

**TWENTY THIRD ANNUAL REPORT**  
**2015-16**



**CYBELE INDUSTRIES LIMITED**

## **CYBELE INDUSTRIES LIMITED**

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### **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 1<sup>st</sup> 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 Third 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 Friday, the 30<sup>th</sup> September, 2016 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 31<sup>st</sup> March, 2016 and the Balance Sheet as on that date and the Reports of the Directors and Auditors thereon.
2. To ratify reappointment of Auditors and to fix their remuneration:  
  
M/s. Karpagam & Co., Chartered Accountants, Chennai, retire and are eligible for re-appointment.

### SPECIAL BUSINESS:

#### 3. REAPPOINTMENT OF MR. P.A. JOY KUTTY AS MANAGING DIRECTOR:

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

RESOLVED THAT pursuant to the provisions of Section 196, 197, 198 and other applicable provisions, if any, of the Companies Act, 2013, read with Schedule V to the Companies Act, 2013 and the Rules made thereunder, as amended from time to time, consent of the Members of the Company be and is hereby accorded to the reappointment of Mr. P.A. Joy Kutty (DIN - 01850120) as Managing Director of the Company for a period of 5 years with effect from August 1, 2016 on the following terms and conditions:

- (a) Salary: Rs.75,000/- (Rupees Seventy Five Thousands only) including dearness and allowances per month.
- (b) Perquisites:
  - (1) Medical Reimbursement: Reimbursement of expenses incurred for self and family subject to ceiling of one month's salary in a year.
  - (2) Accommodation: To provide furnished accommodation.
  - (3) Club Fee: Fee of club subject to maximum of two clubs. No admission and life membership will be paid.
  - (4) Provident Fund: Company's contribution towards Provident Fund as per the rules of the Company, but subject to statutory limit.
  - (5) Leave Travel Concession: Entitled for Leave Travel Concession for self and family subject to the ceiling of one month's salary in a year.
  - (6) Provision of Car and Telephone: Entitled for provision of car and telephone at residence and

the same will not be considered as perquisites. The personal long distance calls on telephone and use of car for private purpose will be billed by the Company.

RESOLVED FURTHER THAT in the event of loss or inadequacy of profits in any financial year during the aforesaid period, the payment of salary, perquisites and other allowances shall be governed by the limits prescribed under Part II, Section II of Schedule V of the Companies Act, 2013 or any amendment thereof.

RESOLVED FURTHER THAT any Director of the Company be and are hereby severally authorized to do such acts, deeds, matters and things and to execute and deliver all necessary documents for the purpose of giving effect to the aforesaid resolution.

#### 4. REAPPOINTMENT OF MRS. ANNAMMA JOY AS JOINT MANAGING DIRECTOR:

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

RESOLVED THAT pursuant to the provisions of Section 196, 197, 198 and other applicable provisions, if any, of the Companies Act, 2013, read with Schedule V to the Companies Act, 2013 and the Rules made thereunder, as amended from time to time, consent of the Members of the Company be and is hereby accorded to the reappointment of Mrs. Annamma Joy (DIN - 03411810) as Joint Managing Director of the Company for a period of 5 years with effect from August 1, 2016 on the following terms and conditions:

- (a) Salary: Rs.75,000/- (Rupees Seventy Five Thousands only) including dearness and allowances per month.
- (b) Perquisites:
  - (1) Medical Reimbursement: Reimbursement of expenses incurred for self and family subject to ceiling of one month's salary in a year.
  - (2) Accommodation: To provide furnished accommodation.
  - (3) Club Fee: Fee of club subject to maximum of two clubs. No admission and life membership will be paid.
  - (4) Provident Fund: Company's contribution towards Provident Fund as per the rules of the Company, but subject to statutory limit.
  - (5) Leave Travel Concession: Entitled for Leave Travel Concession for self and family subject to the ceiling of one month's salary in a year.
  - (6) Provision of Car and Telephone: Entitled for provision of car and telephone at residence and the same will not be considered as perquisites. The personal long distance calls on telephone and use of car for private purpose will be billed by the Company.

## CYBELE INDUSTRIES LIMITED

RESOLVED FURTHER THAT in the event of loss or inadequacy of profits in any financial year during the aforesaid period, the payment of salary, perquisites and other allowances shall be governed by the limits prescribed under Part II, Section II of Schedule V of the Companies Act, 2013 or any amendment thereof.

RESOLVED FURTHER THAT any Director of the Company be and are hereby severally authorized to do such acts, deeds, matters and things and to execute and deliver all necessary documents for the purpose of giving effect to the aforesaid resolution.

5. REAPPOINTMENT OF MR. THOMAS P JOY AS WHOLETIME DIRECTOR:

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

RESOLVED THAT pursuant to the provisions of Section 196, 197, 198 and other applicable provisions, if any, of the Companies Act, 2013, read with Schedule V to the Companies Act, 2013 and the Rules made thereunder, as amended from time to time, consent of the Members of the Company be and is hereby accorded to the reappointment of Mr. Thomas P Joy (DIN - 01850040) as Wholetime Director of the Company for a period of 5 years with effect from August 1, 2016 on the following terms and conditions:

(a) Salary: Rs.75,000/- (Rupees Seventy Five Thousands only) including dearness and allowances per month.

(b) Perquisites:

- (1) Medical Reimbursement: Reimbursement of expenses incurred for self and family subject to ceiling of one month's salary in a year.
- (2) Accommodation: To provide furnished accommodation.
- (3) Club Fee: Fee of club subject to maximum of two clubs. No admission and life membership will be paid.
- (4) Provident Fund: Company's contribution towards Provident Fund as per the rules of the Company, but subject to statutory limit.
- (5) Leave Travel Concession: Entitled for Leave Travel Concession for self and family subject to the ceiling of one month's salary in a year.
- (6) Provision of Car and Telephone: Entitled for provision of car and telephone at residence and the same will not be considered as perquisites. The personal long distance calls on telephone and use of car for private purpose will be billed by the Company.

RESOLVED FURTHER THAT in the event of loss or inadequacy of profits in any financial year during the aforesaid period, the payment of salary, perquisites and

other allowances shall be governed by the limits prescribed under Part II, Section II of Schedule V of the Companies Act, 2013 or any amendment thereof.

RESOLVED FURTHER THAT any Director of the Company be and are hereby severally authorized to do such acts, deeds, matters and things and to execute and deliver all necessary documents for the purpose of giving effect to the aforesaid resolution.

6. AMENDMENT OF OBJECT CLAUSE OF MEMORANDUM OF ASSOCIATION:

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

RESOLVED THAT pursuant to the provisions of Section 13 and other applicable provisions, if any, of the Companies Act, 2013, (including any amendment thereto or re-enactment thereof) and subject to necessary approval(s) if any, from the competent authorities, Memorandum of Association of the Company be amended by adding new clause No. 12 to the Clause III A object clause of the MOA of the Company with the following:

12. To purchase agricultural land and carry on agriculture, cultivation of various crops and other connected farming activities.

RESOLVED further that all the Directors of the Company and such officials as may be authorized by the Board in this regard be and are hereby severally authorised to do all such acts, deeds and things and to sign all such documents, papers and writings as may be necessary to give effect to the resolution.

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

Place : Chennai  
Date : 30.07.2016

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. EXPLANATORY STATEMENT PURSUANT TO SECTION 102 (1) OF THE COMPANIES ACT, 2013 SETTING MATERIAL FACTS IN RESPECT OF THE SPECIAL BUSINESS OF THIS NOTICE IS ANNEXED HERETO.
3. The Register of Members and the Share Transfer Books of the Company will remain closed from 27<sup>th</sup> September, 2016 to 30<sup>th</sup> September 2016 (both days inclusive)
4. Members / Proxies should bring the attendance slip duly filled in for attending the Meeting.

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5. 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.
6. 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 Company Secretary / Registrar and Transfer Agents.
7. 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 Second 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 26<sup>th</sup> September, 2016 (9.00 a.m) and ends on 29<sup>th</sup> September, 2016 (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 date) of 23<sup>rd</sup> September, 2016, 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](http://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](http://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"> <li>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</li> <li>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.</li> </ul>
DOB	<p>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.</p>
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"> <li>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).</li> </ul>

- (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

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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.
- (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](http://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](mailto: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](mailto: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](http://www.evotingindia.com), under help section or write an email to [helpdesk.evoting@cdslindia.com](mailto: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.qflexcable.com](http://www.qflexcable.com) 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.**

### **EXPLANATORY STATEMENT PRUSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013**

As required under Section 102 of the Companies Act, 2013 (the "Act"), the following explanatory statement sets out all the material facts relating to the business mentioned under Item Nos. 3 to 6 of the accompanying notice.

Item No.3 to 5:

**The information as required under Schedule V of the Companies Act, 2013 is provided below:**

#### **I. GENERAL INFORMATION**

- 1) **Nature of Industry:** Cable manufacture and sale and real estate activities
- 2) **Date or expected date of commencement of commercial production:** Not applicable, as the Company is an existing Company

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- 3) **In case of new companies, expected date of commencement of activities as per project approved by financial institutions appearing in the prospectus:**

Not applicable, as the Company is an existing Company

- 4) **Financial performance based on given indicators:**

Rs. in lakhs

Particulars	2015-16 (12 Month Period)	2014-15 (12 Month Period)	2013-14 (12 Month Period)
Total Revenue	673.15	1084.52	1262.84
Total Expense (excluding exception items)	708.39	1075.63	1109.50
Profit/Loss After Tax	-35.24	8.89	153.34
Dividend Rate	—	—	—

- 5) **Foreign investments or collaborations, if any:**  
The Company is listed on BSE Limited As at March 31, 2016, the Foreign Investment in the Company was nil. There are no Foreign Collaborators.

### II. INFORMATION ABOUT THE APPOINTEE

#### 1) **Background details**

Mr. P.A. Joy Kutty is the Founder and Managing Director of the Company. He holds a diploma in electrical engineering. Mrs. Annamma Joy is a Promoter and Joint Managing Director and having rich experience of more than 20 years in this field. Mr. Thomas P Joy is a Promoter and Wholtime Director. He holds a Bachelor's degree in electrical engineering.

#### 2) **Past remuneration, recognition or awards, job profile and his suitability**

Mr. P.A. Joy Kutty was paid a total remuneration of Rs. 4.80 lakhs for the 12 month period ended March 31, 2016. Mrs. Annamma Joy was paid a total remuneration of Rs. 4.20 lakhs for the 12 month period ended March 31, 2016. Mr. Thomas P Joy was paid a total remuneration of Rs. 6.60 lakhs for the 12 month period ended March 31, 2016.

Mr. Joy Kutty was the Founder and Managing Director of the Cybele Industries Limited and in the last two decades had played a strategic role nurturing the growth of the Company. He has been instrumental in honing the technical aspects of the Cybele offering his leadership has ensured that Cybele facilities and products meet the technical challenge of the global market place. His drive for technical excellence and quality manufacturing has taken Cybele to national heights. Mr. P.A. Joy Kutty on the Board of the Company as the Managing Director.

Mrs. Annamma Joy is the Promoter and Joint Managing Director of the Company and having rich experience in

this field more than two decades.

Mr. Thomas P Joy is a Promoter and Wholtime Director. He holds a Bachelor's degree in electrical engineering. He is having rich experience in this field for more than a decade.

#### 3) **Remuneration proposed**

As mentioned in the Resolution.

#### 4) **Comparative remuneration profile with respect to industry, size of the Company, profile of the position and person**

Mr. P.A. Joy Kutty, Mrs. Annamma Joy and Mr. Thomas P Joy skill set and their experience places them in a correspondingly equal position in other companies in India in this field. Considering the general industry and the specific company profile, the proposed remuneration is in line with the industry levels and that of comparatively placed companies in India.

#### 5) **Pecuniary relationship directly or indirectly with the Company or relationship with the managerial personnel, if any**

Mr. P.A. Joy Kutty, Mrs. Annamma Joy and Mr. Thomas P Joy have pecuniary relationship with the Company in their positions viz. Managing Director, Joint Managing Director and Wholtime Director respectively and part of the Promoter Group of the Company and they are related each other.

### III. Other information

#### **Reasons of loss or inadequate profits, Steps taken or proposed to be taken for improvement and Expected increase in productivity and profits in measurable terms:**

The Company has incurred loss during the 2015-16 financial year. Further, the Company has taken appropriate steps to ensure profitability in future. The reference to this in the resolution is only an enabling provision for payment of remuneration in the unlikely scenario of loss/ inadequacy of profits.

### IV. **Disclosure as required under Regulation 36 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015**

#### 1) **A brief resume of the Director and nature of his expertise in specific functional areas**

As mentioned above.

#### 2) **Disclosure of relationships between Directors inter-se**

Mr. P.A. Joy Kutty is related to Mrs. Annamma Joy and Mr. Thomas P Joy, Directors of the Company.

#### 3) **Names of the listed entities in which the Director holdings directorship and the membership of Committees of the Board**

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There are no other Directorships and Committee Memberships held by Mr. P.A. Joy Kutty, Mrs. Annamma Joy and Mr. Thomas P Joy.

#### 4) Shareholding of the director in the Company

Mr. P.A. Joy Kutty holds 3032974 equity shares representing 28.36% of the paid-up share capital of the Company.

Mrs. Annamma Joy holds 1697850 equity shares representing 15.87% of the paid-up share capital of the Company.

Mr. Thomas P Joy holds 1514145 equity shares representing 14.16% of the paid-up share capital of the Company.

Except Mr. P.A. Joy Kutty, Mrs. Annamma Joy and Mr. Thomas P Joy and their relatives, none of the Directors, Key Managerial Personnel or their relatives are in any way concerned or interested, financially or otherwise, in this resolution except to the extent of their shareholding as Members.

The Board recommends the passing of the proposed resolutions stated at Item Nos. 3 to 5 as Special Resolution and requests your approval for the same.

#### Item No.6:

The Company is undertaking agricultural and farming activities in the lands available with the Company and also propose to purchase agricultural land for undertaking these activities. Hence, the Objects Clause of the Memorandum of Association needs to be amended.

The draft of the revised Memorandum and Articles of Association is available for inspection by the members at the Registered Office of the Company on all working days (except Sundays and Public Holidays) between 11.00 a.m. to 3.00 p.m. and is also uploaded on the website of the Company till the date the AGM.

None of the Directors or Key Managerial Personnel including their relatives are concerned or interested in the said resolution.

The Board recommends the passing of the proposed resolution stated at Item No. 6 as Special Resolution and requests your approval for the same.

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

Place : Chennai  
Date : 30.07.2016

**P.A. JOYKUTTY**  
Chairman & Managing Director



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### DIRECTOR'S REPORT

Your Directors hereby present the Twenty Third Annual Report together with the Audited Accounts for the year ended 31<sup>st</sup> March, 2016

### FINANCIAL RESULTS

	2015-2016	2014-2015
	(Rs. in Lakhs)	
Profit before Interest and Depreciation	54.12	138.46
Less : Interest	43.41	25.20
Profit before Depreciation	10.71	113.26
Less : Depreciation	45.95	94.37
	-35.24	18.89
Less : Preliminary exp.written off	-	10.00
Net Profit carried to B/S	-35.24	8.89

### 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 Rs.6.73 Crores and net loss of Rs.35.24 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 2015-16, the Directors met four times i.e., on 30.05.2015; 01.08.2015; 31.10.2015 and 30.01.2016.

### DIRECTORS / KEY MANAGERIAL PERSONNEL

Mr. P.A. Joy Kutty, Mrs. Annamma Joy and Mr. Thomas P Joy are being reappointed subject to the approval of the shareholders at the ensuing Annual General Meeting.

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:

- in the preparation of the Annual Accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures.

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- 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. Karpagam & Co., the Auditors of the Company retire at the conclusion of the ensuing Annual General Meeting and are eligible for reappointment.

### 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 CSR Policy of the Company and the details about the initiatives taken by the Company on CSR during the year as per the Companies (Corporate Social Responsibility Policy) Rules, 2014 and in the process of complying the activities have been disclosed in Annexure as part of this report. 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 2015-16.

### 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, 2016 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, 2016.

### TRANSFER OF UNCLAIMED DIVIDEND TO INVESTOR EDUCATION AND PROTECTION FUND

Since there was no unpaid/unclaimed Dividend declared and 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, 2016.

### ENERGY, TECHNOLOGY AND FOREIGN EXCHANGE

Information pursuant to Section 134(3) (m) of the Companies