March, 2015 (₹ In lakhs)
<b>2 Reserves and Surplus:</b>		
<b>(i) Capital Reserve</b>		
Balance as per last financial statement	35.75	35.75
<b>(ii) Securities Premium Account</b>		
Balance as per last financial statement	217.81	217.81
<b>(iii) General Reserve</b>		
Balance as per last financial statement	2,809.79	2,809.79
<b>(iv) Statement of Profit &amp; Loss - Balance</b>		
Balance as per last financial statement	5,335.24	4,442.90
Add: Profit for the year	1,568.17	892.34
	<u>6,903.41</u>	<u>5,335.24</u>
Less : Appropriations		
Interim Dividend @ ₹ 2/- per Equity Share	143.79	-
Tax on Interim Dividend	29.27	-
	<u>6,730.35</u>	<u>5,335.24</u>
<b>Total (i to iv)</b>	<b><u>9,793.70</u></b>	<b><u>8,398.59</u></b>

	Non-current portion		Current maturities	
	As at 31st March, 2016 (₹ In lakhs)	As at 31st March, 2015 (₹ In lakhs)	As at 31st March, 2016 (₹ In lakhs)	As at 31st March, 2015 (₹ In lakhs)
<b>(i) Secured</b>				
(a) Term Loans from a Bank	9,183.61	6,095.25	1,268.70	1,375.00
(b) Term Loans from a Bank	394.90	482.71	112.00	112.00
(c) Vehicle Loans				
(a) From a Bank	-	0.16	0.16	2.19
(b) From Others	-	1.13	1.13	4.24
	<u>9,578.51</u>	<u>6,579.25</u>	<u>1,381.99</u>	<u>1,493.43</u>
(ii) Amount disclosed under the head "other current liabilities" (Refer Note No. 9)	-	-	( 1,381.99)	(1,493.43)
<b>(Total i-ii)</b>	<b><u>9,578.51</u></b>	<b><u>6,579.25</u></b>	<b><u>-</u></b>	<b><u>-</u></b>

- a. Term Loan from a bank is secured by first charge on the Plant & Machineries, other movable fixed assets and extension of equitable mortgage on all immovable fixed assets and second charge on current assets of the textile business. These Loans are further secured by personal guarantee of the Chairman and Managing Director and a Director.
- b. Term Loan from a bank is secured by Plant & Machinery and other fixed assets and extension of equitable mortgage of the immovable fixed assets of the Solar Power Plant and second charge on current assets of the Company. This Loan is further secured by personal guarantee of the Chairman and Managing Director and a Director.
- c. Secured by hypothecation of vehicles financed.

**(ii) Terms of Repayments of Non-Current Portion :**

Current Year				Previous Year			
As at 31st March, 2016 (₹ In lakhs)	Rate of interest	Installments Outstanding	Repayment Periodicity	As at 31st March, 2015 (₹ In lakhs)	Rate of interest	Installments Outstanding	Repayment Periodicity
-	-	-	-	282.00	13.45% linked with Base Rate	4	Quarterly Equal Annually Graded
-	-	-	-	11.70	13.45% linked with Base Rate	1	Quarterly Equal Annually Graded
1699.97	12% linked with Base Rate *	18	Quarterly Equal	2100.68	13.45% linked with Base Rate	22	Quarterly Equal
2516.96	12% linked with Base Rate *	12	Quarterly Equal	2979.56	13.45% linked with Base Rate	16	Quarterly Equal
4966.68	11.80% linked with Base Rate	-	Quarterly installment will commence from 30.06.2017	721.31	12.50% linked with Base Rate	-	Quarterly installment will commence from 30.06.2017
<b>9183.61</b>				<b>6095.25</b>			

\* Including ₹ 2014 Lacs (previous year ₹ 2200 Lacs) converted into foreign currency loan for a year at the interest rate of 4.62% (previous year 4.38%) per annum.

Current Year				Previous Year			
As at 31st March, 2016 (₹ In lakhs)	Rate of interest	Installments Outstanding	Repayment Periodicity	As at 31st March, 2015 (₹ In lakhs)	Rate of interest	Installments Outstanding	Repayment Periodicity
394.90	12% linked with Base Rate *	12	Quarterly Equal	482.71	13.45% linked with Base Rate	16	Quarterly Equal
<b>394.90</b>				<b>482.71</b>			

\* Including ₹ 394.90 Lacs (previous year ₹ 482.71 Lacs) converted into foreign currency loan for a year at the interest rate of 4.62% (previous year 4.38%) per annum.

Current Year				Previous Year			
As at 31st March, 2016 (₹ In lakhs)	Rate of interest	Installments Outstanding	Repayment Periodicity	As at 31st March, 2015 (₹ In lakhs)	Rate of interest	Installments Outstanding	Repayment Periodicity
-	-	-	-	0.16	11.51%	1	Monthly Graded
-	-	-	-	1.13	8.43%	6	Monthly Graded
-				<b>1.29</b>			

	As at 31st March, 2016 (₹ In lakhs)	As at 31st March, 2015 (₹ In lakhs)
<b>4 Deferred Tax Liabilities (Net)</b>		
Deferred Tax Liabilities on account of :		
Depreciation	2,588.33	2,342.02
	<u>2,588.33</u>	<u>2,342.02</u>
<b>Deferred Tax Assets on account of :</b>		
Provisions for Employees Benefits	83.45	102.40
Other Timing Differences	383.19	249.45
	<u>466.64</u>	<u>351.85</u>
Deferred Tax Liabilities/(Assets) Net	<u><b>2,121.69</b></u>	<u><b>1,990.17</b></u>
<b>5 Other Long-term Liabilities</b>	-	-

	Long-term		Short-term	
	As at 31st March, 2016 (₹ In lakhs)	As at 31st March, 2015 (₹ In lakhs)	As at 31st March, 2016 (₹ In lakhs)	As at 31st March, 2015 (₹ In lakhs)
Provision for Employee Benefits	213.26	269.94	27.87	25.95
Provision for Disputed Statutory Matters	-	-	835.09	352.67
Provision for Other Statutory Matters	-	-	-	239.39
	<u><b>213.26</b></u>	<u><b>269.94</b></u>	<u><b>862.96</b></u>	<u><b>618.01</b></u>

Disclosure as per AS-29 for Provision for Disputed & Other Statutory Matters

	Current year	Previous Year
Opening Balance	592.06	214.90
Addition During the Year	300.66	454.53
Paid During the Year	57.63	77.37
Closing Balance	835.09	592.06

#### 7 Short-term Borrowings

##### A Secured

##### Loan repayable on demand

From a Bank	4,129.89	4,042.50
	<u><b>4,129.89</b></u>	<u><b>4,042.50</b></u>

(i) Secured by first charge on current assets and additionally secured by way of second charge on fixed assets and extension of equitable mortgage on immovable fixed assets of the textile business. The same is further secured by personal guarantee of the Chairman and Managing Director and a Director.

#### 8 Trade Payables \*

Others	997.64	708.11
	<u><b>997.64</b></u>	<u><b>708.11</b></u>

\*The Company has not received any information from its suppliers being registered under the Micro, Small and Medium Enterprises Development Act, 2006. Hence, the information required to be given in accordance with section 22 of the said Act, is not ascertainable, hence not disclosed.

	As at 31st March, 2016 (₹ In lakhs)	As at 31st March, 2015 (₹ In lakhs)
<b>9 Other Current Liabilities</b>		
Current maturities of long-term debts	1,381.99	1,493.43
Unpaid Dividends	47.83	-
Customers' Credit Balances and Advances against orders	89.75	62.67
Interest Accrued and Due	118.84	-
Security Deposits	69.55	7.59
Statutory Dues	220.97	104.11
Directors Commission	7.20	5.40
Employees liabilities	510.64	446.08
	<b>2,446.77</b>	<b>2,119.28</b>

**10 Fixed Assets** (₹ In lakhs)

Description	GROSS BLOCK				DEPRECIATION / AMORTISATION				NET BLOCK	
	As at 01.04.15	Additions	Deductions/ Adjustments	Total as at 31.03.16	Up to 31.03.15	During the Year	Deductions/ Adjustments	Total as on 31.03.16	As at 31.03.16	As at 31.03.15
<b>TANGIBLE ASSETS</b>										
FreeHold Land *	33.40	-	-	33.40	-	-	-	-	33.40	33.40
Lease hold Land	74.40	-	-	74.40	10.69	0.97	-	*11.66	62.74	63.71
Buildings	5,172.28	2,041.12	-	7,213.40	1,560.74	147.13	-	1,707.87	5,505.53	3,611.54
Plant & Equipment	21,001.62	4,094.72	186.36	24,909.98	9,362.38	1,176.34	164.84	10,373.88	14,536.09	11,639.24
Office Equipments	179.48	66.28	4.84	240.92	114.68	17.21	4.67	127.22	113.70	64.80
Furniture & Fixtures	102.84	6.77	16.89	92.72	86.15	2.57	16.05	72.67	20.05	16.69
Vehicles	115.98	26.58	20.18	122.38	72.58	9.31	11.78	70.11	52.27	43.40
<b>Total</b>	<b>26,680.00</b>	<b>6,235.47</b>	<b>228.27</b>	<b>32,687.20</b>	<b>11,207.22</b>	<b>1,353.53</b>	<b>197.34</b>	<b>12,363.41</b>	<b>20,323.78</b>	<b>15,472.78</b>
Previous Year	26,087.49	1,309.20	716.69	26,680.00	10,250.65	1,599.17	642.60	11,207.22	15,472.78	

\* Includes land ₹ 2.42 Lakhs (Previous year ₹ 2.42 lakhs) for which registration is pending.

# Represents Amortisation of Lease Rent

Addition includes expansion project of 14112 Spindles at Guna which is started commercial production from 01.03.2016.

	Non-Current		Current	
	As at 31st March, 2016 (₹ In lakhs)	As at 31st March, 2015 (₹ In lakhs)	As at 31st March, 2016 (₹ In lakhs)	As at 31st March, 2015 (₹ In lakhs)

**11 Loans and Advances :**

**(Unsecured, Considered Good)**

Capital Advances	70.03	3.37	-	-
Security Deposits	224.02	231.67	-	-
Advance Current Tax (Net of Provision)	-	-	97.28	154.90
Balances with Excise & Custom Department	347.24	348.01	100.00	150.00
Advances Recoverable in Cash or in Kind	-	-	206.78	208.77
Prepaid Expenses	-	-	12.55	26.84
	<b>641.29</b>	<b>583.05</b>	<b>416.61</b>	<b>540.51</b>

	Non-Current		Current	
	As at 31st March, 2016 (₹ In lakhs)	As at 31st March, 2015 (₹ In lakhs)	As at 31st March, 2016 (₹ In lakhs)	As at 31st March, 2015 (₹ In lakhs)
<b>12 Trade Receivables :</b>				
(Unsecured, Considered Good unless otherwise stated)				
(a) Outstanding for more than six months (from due date)				
Considered Good	–	–	50.42	22.19
Considered Doubtful	–	–	12.16	12.16
	–	–	62.58	34.35
Less : Provision for Doubtful	–	–	12.16	12.16
	–	–	50.42	22.19
(b) Other Receivables	–	–	2,582.10	3,013.31
	–	–	<b>2,632.52</b>	<b>3,035.50</b>
<b>13 Other Assets :</b>				
(Unsecured, Considered Good)				
Export Benefits and other Incentives Receivable	14.92	14.92	439.31	577.89
Interest Accrued on Fixed Deposits	–	–	0.40	0.20
Interest Accrued on others	–	–	6.27	7.05
	<b>14.92</b>	<b>14.92</b>	<b>445.98</b>	<b>585.14</b>
<b>14 Inventories :</b>				
(As certified by the Management)				
Raw Materials (Including in Transit ₹ 319.42 lakhs) (Previous Year ₹ 156.00 lakhs)			2,011.58	1,571.83
Work-in-Progress			279.57	548.57
Finished Goods			3,107.80	2,612.05
Stores and Spares (Including in Transit ₹ 49.40 lakhs) (Previous Year ₹ 43.42 lakhs)			562.20	319.64
Waste			6.16	5.65
			<b>5,967.31</b>	<b>5,057.74</b>

**Basis of Valuation of Inventories are as under :**

Inventories are valued at cost or net realisable value whichever is lower except waste which is valued at estimated net realisable value.

	As at 31st March, 2016 (₹ In lakhs)	As at 31st March, 2015 (₹ In lakhs)
<b>15 Cash and Bank Balances :</b>		
<b>(a) Cash and Cash Equivalents</b>		
Cash Balance on hand	3.66	9.00
Balance with Banks :		
Current Accounts	140.38	14.41
<b>(b) Other Bank Balances</b>		
Fixed Deposit (maturity within one year) *	5.13	3.92
(*Pledged as Margin with Bank)		
Fixed Deposit (maturity more than one year) *	1.27	-
(*Pledged with Sales Tax Department)		
<b>(c) Earmarked Balances with Banks</b>		
Unpaid Dividend Account	47.83	-
Employees Security Deposit Accounts	-	1.34
	<b>198.27</b>	<b>28.67</b>
<b>16 Contingent Liabilities and Commitments</b>		
A. Contingent Liabilities not provided for in respect of		
i) Demand for Excise duty, being contested by the Company (Amount deposited ₹ Nil, Previous year ₹ 9.00 lakhs)	79.77	43.73
ii) Demand for Income Tax, being contested by the Company (Amount deposited ₹ 25.06 lakhs, Previous year ₹ 23.56 lakhs)	50.87	48.16
iii) Legal Cases (Employees)	4.35	3.68
iv) Demand for Cess on own generation of electricity The management believes that the Company has a strong chance of favourable decision in above cases, hence no provision has been considered necessary.	44.89	44.89
B. Capital Commitments (Net of Advance paid)	19.02	16.83

## NOTES ANNEXED TO AND FORMING PART OF STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH, 2016

	For the Year ended 31st March, 2016 (₹ In lakhs)	For the Year ended 31st March, 2015 (₹ In lakhs)
<b>17 Revenue from Operations :</b>		
<b>Sale of Manufactured goods :</b>		
Man Made Synthetic Yarn*	39,869.16	43,240.64
Sale of Electricity	70.91	66.49
<b>Other Operating Income</b>		
Export and other incentives	151.09	152.07
	<u>40,091.16</u>	<u>43,459.20</u>
<b>Less: Excise Duty</b>	0.67	1.78
<b>Revenue from Operations (Net)</b>	<u><b>40,090.49</b></u>	<u><b>43,457.42</b></u>
*Sales includes Export Sales of ₹ 2,297.50 lakhs (Previous year ₹ 2,674.93 lakhs )		
<b>18 Other Income :</b>		
Interest Subsidy from State Govt.	93.73	191.88
Interest	186.92	207.77
Profit on sale/discard of Fixed Assets (Net)	9.28	55.29
Scrap Sales	60.02	59.32
Miscellaneous Income	99.56	59.37
Net Gain on Foreign Currency transactions and translation	-	51.57
Sundry credit balances written back	7.59	2.22
	<u><b>457.10</b></u>	<u><b>627.42</b></u>
<b>19 Cost of Materials Consumed :</b>		
Man Made Fibres	24,028.06	27,497.81
Dyes & Chemicals	839.63	864.76
	<u><b>24,867.69</b></u>	<u><b>28,362.57</b></u>
<b>20 Changes in Inventories of Finished Goods, Work-in-Progress and Waste</b>		
<b>Inventories as at 31st March, 2016</b>		
Work-in-Progress	279.57	548.57
Finished Goods	3,107.80	2,612.05
Waste	6.16	5.65
	<u>3,393.53</u>	<u>3,166.27</u>
<b>Inventories as at 31st March, 2015</b>		
Work-in-Progress	548.57	531.90
Finished Goods	2,612.05	3,507.98
Waste	5.65	3.26
	<u>3,166.27</u>	<u>4,043.14</u>
	<u><b>(227.26)</b></u>	<u><b>876.87</b></u>
<b>21 Employees' Benefit Expenses</b>		
Salaries, Wages and Bonus	3,612.54	3,295.52
Contribution to Provident and other Funds*	315.60	237.48
Employee Welfare	183.32	173.64
	<u><b>4,111.46</b></u>	<u><b>3,706.64</b></u>



	For the Year ended 31st March, 2016 (₹ In lakhs)	For the Year ended 31st March, 2015 (₹ In lakhs)
<b>22 Other Expenses</b>		
Consumption of Stores & Spares	1,240.19	1,187.71
Consumption of Packing Material	688.29	769.30
Job Charges	145.20	150.49
Power & Fuel*	3,587.18	3,413.56
Rent	35.41	34.17
Insurance	29.32	27.46
Rates & Taxes	8.07	11.28
Repair and Maintenance		
Buildings	26.26	57.13
Machinery	152.46	118.15
Freight & Forwarding (Net)	632.39	647.54
Commission and Brokerage	150.26	155.61
Net Loss on Foreign Currency transactions and translation (other than considered as finance cost)	8.08	-
Miscellaneous Expenses*	352.41	371.04
Auditor's Remuneration (including service tax)		
For Audit Fee	6.93	6.80
For Limited Review	1.88	1.69
For Certification and other matters	0.34	0.84
Reimbursement of Expenses	0.53	0.43
Cost Auditor's fee	0.74	-
Commission to Directors	8.00	6.00
Bad debts & Advances written off	0.24	3.06
CSR Expenses	2.15	-
Donation	20.00	10.00
	<b>7,096.33</b>	<b>6,972.26</b>
<b>23 Finance Cost</b>		
Interest*	1,105.20	1,577.57
Other Borrowing cost	37.02	78.42
Net Loss on foreign Currency translations & transactions considered as finance cost	183.21	18.02
	1,325.43	1,674.01
Less : Amount transferred to Capital Work-in-Progress/Capitalised	144.28	73.25
	<b>1,181.15</b>	<b>1,600.76</b>
*Net of Interest subsidies ₹ 196.34 lakhs (Previous Year ₹ 258.24 lakhs) under TUF (Technology Upgradation Fund) scheme and includes ₹ 1.90 lakhs to Income Tax department.		
<b>24 Depreciation &amp; Amortisation</b>		
On Tangible Assets (Refer Note No. 10)	<b>1,353.53</b>	<b>1,411.76</b>

Previous year Depreciation includes carrying amount of tangible fixed assets Rs 187.41 lakhs (after retaining the residual value), whose remaining useful lives have been reassessed to be nil as at April 1'2014, has been recognised as exceptional item.

	For the Year ended 31st March, 2016 (₹ In lakhs)	For the Year ended 31st March, 2015 (₹ In lakhs)
<b>25 Current Tax</b>		
Current Tax for the year	465.00	520.00
Less MAT Credit Entitlement	-	324.30
	<u>465.00</u>	<u>195.70</u>
Income Tax related to earlier year	-	-
Total Current Tax	<u><b>465.00</b></u>	<u><b>195.70</b></u>

\*Power & Fuel includes ₹ Nil (Previous Year ₹ 180.30 lakhs), Miscellaneous expenses includes ₹ Nil (Previous Year ₹ 21.70 lakhs), Contribution to Provident and other Funds ₹ 91.85 lakhs (Previous Year ₹ 28.41 lakhs) and interest expenses includes ₹ Nil (Previous Year ₹ 59.09 lakhs) related to prior period.

## **26 Summary of Significant Accounting Policies And Other Notes on Accounts :**

### **26.1 Nature of Operations**

The Company is a manufacturer of Synthetic Man Made Yarn. It has two spinning units at Baddi (H.P) and Guna (M.P). The company is generating electricity from it's Solar Power Plant at Rajgarh (M.P)

### **26.2 Summary of Significant Accounting Policies**

#### **(A) Basis of Accounting**

The financial statements have been prepared to comply in all material respects with the mandatory Accounting Standards prescribed under section 133 and other relevant provisions of the Companies Act, 2013. The financial statements have been prepared under the historical cost convention on accrual basis except in case of claims lodged with Insurance Companies but not settled, interest on overdue debts from customers due to uncertainty in the realisation and export and other benefits doubtful of recovery are accounted for on receipt/ settlement.

#### **(B) Use of Estimates**

The preparation of financial statements requires estimates and assumptions to be made that affect the reported amount of assets and liabilities on the date of the financial statements and the reported amount of revenues and expenses during the reporting period. Difference between the actual results and estimates are recognised in the period in which the results are known/ materialised.

#### **(C) Classification of Assets and Liabilities as Current and Non Current**

All assets and liabilities are classified as current or non-current as per the Company's normal operating cycle and other criteria set out in Schedule III to the Companies Act, 2013. Based on the nature of products and the time between the acquisition of assets for processing and their realisation in cash and cash equivalents, 12 months has been considered by the Company for the purpose of current/ non-current classification of assets and liabilities.

#### **(D) Fixed Assets**

Fixed assets are stated at cost less accumulated depreciation and impairment losses, if any. Cost comprises the purchase any attributable cost of bringing the asset to its working condition for its intended use. The carrying price and amounts are reviewed at each Balance Sheet date, if there is any indication of impairment based on internal/external factors. An impairment loss is recognised wherever the carrying amount of an asset exceeds its recoverable amount. The recoverable amount is greater of the assets net selling price and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value at the weighted average cost of capital.

#### **(E) Expenditure on New Projects, Substantial Expansion And During Construction Period**

Expenditure directly relating to construction activity is capitalised. Indirect expenditure incurred during construction period is capitalised as part of the indirect construction cost to the extent to which the expenditure is indirectly related to construction or is incidental thereto. Other indirect expenditure incurred during the construction period, which is not related to the construction activity nor is incidental thereto is charged to the Statement of Profit & Loss. Income earned during construction period is deducted from the total of the indirect expenditure.

All direct capital expenditure on expansion is capitalised. As regards indirect expenditure on expansion, only that portion is capitalised which represents the marginal increase in such expenditure as a result of capital expansion. Both direct and indirect expenditure are capitalised only if they increase the value of the asset beyond its originally assessed standard of performance.

Expenditure during construction/installation period is included under capital work-in-progress and the same is allocated to respective fixed assets on the completion of its construction.

**(F) Investments**

Long term investments are stated at cost. The Company provides for diminution other than temporary, in the value of long term investments. Current investments are valued at lower of cost or fair value.

**(G) Inventories**

(i) Inventories are valued as follows :

Raw materials, stores and spares	Lower of cost and net realisable value. Cost is determined on FIFO basis. Materials and other items held for use in the production of inventories are not written down below costs, if finished goods in which they will be incorporated are expected to be sold at or above cost.
Work-in-progress and finished goods	Lower of cost and net realisable value. Cost includes direct materials, labour and a proportion of manufacturing overheads.
Waste	At net realisable value.

Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and to make the sale.

- (ii) Work-in-progress and finished goods have been valued as per the principles and basis consistently followed.
- (iii) Provision for obsolete/ old is made, wherever required.
- (iv) In view of substantially large number of items in work- in- progress, it is not feasible to maintain the status of movement of each item at shop floor on perpetual basis. The Company, however, physically verifies such stocks at the end of every month and valuation is made on the basis of such physical verification.

**(H) Provisions**

A provision is recognised when an enterprise has a present obligation as a result of past event and it is probable that an outflow of resources will be required to settle the obligation, in respect of which a reliable estimate can be made provisions except those disclosed elsewhere in the notes to the financial statements, are not discounted to its present value and are determined based on best estimate required to settle the obligation at the Balance Sheet date. These are reviewed at each Balance Sheet date and adjusted to reflect the current best estimates.

**(I) Revenue Recognition**

- (i) Revenue from sales is recognised when significant risks and rewards of ownership of the goods have passed to the buyer, which generally coincides with the delivery.
- (ii) Net Sales are exclusive of excise duty and net of sales return, discounts, claims and rebates.
- (iii) Revenue (other than sale) is recognised to the extent that it is probable that the economic benefits will flow to the company and the revenue can be reliably measured.
- (iv) Interest other than interest on overdue debts from customers, is recognised on time proportion basis.

**(J) Government Grants and Subsidies**

Grants and subsidies from the government are recognised when there is reasonable assurance that the grant/ subsidy will be received and all attaching conditions will be complied with. When the

grant or subsidy relates to an expense item, it is recognised as income or deducted from the relevant expense. Grant and Subsidy related to specific fixed asset is deducted from the gross value of the asset.

**(K) Retirement and other employee benefits**

- (i) Retirement benefits in the form of provident fund, which are defined contribution plans, are charged to the Statement of Profit and Loss of the year when the contributions to the respective funds are due.
- (ii) Gratuity and leave encashment which are defined benefits, are accrued based on actuarial valuation at the Balance sheet date carried out by an independent actuary using the projected unit credit method.

**(L) Foreign Currencies**

Foreign currency transactions are recorded in the reporting currency, by applying to the foreign currency amount the exchange rate between the reporting currency and the foreign currency at the date of the transaction. Monetary items related to foreign currencies transactions are restated at year end exchange rates. All exchange differences arising from such conversion including gain or loss on cancellation of foreign currency forward covers are included in the Statement of Profit and Loss. Premium/Discount on forward contracts covered by AS-11 is recognised over the length of the contract.

**(M) Borrowing Costs**

Borrowing costs attributable to the acquisition or construction of qualifying fixed assets, are capitalised as part of the cost of such assets upto the date of commencement of commercial production/put to use of plant. Other borrowing costs are charged to revenue.

**(N) Depreciation**

Depreciation on Building and Plant & Machinery have been charged on straight line method on the following economic useful life as determined by technical evaluation

Non Factory Buildings	60 years
Factory Buildings	30 years
Plant and Machinery	30 years (on single shift basis)
Power Plant	36 years
Solar Power Plant	10 years

In case of other assets, depreciation has been provided on straight line method on the economic useful life prescribed by Schedule II to the Companies Act, 2013. Depreciation on additions due to machinery spares is provided retrospectively from the date the related assets are put to use. Depreciation on additions to or on disposal of assets is calculated on pro-rata basis. Leasehold land is being amortised over the period of lease tenure. As per the assessment made by the management, fixed assets (other than building) does not comprises any significant components with different useful life.

**(O) Carbon Credit and Renewable Energy Certificate**

Sale of Certified Emission Reductions (CERs) and Renewable Energy Certificate is recognised as and when delivered to the buyer.

**(P) Taxation**

Current tax is measured at the amount expected to be paid to the revenue authorities, using the applicable tax rates and laws. Deferred tax for timing differences between the book and taxable Income for the year is accounted for using the tax rates and laws that have been enacted or substantively enacted as of the Balance Sheet date. Deferred tax assets arising from temporary timing differences are recognised to the extent there is reasonable certainty that the assets can be realised in future and the same is reviewed at each Balance Sheet date.

Minimum alternate tax (MAT) credit is recognised as an asset only when and to the extent there is convincing evidence that the Company will pay normal income tax during the specified period. In the

year in which the MAT credit becomes eligible to be recognised as an asset in accordance with the recommendations contained in Guidance Note issued by Institute of Chartered Accountants of India, the said asset is created by way of a credit to the Statement of Profit and Loss and shown as MAT Credit Entitlement. The Company reviews the same at each Balance Sheet date and written down the carrying amount of MAT Credit Entitlement to the extent there is no longer convincing evidence to the effect that Company will pay normal income tax during the specified period.

**26.3** Balances of debtors, creditors and others loans & advances are subject to confirmation.

<b>26.4</b> (a)	Foreign currency exposure not hedged by derivative instrument or otherwise :		As at 31st March, 2016 (₹ In Lakhs)	As at 31st March, 2015 (₹ In Lakhs)
	i) Receivable		88.54	42.38
	ii) Payable		375.15	598.12
(b)	Outstanding forward contracts to hedge foreign currency exposure.			
	Cross Currency	Nature	Currency	USD
	USD/INR	Buy	in US \$	USD
			3,568,300	4,350,000

**26.5** Borrowing cost capitalised during the year ₹ 144.28 lakhs (Previous year ₹ 73.25 lakhs).

<b>26.6 Disclosure as per Accounting Standard - 15</b>	Current Year (₹ in lakhs)	Previous Year (₹ in lakhs)
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**Defined Contribution Plan -**

The Company has recognised the following amounts in the Statement of Profit and Loss

Contribution to Employees Provident Fund	315.60	237.48
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**Defined Benefit Plan**

The following table set out the status of the gratuity plan as required under AS -15 (revised 2005)

**(a) A reconciliation of opening and closing balances of the present value of the defined benefits obligation (DBO)**

Opening DBO as on 1st April, 2015	382.78	290.28
Current Service Cost	72.18	58.63
Past Service Cost	-	-
Interest Cost	29.66	24.67
Actuarial (Gain)/ Loss	35.64	31.13
Benefits Paid	(40.53)	(21.93)
Closing DBO as on 31st March, 2016	479.73	382.78

**A reconciliation of opening and closing balances of the Fair value plan assets :**

Opening Fair value of plan assets	223.01	128.30
Expected return	17.84	11.23
Actuarial (Gain)/ Loss	7.91	0.97
Contribution by the employer	193.83	104.44
Benefits Paid	(40.53)	(21.93)
Closing fair value of plan assets	402.06	223.01

	Current Year (₹ in lakhs)	Previous Year (₹ in lakhs)
<b>A reconciliation of present value of the defined benefit obligation and the fair value of the plan assets recognised in the Balance Sheet :</b>		
Present value of define benefit obligation at the end of the period	479.73	382.78
Less: Fair value of the plan assets at the end of the year	<u>402.06</u>	<u>223.01</u>
Liability recognised in Balance Sheet	<u>77.67</u>	<u>159.77</u>
<b>The total expenses recognised in the Statement of Profit and Loss :</b>		
Current Service Cost	72.18	58.63
Past Service Cost	-	-
Interest Cost	29.66	24.67
Expected return on Plan assets	(17.84)	(11.23)
Actuarial Gain/ (Loss)	27.73	30.15
Net Gratuity Cost	111.73	102.22
<b>Following is the percentage that each major category constitutes of the fair value of the total plan assets :</b>		
Qualifying Insurance Policy	100.00%	100.00%

The fund is invested in a Group Gratuity-cum-life Assurance Cash Accumulation policy offered by Life Insurance Corporation of India.

The information on the allocation of the fund into major asset classes and expected return on each major class are not available.

**Following are the Principal Actuarial Assumptions used as at the Balance Sheet date :**

	Current Year	Previous Year
Discount rate	7.50%	7.75%
Expected rates of return on any plan assets	8.00%	8.75%
Average Salary escalation rate	6.00%	6.00%

The estimates of the future salary increases, considered in actuarial valuation, take account of inflation, seniority, promotion and other relevant factors.

**(b) The amount for the current and previous four periods in respect of gratuity plan are as follows:**

	(₹ In lakhs)				
Particulars	2015-16	2014-15	2013-14	2012-13	2011-2012
Defined benefit obligation	479.73	382.78	290.28	244.97	186.70
Plan Assets	368.00	280.56	221.15	165.73	142.31
Surplus/(Deficit)	(111.73)	(102.22)	(69.13)	(79.24)	(44.39)
Experience adjustment on plan Assets-gain/(loss)	6.24	0.98	(0.51)	(0.36)	(0.24)
Experience adjustment on plan Liabilities-gain/(loss)	(23.60)	(3.12)	(27.61)	(20.34)	0.22

**26.7 Earning Per Share**

	Current Year	Previous Year
Profit after tax (₹ In lakhs)	1,568.17	892.34
Weighted average number of Equity Shares	7189368	7189368
Basic & Diluted earning per share of ₹ 10/- each	21.81	12.41

**26.8 Segment reporting :**

- i) As per guidelines contain in AS 17 (Segment reporting), the company is operating in a single segment mainly in manufacture and sale of yarn.
- ii) Secondary Segment is geographical Segment which includes export sales (including export incentive) ₹ 2392.50 lakhs (Previous year ₹ 2803.23 lakhs) and domestic sales ₹ 37698.66 lakhs (Previous year ₹ 40655.97 lakhs ) All assets of the Company are Located in India except export debtors ₹ 88.54 lakhs (Previous year ₹ 42.38 lakhs).

**26.9 Related Party Disclosures as per AS-18 :**
**a) List of related parties and relationship**

Key Management personnel & his relatives :-

- i) Shri P.K. Daga, Chairman and Managing Director.
- ii) Shri Yashwant Kumar Daga, Director ( Son of Shri P. K. Daga).
- iii) Shri Shantanu Daga, Senior Management Executive (Son of Shri Yashwant Kumar Daga).

**b) Enterprises over which Key Management Personnel or his relatives are able to exercise significant influence**

M/s. Deepak Industries Ltd.

M/s. Contransys Pvt Ltd.

**c) Related Party Transactions**

(₹ In lakhs)

Transactions	Name of Related Parties	Relatives of Key Management Personnel		Enterprises over which Key Management Personnel or his relative are able to exercise significant influence.	
		Current Year	Previous Year	Current Year	Previous Year
Remuneration	Shri Shantanu Daga	20.48	15.42	–	–
Director Sitting Fee	Shri Yashwant Kumar Daga	1.20	1.80	–	–
Directors Commission (On Paid Basis)	Shri Yashwant Kumar Daga	2.00	2.67	–	–
Purchase of Electricity	M/s. Deepak Industries Ltd.	–	–	392.85	382.37
Lease rent for premises leased out	M/s. Contransys Pvt. Ltd.	–	–	2.40	1.40

**Outstanding Balance as on 31st March, 2016**

Payable	M/s. Deepak Industries Ltd.	–	–	40.18	36.08
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Apart from above Shri. P.K. Daga, Chairman and Managing Director and Shri Yashwant Kumar Daga (Son of Shri P.K. Daga) have given personal guarantees to the bankers of the company for securing various borrowings.

**26.10 Value of Import on CIF basis**

(₹ In lakhs)

	For the Year 31st March, 2016	For the Year 31st March, 2015
Raw Material	–	37.20
Stores & Spares	28.97	26.64
Capital Goods	701.18	443.84

**26.11 Value of Imported and Indigenous Raw Material Consumed and Percentage Thereof.**

	For the Year 31st March, 2016 (₹ In lakhs)		For the Year 31st March, 2015 (₹ In lakhs)	
	Value	%	Value	%
Indigenous	24867.69	100.00	28,325.37	99.87
Imported	–	–	37.20	0.13
	<b>24867.69</b>	<b>100.00</b>	<b>28,362.57</b>	<b>100.00</b>

**26.12 Value of Imported Consumables and Indigenous Stores & Spare Parts Consumed (Excluding charged to other heads)**

	For the Year 31st March, 2016 (₹ In lakhs)		For the Year 31st March, 2015 (₹ In lakhs)	
	Value	%	Value	%
Indigenous	1212.41	97.76	1,158.11	97.51
Imported	27.78	2.24	29.60	2.49
	<b>1240.19</b>	<b>100.00</b>	<b>1,187.71</b>	<b>100.00</b>

**26.13 Expenditure in Foreign Currency**

	For the Year 31st March, 2016 (₹ In lakhs)	For the Year 31st March, 2015 (₹ In lakhs)
Traveling	4.46	–
Commission	3.55	–
Sales Promotion	2.95	–

**26.14 Non Resident shareholders etc.**

	For the Year 31st March, 2016 (₹ In lakhs)	For the Year 31st March, 2015 (₹ In lakhs)
a) Number of Non Resident shareholders	404	399
b) Number of Shares held by them	144504	138286
c) Amount of Dividend declared (₹ in lakhs) Year to which relates :- financial year 2015-16	2.89	–
d) Amount remitted in foreign currency	yet to be remitted	–

**26.15 FOB Value of exports**

	2200.82	2,584.73
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**26.16 Previous Year's figures have been reclassified/regrouped to conform to current year figure.**

In terms of our Report of even date attached.

For **SINGHI & CO.**  
Chartered Accountants  
Firm Reg. No. 302049E

**B K SIPANI**  
Partner  
Membership No. 88926

Place : New Delhi  
Dated : 30th May, 2016

**S B SHARDA**  
Chief Financial Officer & President

**PUNEETA ARORA**  
Company Secretary

**P K DAGA**  
Chairman and Managing Director

**VIKRAM PRAKASH**  
**YASHWANT KUMAR DAGA**

**P K DROLIA**  
Directors









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