

TWENTY FOURTH ANNUAL REPORT
2016-17



CYBELE INDUSTRIES LIMITED

CYBELE INDUSTRIES LIMITED

BOARD OF DIRECTORS

Mr.P.A.JOYKUTTY
Chairman & Managing Director

Mrs.Annamma Joy
Joint Managing Director

Mr. Thomas P. Joy
Executive Director

Mr. N. Karuppiah
Director

Mr. Sunny Kutty George
Director

Mr. George Baby George
Director

MANAGEMENT TEAM

Mr.P.A.JOYKUTTY
Chairman & Managing Director

Mrs.Annamma Joy
Joint Managing Director

Mr. Thomas P. Joy
Executive Director

AUDITORS

M/s. KARPAGAM & CO.,
Chartered Accountants
4, Balaji Avenue 1st Street,
T.Nagar, Chennai - 600 017.

REGISTERED OFFICE

No.138, SIDCO Industrial Estate
Ambattur, Chennai – 600 098.

CYBELE INDUSTRIES LIMITED

NOTICE is hereby given that the **Twenty Fourth Annual General Meeting** of the Company will be held at the Company's Registered Office at No.138, SIDCO Industrial Estate, Ambattur, Chennai - 600 098 on Saturday, the 30th September, 2017 at 10.00 A.M. to transact the following business :

ORDINARY BUSINESS :

1. To receive, consider and adopt the Profit and Loss Account for the year ended 31st March, 2017 and the Balance Sheet as on that date and the Reports of the Directors and Auditors thereon.
2. To appoint M/s. Manavalan & Co., Chartered Accountants, Chennai (Firm Registration No. 012478S) as Statutory Auditors of the Company in place of M/s. Karpagam & Co., Chartered Accountants, Chennai, the retiring Statutory Auditors.

To consider and, if thought fit, to pass, with or without modifications the following resolution as an Ordinary Resolution.

RESOLVED THAT pursuant to Sections 139, 142 and other applicable provisions if any of the Companies Act, 2013 ("Act") read with the Companies (Audit & Auditors) Rules, 2014 and Securities & Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (LODR) including any statutory enactment or modification thereof for the time being in force and pursuant to the recommendation of the Audit Committee and Board of Directors of the Company (Board) M/s. Manavalan & Co., Chartered Accountants, Chennai (Firm Registration No.012478S.

allotted by the Institute of Chartered Accountants of India (ICAI) who have confirmed their willingness to be appointed as Auditors of the Company and also certified that if the appointment is made, it shall be in accordance with the conditions prescribed under Rule 4 of the Companies (Audit & Auditors) Rules, 2014, as well as satisfy the criteria provided in Section 141 of the Companies Act, 2013, be and is hereby appointed as Statutory Auditors of the Company in the place of M/s. Karpagam & Co., Chartered Accountants, Chennai, the retiring Auditors who have completed two terms of five consecutive five years, to hold office for a term of five years from the conclusion of this Annual General Meeting till the conclusion of the 29th Annual General Meeting of the Company (subject to ratification of their appointment by the Members of every intervening Annual General Meeting held after this Annual General Meeting) and that the Board be and is hereby authorized to fix such remuneration as may be recommended by the Audit Committee in consultation with the Auditors.

RESOLVED FURTHER THAT the Board of Directors of the Company be and are hereby severally authorized for and on behalf of the Company to take all necessary steps and to do all such acts, deeds, matters and things which may deem necessary to give effect to this resolution.

(By Order of the Board)
for **CYBELE INDUSTRIES LIMITED**

Place : Chennai
Date : 11.08.2017

P.A. JOYKUTTY
Chairman & Managing Director

NOTES:

1. **A MEMBER ENTITLED TO ATTEND AND VOTE IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND THE PROXY NEED NOT BE A MEMBER. THE PROXIES SHOULD HOWEVER BE DEPOSITED AT THE REGISTERED OFFICE OF THE COMPANY NOT LATER THAN 48 HOURS BEFORE THE COMMENCEMENT OF THE MEETING.**
2. The Register of Members and the Share Transfer Books of the Company will remain closed from 26th September, 2017 to 30th September 2017 (both days inclusive)
3. Members / Proxies should bring the attendance slip duly filled in for attending the Meeting.
4. All documents referred to in the accompanying Notice are open for inspection at the Company's Registered Office during Office hours on all working days up to the date of the Annual General Meeting.
5. Members holding shares in physical form are requested to dematerialize the shares in electronic form to facilitate faster transfer and avoid rejections for bad deliveries.

The share certificates may be sent directly to the Secretarial department / Registrar and Transfer Agents.

6. The Company's Equity Shares are presently listed at the BSE Ltd., Mumbai

VOTING THROUGH ELECTRONIC MEANS:

In compliance with the provisions of Section 108 of the Companies Act, 2013 and Rule 20 of the Companies (Management and Administration) Rules, 2014, the Company is pleased to provide to the members the facility to exercise their right to vote at the Twenty Fourth Annual General Meeting (AGM) by electronic means and the business may be transacted through e-voting services provided by Central Depository Services Limited (CDSL) on all resolutions set forth in this Notice.

The instructions for shareholders voting electronically are as under:

- (i) The voting period begins on 26th September, 2017 (9.00 a.m) and ends on 29th September, 2017 (5.00 p.m.). During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date (record

CYBELE INDUSTRIES LIMITED

date) of 22nd September, 2017, may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.

- (ii) The shareholders should log on to the e-voting website www.evotingindia.com.
- (iii) Click on Shareholders.
- (iv) Now Enter your User ID
 - a. For CDSL: 16 digits beneficiary ID,
 - b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
 - c. Members holding shares in Physical Form should enter Folio Number registered with the Company.
- (v) Next enter the Image Verification as displayed and Click on Login.
- (vi) If you are holding shares in demat form and had logged on to www.evotingindia.com and voted on an earlier voting of any company, then your existing password is to be used.
- (vii) If you are a first time user follow the steps given below:

For Members holding shares in Demat Form and Physical Form

PAN	<p>Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders)</p> <ul style="list-style-type: none"> • Members who have not updated their PAN with the Company/ Depository Participant are requested to use the first two letters of their name and the 8 digits of the sequence number in the PAN field. (Sequence number has been provided as Serial Number (SL NO.) in the Address Label. • In case the sequence number is less than 8 digits enter the applicable number of 0's before the number after the first two characters of the name in CAPITAL letters. Eg. If your name is Ramesh Kumar with sequence number 1 then enter RA00000001 in the PAN field.
DOB	Enter the Date of Birth as recorded in your demat account or in the company records for the said demat account or folio in dd/mm/yyyy format.

Dividend Bank Details	<p>Enter the Dividend Bank Details as recorded in your demat account or in the company records for the said demat account or folio.</p> <ul style="list-style-type: none"> • Please enter the DOB or Dividend Bank Details in order to login. If the details are not recorded with the depository or company please enter the member id / folio number in the Dividend Bank details field as mentioned in instruction (v).
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- (viii) After entering these details appropriately, click on "SUBMIT" tab.
- (ix) Members holding shares in physical form will then directly reach the Company selection screen. However, members holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- (x) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- (xi) Click on the EVSN of the Company on which you choose to vote.
- (xii) On the voting page, you will see "RESOLUTION DESCRIPTION" and against the same the option "YES/ NO" for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
- (xiii) Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.
- (xiv) After selecting the resolution you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.
- (xv) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.
- (xvi) You can also take out print of the voting done by you by clicking on "Click here to print" option on the Voting page.
- (xvii) If Demat account holder has forgotten the same password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.

CYBELE INDUSTRIES LIMITED

(xviii) Note for Non – Individual Shareholders and Custodians

- Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodian are required to log on to www.evotingindia.com and register themselves as Corporates.
- A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to helpdesk.evoting@cdslindia.com.
- After receiving the login details they have to create a compliance user should be created using the admin login and password. The Compliance user would be able to link the account(s) for which they wish to vote on.
- The list of accounts should be mailed to helpdesk.evoting@cdslindia.com and on approval of the accounts they would be able to cast their vote.
- A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.

In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions ("FAQs") and e-voting manual available at www.evotingindia.com, under help section or write an email to helpdesk.evoting@cdslindia.com.

Other Information:

- i. Mrs. Parimala Natarajan, Practicing Company Secretary

(CP No.5239), Chennai has been appointed as the Scrutinizer to scrutinize the e-voting process in a fair and transparent manner.

- ii. The Scrutinizer shall within a period not exceeding three working days from the conclusion of the e-voting period, unblock the votes in the presence of at least two witnesses not in the employment of the company and make a scrutinizer's report of the votes cast in favour or against forthwith to the Chairman of the Company.
- iii. Voting is provided to the members through e-voting and at the Annual general meeting of the Company. A member can opt for only one mode of voting i.e. either through e-voting or at the annual general meeting of the Company.
- iv. If a member casts votes by both modes, then voting done through e-voting shall prevail.

The results shall be declared not later than two days from the date of Annual General Meeting (AGM) of the Company. The results declared along with the Scrutinizer's Report shall be placed on the Company's website www.cybele.co.in and on the website of CDSL within forty eight hours of AGM and communicated to the BSE Ltd., where the shares of the Company are listed.

(By Order of the Board)
for **CYBELE INDUSTRIES LIMITED**

Place : Chennai
Date : 11.08.2017

P.A. JOYKUTTY
Chairman & Managing Director

CYBELE INDUSTRIES LIMITED

DIRECTOR'S REPORT

Your Directors hereby present the Twenty Fourth Annual Report together with the Audited Accounts for the year ended 31st March, 2017

FINANCIAL RESULTS

	2016-2017 (Rs. in Lakhs)	2015-2016
Profit before Interest and Depreciation	32.10	54.12
Less : Interest	42.69	43.41
Profit before Depreciation	- 10.59	10.71
Less : Depreciation	46.38	45.95
	-56.97	-35.24
Less : Preliminary exp. written off	-	-
Net Profit carried to B/S	-56.97	-35.24

DIVIDEND

The Board of Directors could not recommend any dividend due to future expansion activities of the Company.

OPERATIONS

During the year under review, the Company has taken steps to improve the operations of the Company. The Company achieved a revenue of Rs2500.10 lakhs and net loss of Rs.56.97 lakhs. The Directors are taking all the steps to improve the performance of the Company in the years to come.

MATERIAL CHANGES AFFECTING FINANCIAL POSITION OF THE COMPANY

There are no material changes and commitments occurred, affecting the financial position of the Company, between the end of the financial year and the date of this report.

SUBSIDIARIES, JOINT VENTURES AND ASSOCIATE COMPANIES

The Company does not have any Subsidiary, Joint venture or Associate Company.

CORPORATE GOVERNANCE

Your Company has been complying with the provisions of Corporate Governance guidelines as stipulated in the Listing Agreement / Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (SEBI Listing Regulations). A separate report on Corporate Governance along with Auditors' certificate on compliance of the Corporate Governance norms with reference to SEBI Listing Regulations and Management Discussion & Analysis forming part of this report are provided in this Annual Report.

COMPOSITION AND NUMBER OF MEETING OF THE BOARD

The Board of Directors of the Company comprises of well qualified and experienced persons having expertise in their respective areas. It has appropriate combination of Executive and Independent Directors.

During the financial year 2016-17, the Directors met four times i.e., on 28.05.2016; 30.07.2016; 12.11.2016 and 28.01.2017.

DIRECTORS / KEY MANAGERIAL PERSONNEL

The Company has received declarations from all the Independent Directors of the Company confirming that they meet the criteria of independence as prescribed both under the Act and SEBI Listing Regulations and there has been no change in the circumstances which may affect their status as Independent Directors during the year.

The terms and conditions of the appointment of the Independent Directors and Directors' familiarization programme are placed on the website of the Company.

Pursuant to the provisions of Section 203 of the Act, the appointment of Mr. P.A. Joy Kutty, Managing Director and Mr. S. Bhaskar, Chief Financial Officer were formalized as the Key Managerial Personnel of the Company. There has no change in the Key Managerial Personnel during the year.

PARTICULARS OF EMPLOYEES AND RELATED DISCLOSURES

In terms of the provisions of Section 197(12) of the Companies Act, 2013 read with Rules 5(2) and 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, a statement showing the names and other particulars of the employees drawing remuneration in excess of the limits set out in the said Rules and there are no employees drawing the remuneration in the excess of the limits.

Disclosures pertaining to remuneration and other details 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 are provided in the Annexure forming part of the Annual Report.

Having regard to the provisions of Section 136(1) read with its relevant proviso of the Companies Act, 2013, the Annual Report excluding the aforesaid information is being sent to the members of the Company. The said information is available for inspection at the registered office of the Company during working hours and any member interested in obtaining such information may write to the Company and the same will be furnished without any fee and free of cost.

BOARD EVALUATION

A formal evaluation of the Board, its committees and of the individual director is one potential effective way to respond to the demand for greater Board's accountability and effectiveness. A questionnaire is prepared and is being circulated amongst the Directors for their comments. The performance evaluation of Directors including Independent Directors is done by the entire Board of Directors excluding the directors being evaluated. The Board of Directors expressed their satisfaction with the evaluation process.

DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to the provisions of Section 134(5) of the Companies Act, 2013 the Directors of your Company confirm that:

CYBELE INDUSTRIES LIMITED

- a) in the preparation of the Annual Accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures.
- b) they have selected such accounting policies and applied them consistently and made judgements 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 or loss of the company for that period;
- c) they have 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) they have prepared the annual accounts on a going concern basis
- e) they have laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and operating properly; and
- f) they have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

REMUNERATION POLICY

The remuneration policy of the Company has been so structured in order to match the market trends of the industry. The Board in consultation with the Nomination and Remuneration Committee decides the remuneration policy for directors. The Company has made adequate disclosures to the members on the remuneration paid to directors from time to time. Remuneration / Commission payable to Directors is determined by the contributions made by the respective directors for the growth of the Company.

RISK MANAGEMENT

The Board of Directors reviewed the risk management framework and overseeing that all the risks that the organization faces such as strategic, financial, credit, market, liquidity, regulatory and other risks have been identified and assessed and there is an adequate risk management infrastructure in place capable of addressing those risks.

INTERNAL FINANCIAL CONTROLS

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

AUDITORS

M/s. Manavalan & Co., Chartered Accountants, Chennai, being appointed as Statutory Auditors in place of M/s. Karpagam & Co., at the ensuing Annual General Meeting for a term of five years.

AUDIT COMMITTEE RECOMMENDATION

During the year all the recommendations of the Audit Committee were accepted by the Board. The Composition of the Audit

Committee is as described in the Corporate Governance Report.

LISTING ARRANGEMENTS

The company's shares are listed in the BSE Ltd. and the annual listing fee has been paid to the stock exchange.

VIGIL MECHANISM

The Company has established a whistle blower policy and also established a mechanism for directors and employees to report their concerns. The details of the same is explained in the Corporate Governance Report.

CORPORATE SOCIAL RESPONSIBILITY (CSR)

The Company is incurring losses every year and there is no last three years average profits for spending on CSR activities. Hence the company could not spend the amount on CSR during the financial year 2016-17. Further the details of composition of the CSR Committee and other details are provided in the Corporate Governance Report which forms part of this report.

DISCLOSURE UNDER THE SEXUAL HARASSMENT OF WOMAN AT WORKPLACE (PREVENTION, PROHIBITION AND REDRESSAL) ACT, 2013

The company has put in place an anti-sexual harassment mechanism in line with the requirements of the Sexual Harassment of Women at the Workplace (Prevention, Prohibition & Redressal) Act, 2013. Internal Complaints Committee have been set up to redress complaints received regarding sexual harassment. All employees (permanent, contractual, temporary, trainees) are covered under this policy. The Company has not received any complaint of sexual harassment during the year 2016-17.

PUBLIC DEPOSITS

The Company did not accept any deposits within the meaning of provisions of Chapter V – Acceptance of Deposits by Companies of the Companies Act, 2013 read with the Companies (Acceptance of Deposits) Rules, 2014.

EXTRACT OF ANNUAL RETURN

An extract of Annual Return in form MGT-9 as on March 31, 2017 is attached as Annexure forming part of this Report.

PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS

Under Section 186 of the Companies Act, 2013 the Company has neither given any Loan, Guarantee nor provided any Security in connection with a loan, directly or indirectly, to any person or other body corporate. The company has also not made any investments by way of subscription, purchase or otherwise, in the securities of any other body corporate during the financial year ended 31st March, 2017.

TRANSFER OF UNCLAIMED DIVIDEND TO INVESTOR EDUCATION AND PROTECTION FUND

Since there was no unpaid/unclaimed Dividend declared and

CYBELE INDUSTRIES LIMITED

paid last year, the provisions of Section 125 of the Companies Act, 2013 do not apply.

FOREIGN EXCHANGE EARNINGS AND OUTGO

There is no foreign exchange inflow or outflow during the financial year ended March 31, 2017.

ENERGY, TECHNOLOGY AND FOREIGN EXCHANGE

Information pursuant to Section 134(3) (m) of the Companies Act, 2013 read with Rule 8 of the Companies (Accounts) Rules, 2014 relating to Conservation of Energy, Technology Absorption, Foreign Exchange Earnings and Outgo is furnished in the Annexure.

ANNEXURE TO THE DIRECTORS' REPORT

Information pursuant to Section 134(3) (m) of the Companies Act, 2013 read with Rule 8 of the companies accounts rules 2014,

A. CONSERVATION OF ENERGY : Energy conservation measures are being taken with in our Plant as an ongoing exercise.

B. TECHNICAL ABSORPTION :

FORM B

RESEARCH AND DEVELOPMENT

1. Specific areas in which R & D carried out by the Company :
2. Benefits derived as a result of the above R & D : Nil
3. Future plan of action :
4. Expenditure on R & D :
 1. Capital
 2. Recurring
 3. Total
 4. Total R & D expenditure as a percentage of total turnover

TECHNOLOGY ABSORPTION, ADAPTATION, AND INNOVATION :

1. Efforts, in brief, made towards technology absorption, adaptation and innovation -planned
2. Benefits derived as a result of the above efforts, e.g., product improvement, cost reduction, product development, import substitution, etc. Nil

ACKNOWLEDGEMENT

The Directors wish to place on record their appreciation of the dedication and excellent contribution made by all the concerned. The Directors would like to thank the Suppliers and above all the Shareholders and valued Customers for their continued support and patronage.

(By order of the Board)
for **CYBELE INDUSTRIES LIMITED**

Place : Chennai
Date : 19.05.2017

P.A.JOYKUTTY
Chairman & Managing Director

3. In case of imported technology (imported during the last 5 years reckoned from the beginning of the financial year), following information may be furnished : Nil

- (a) Technology imported :
- (b) Year of import
- (c) Has technology been fully absorbed ?
- (d) If not fully absorbed, areas where this has not taken place, reasons therefor and

future plans of action

C. FOREIGN EXCHANGE EARNINGS AND OUTGO :

- i) Activities relating to exports, initiatives taken to increase exports, development of new export market for products and services and export plans :nil
- i) Total foreign exchange used and earned :

	Current Year	Previous Year
	(Rs. in Lakhs)	
Used	—	—
Earned	12.26	—

(By order of the Board)
for **CYBELE INDUSTRIES LIMITED**

Place : Chennai
Date : 19.05.2017

P.A.JOYKUTTY
Chairman & Managing Director

CYBELE INDUSTRIES LIMITED

ANNEXURE TO THE DIRECTORS REPORT ANNUAL REPORT ON CORPORATE SOCIAL RESPONSIBILITIES (CSR) ACTIVITIES

Brief outline of the Company 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.

The Company's CSR policy has been uploaded in the website of the Company

1. Composition of the CSR Committee

Mr. N. Karuppiyah, Independent Director
Mr. Sunny Kutty George, Independent Director
Mr. P.A. Joy Kutty, Managing Director

2. Average net profit of the Company for the last three financial years computed in line with Section 198 is Rs NIL

3. The prescribed CSR expenditure which is two percent of the amount is Rs. Nil

4. Details of CSR spent during the financial year:

a) Prescribed CSR expenditure	NIL
b) Amount spent on CSR	NIL
c) Amount unspent, if any;	NIL

5. Manner in which amount spent during the financial year is detailed below: NIL

6. Responsibility Statement by the Corporate Responsibility Committee:

The implementation and monitoring of CSR Policy, is in compliance with CSR objectives and policy of the Company.

Chennai
May 19, 2017

P.A. Joy Kutty
Managing Director

N.Karuppiyah
Chairman