



Fenoplast  
Limited

**42<sup>nd</sup> Annual Report**  
2016-2017

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**Board of Directors**

Mr. B Kamalaker Rao, Chairman  
Mr. H Narsaiah  
Mr. H Kishen, Managing Director  
Mr. H Krishna Kumar, Whole-time Director  
Dr. K Malhar Rao  
Mr. P Niroop  
Mr.H. Sanjay Kumar, Whole-time Director  
Dr.Batul Alladin Arif

**Bankers**

Canara Bank  
State Bank of India  
Syndicate Bank

**Statutory Auditors**

M. Anandam & Co.  
Chartered Accountants,  
7A, Surya Towers, S.P. Road, Secunderabad.

**Internal Auditors**

S C Bose & Co.,  
Chartered Accountants,  
# 497, 1-10-98/29, Lane 3, Street 3,  
Begumpet, Hyderabad – 500 016

**Secretarial Auditors**

M/s. P. S. Rao & Associates, Company Secretaries  
Flat No.10, 4 Floor, D.No.6-3-347/22/2, Ishwarya Nilayam,  
Opp. Sai Baba Temple, Dwarakapuri Colony,  
Punjagutta, Hyderabad – 500 082, T.S., India

**Registrar & Share Transfer Agent  
and Demat Registrar**

Venture Capital and Corporate Investments Pvt.Ltd.  
12-10-167, Bharat Nagar, Hyderabad – 500 018,  
Ph: 040-23818475/476, Fax: 040-23868024,  
Email: info@vccilindia.com.

**Registered Office**

306-308, Chenoy Trade Centre,  
Parklane, Secunderabad – 500 003.  
Telangana, India.  
CIN: L25209TG1975PLC001942; www.fenoplast.com  
Ph: +91-40-27840322 Telefax +91-40-27721739  
Email: info@fenoplast.com

**Factories:****Unit-I**

Plot No. 21/A  
Industrial Development Area  
Nandigaon Village, Patancheru  
Medak Dist., Telangana

**Unit-II**

Survey No. 132 & 133  
Nandigaon Village  
Patancheru Mandal  
Medak Dist., Telangana

**Unit-III**

Survey No. 165& 166  
Medak Dist.,  
Telangana.

**Depot/ Marketing Offices:****Kolkata**

P-175  
Kalindi Housing Estate  
Kolkatta – 700 089

**Hosur**

SF No.44/2Q1, 2Q2, PLOT No.31-32,  
RVS Complex Rajeshwari Layout  
Near Sipcot Industrial Estate,  
Hosur, Krishnagiri – 635 126. Tamilnadu.

**Gurgaon**

Shed No.02, Saraya Ka Rasta,  
Behind Prince Vatika,  
Opp.Sector-05,  
Gurgaon (Haryana) – 122 001

**Roorkee**

D.K. Cold Storage Compound,  
Sunhera Road, Kashipur  
Pragna & Tehsil Roorkee- 247 667  
Distt.Hardwar (Uttarakhand)

**Baddi**

Bhud Road, Vill. Gullarwala  
Teshil. Nalagarh, P.O. Karuana,  
Dist. Solan, Baddi (HP)

**Mumbai**

Unit No.5  
Neeta 'C' Wing,  
Tejapal Scheme Road No.5,  
Vile Parle (East)  
Mumbai-400 057.

**Indore**

EA-05, Scheme No.94,  
Sector- 'A' Ring Road  
Dewas Naka,  
In Front of Mittal Toll Kanta  
Indore – 452 018

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## NOTICE

Notice is hereby given that the 42<sup>nd</sup> Annual General Meeting of the members of the Company will be held on Wednesday, the 27<sup>th</sup> day of September, 2017 at 11.00 A.M. at Kapu Sangam, 1-7-155, M.G. Road, Secunderabad - 500003, to transact the following items of business:

### ORDINARY BUSINESS:

1. To consider and adopt the Accounts of the Company for the financial year ended 31<sup>st</sup> March, 2017, the Balance Sheet as at that date and the Reports of the Directors and Auditors thereon.
2. To appoint a Director in place of Sri. H. Narsaiah (DIN: 00292864), who retires by rotation and being eligible, offers himself for re-appointment.
3. To appoint Statutory Auditors and to fix their remuneration and in this regard to consider and if thought fit, to pass with or without modification(s), the following resolution as an Ordinary resolution.

“RESOLVED THAT pursuant to the provisions of Section 139,141 and 142 of the Companies Act, 2013, M/s. Venugopal & Chenoy, Chartered Accountants, (Registration No.004671S), Hyderabad, be and are hereby appointed as the Statutory Auditors of the Company to hold the office from the conclusion of this Meeting for a period of 5 years, subject to ratification by the members at every Annual General Meeting, on such remuneration as may be agreed upon by the Board of Directors and the Auditors, in addition to reimbursement of all out of pocket expenses in connection with the audit of the accounts of the Company for the financial year ending March 31, 2018.”

### SPECIAL BUSINESS:

4. **To consider and if thought fit, to pass with or without modification(s) the following resolution as an Ordinary Resolution:**

“RESOLVED THAT pursuant to the provisions of Section 148 and other applicable provisions, if any, of the Companies Act, 2013 and the Companies (Audit and Auditors) Rules, 2014 (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force), the remuneration in addition to reimbursement of all out of pocket expenses, payable to Mr. Sanisetty Venkata Ramarao of M/s SVRR & Associates, Cost Accountants (Regd. No. M/31669), to audit the cost records maintained by the Company for the financial year ending March 31, 2018, be and is hereby approved and ratified.”

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

“RESOLVED THAT in accordance with the provisions of Sections 196,197, 203 and any other applicable provisions of the Companies Act, 2013 and Rules made there under read with Schedule V of the Companies Act, 2013 and such other approvals and consents as may be required, the consent and approval of the Company be and is hereby accorded to the re-appointment of Mr. H. Kishen (DIN: 00160625) as Managing Director of the Company for a period of 3 years with effect from 01<sup>st</sup> April,2017 on the terms and conditions as set out in the explanatory statement, with liberty to the Board of Directors to alter or vary the same so as not to exceed the limits set out in the said explanatory statement.”

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**6. To consider and if thought fit, to pass with or without modification(s) the following resolution as an Ordinary Resolution:**

**“RESOLVED THAT** in accordance with the provisions of Sections 196,197, 203 and any other applicable provisions of the Companies Act, 2013 and Rules made there under read with Schedule V of the Companies Act, 2013 and such other approvals and consents as may be required, the consent and approval of the Company be and is hereby accorded to the re-appointment of Mr. H. Krishna Kumar (DIN: 00260198) as Whole-time Director of the Company for a period of 3 years with effect from 01<sup>st</sup> April,2017 on the terms and conditions as set out in the explanatory statement, with liberty to the Board of Directors to alter or vary the same so as not to exceed the limits set out in the said explanatory statement.”

For Fenoplast Limited  
Sd/-

Place: Secunderabad  
Date : 19-08-2017

**Mohith Kumar Khandelwal**  
Company Secretary

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**Notes:**

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF ON A POLL AND SUCH PROXY NEED NOT BE A MEMBER OF THE COMPANY. Proxies, in order to be effective, must be received at the Registered Office of the Company not less than Forty-eight hours before the commencement of the meeting.
  2. An explanatory statement pursuant to Section 102 of the Companies Act, 2013, in respect of special business items is annexed hereto.
  3. The register of members and Share Transfer Books of the Company will remain closed during the period from **21-09-2017 to 27-09-2017 (both days inclusive)**.
  4. Members are requested to send all communications relating to shares and any change in address to the Registrar and Share Transfer Agent, M/s. Venture Capital And Corporate Investments Private Limited. Members holding shares in identical order of names in more than one folio are requested to write to the Company enclosing the share certificates to enable the Company to consolidate their holding into one folio.
  5. Members/ Proxies are requested to bring their copies of Annual Report to the meeting and the attendance slip duly filled in for attending the meeting. Additional copy of Annual Report and duplicate attendance slip will not be issued at the place of the meeting.
  6. Members desirous of obtaining any information concerning the accounts and operations of the Company are requested to send their queries to the Company at least seven days before the date of the meeting, so that the information required by them may be made available at the meeting.
  7. Pursuant to the requirements of the SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015, the information about the directors proposed to be re-appointed/ appointed is given in the **Annexure-A** to the notice.
  8. Trading in the Equity shares of the Company is compulsorily in dematerialized form for all investors. The ISIN (International Securities Identification Number) allotted to the Company's equity shares is INE138D01014.
  9. The members who hold shares in dematerialized form are requested to bring their Client ID and DPID numbers for easy identification of attendance at the meeting.
  10. The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account number (PAN) by every participant in securities market. Members holding shares in electronic form are, therefore, requested to submit their PAN to their Depository Participants with whom they are maintaining their demat accounts. Members holding shares in physical form can submit their PAN details to the Company/ RTA.
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## 11. Instructions about Voting:

The Members are requested to opt for one mode of voting, i.e. either through e-voting or physical ballot. If a Member casts votes by both modes, then voting done through a valid e-Voting shall prevail and voting done through physical ballot shall be treated as invalid. Please refer the following detailed instructions for both modes voting.

### A) Voting through electronic means:

- I. In compliance with provisions of Section 108 of the Companies Act, 2013 and Rule 20 of the Companies (Management and Administration) Rules, 2014, the Company is providing Members facility to exercise their right to vote by electronic means through e-Voting Services provided by Central Depository Services (India) Limited (CDSL):

The instructions for e-voting are as under:

- (i) Log on to the e-voting website [www.evotingindia.com](http://www.evotingindia.com)
- (ii) Click on “**Shareholders**” tab.
- (iii) Select the “**FENOPLAST LIMITED**” from the drop down menu and click on “**SUBMIT**”
- (iv) Enter your User ID - For CDSL: 16 digits beneficiary ID, For NSDL: 8 Character DP ID followed by 8 Digits Client ID, Members holding shares in Physical Form should enter Folio Number registered with the Company and then enter the Captcha Code as displayed and Click on Login.
- (v) 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.

**If you are a first time user follow the steps given below.**

- (vi) Fill up the following details in the appropriate boxes:

<b>PAN*</b>	Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders).
<b>DOB#</b>	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.
<b>DIVIDEND BANK DETAILS</b>	Enter the Dividend Bank Details as recorded in your demat account or in the Company records for the said demat account or folio.

\* Members who have not updated their PAN with the Company/Depository Participant are requested to use the first two letters of their name and 8 digits of the folio number in the PAN field. In case the folio number is less than 8 digits enter the applicable number of 0's before the number after the first two characters of the name. Eg. If your name is Ramanathan with sequence number 1 then enter RA00000001 in the PAN field.

# Please enter any one of the details in order to login. In case both the details are not recorded with the depository or Company, please enter the Member id / folio number in the Dividend Bank details field.

- (vii) After entering these details appropriately, click on “SUBMIT” tab.
- (viii) Members holding shares in physical form will then reach directly 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.

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- (ix) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
  - (x) Click on the relevant EVSN for **FENOPLAST LIMITED**.
  - (xi) 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.
  - (xii) Click on the “**Resolutions File Link**” if you wish to view the entire Resolutions.
  - (xiii) 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.
  - (xiv) Once you “**CONFIRM**” your vote on the resolution, you will not be allowed to modify your vote.
  - (xv) You can also take out print of the voting done by you by clicking on “Click here to print” option on the Voting page.
  - (xvi) If Demat account holder has forgotten the changed password then enter the User ID and Captcha Code and click on Forgot Password & enter the details as prompted by the system.
  - (xvii) Shareholders can also cast their vote using CDSL's mobile app m-Voting available for android based mobiles. The m-voting app can be downloaded from Google Play Store. Apple and Windows phone users can download the app from the App Store and the Windows Phone Store respectively. Please follow the instructions as prompted by the mobile app while voting with your mobile.
  - (xviii) Institutional shareholders (i.e. other than Individuals, HUF, NRI etc.) are required to log on to <https://www.evotingindia.co.in> and register themselves as Corporates. After receiving the login details they have to link the account(s) which they wish to vote on and then cast their vote. They should upload a scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, in PDF format in the system for the Scrutinizer to verify the same.
  - II. The voting period begins on **24-09-2017 (9.00 AM) and ends on 26-09-2017 (5.00 PM)**. During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, **as on 21-09-2017** (i.e., the cut-off date) may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
  - III. 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.co.in](http://www.evotingindia.co.in) under help Section or write an email to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com)
  - IV. The voting rights of shareholders shall be in proportion to the shares held by them in the paid up equity share capital of the Company as on 21-09-2017
  - V. Mrs. N. Vanitha, Company Secretary, has been appointed as the Scrutinizer to scrutinize the e-voting process in a fair and transparent manner.

#### **B) Other Instructions:**

- I. The Scrutinizer will collate the votes downloaded from the e-voting system to declare the final result for each of the Resolutions forming part of the Annual General Meeting Notice.
- II. The results of the voting shall be declared on or after the Annual General Meeting of the Company. The Results declared, along with the Scrutinizer's Report, shall be placed on the Company's website [www.fenoplast.com](http://www.fenoplast.com) and be communicated to the Stock Exchanges where the Company is listed, viz. BSE Ltd.
- III. Members may address any query to Mohith Kumar Khandelwal, Compliance Officer at the Registered Office of the Company, Tel. No.040-27840322, e-mail address: [cs.mohith@fenoplast.com](mailto:cs.mohith@fenoplast.com), Website: [www.fenoplast.com](http://www.fenoplast.com).

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## EXPLANATORY STATEMENT PURUSANT TO SECTION 102 OF THE COMPANIES ACT, 2013.

The following statement sets out all material facts relating to the Special Business mentioned in the accompanying Notice:

### Item No. 4:

The Board, on the recommendation of the Audit Committee, has approved the appointment of Mr. Sanisetty Venkata Ramarao of M/s SVRR & Associates, Cost Accountants (Regd. No. M/31669) and remuneration payable to them, to conduct the audit of the cost records of the Company for the financial year ended 31<sup>st</sup> March, 2018. In accordance with the provisions of Section 148 of the Companies Act, 2013, read with the Companies (Audit and Auditors) Rules, 2014, the remuneration payable to the Cost Auditors as recommended by the Audit Committee and approved by the Board of Directors, has to be ratified by the members of the Company. Accordingly, consent of the members is sought for ratification of the remuneration payable to the Cost Auditors for the financial year ending 31<sup>st</sup> March, 2018.

None of the Directors, Key Managerial Personnel of the Company and their relatives are concerned or interested in the Resolution.

The Board recommends the resolution set forth in Item No.4 for approval of the members.

### Item No. 5:

On the recommendation of the Nomination and Remuneration Committee, the Board of Directors at its meeting held on 11.02.2017 has proposed to re-appoint Mr. H. Kishen as Managing Director of the Company for a period of 3 years with effect from 01.04.2017 subject to the approval of the members of the Company . Mr. H. Kishen is associated with the Company since inception and is responsible for its growth over the years. In view of his vast experience and knowledge, the Board is of the view that his continued appointment will benefit the Company and accordingly recommends his re-appointment and payment of remuneration as per terms and conditions mentioned below.

The principal terms and conditions of his appointment, inter-alia, contains the following:

Remuneration and perks of Mr. H. Kishen:-

- 1] **Basic Salary:** Rs. 4,75,714/- Per Month.
- 2] **Perquisites:** In addition to the basic salary, he shall be entitled to the following perquisites classified into three categories A, B & C.

#### Category-A

- i. House rent allowance: House rent allowance at the rate of FORTY percent of Salary (Basic Salary)
- ii. Medical Reimbursement: Expenses incurred for self and family, subject to a ceiling of ONE month salary in a year or three months salary over a period of three years.

#### Category-B

- i. The Company's contribution to provident fund, superannuation fund or annuity fund shall be payable in accordance with the rules and regulations of the Company.
- ii. Gratuity shall be payable in accordance with the rules and regulations of the Company.



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**iii. He is eligible for Leave Encashment.**

Such Contributions/Gratuity/Encashment shall not be included in the computation of the ceiling on perquisites to the extent these either singly or put together are exempt under the Income Tax Act, 1961.

- iv. Reimbursement of expenses: Reimbursement of reasonable entertainment and other expenses actually and properly incurred in connection with business of the Company.

**Category-C**

He will be provided chauffeur driven car, mobile and telephone at residence to carry out his responsibilities. All personal long distance calls on the telephone shall be recovered by the Company. The provisions of car and telephone will not be considered as perquisites.

- 3] The above said remuneration shall be paid as the minimum remuneration to the Managing Director in case of loss or inadequacy of profits for any financial year.
- 4] Mr. H. Kishen shall not while continuing to be the Managing Director be subject to retirement by rotation.
- 5] The appointment can be terminated by either party giving three months notice in writing.

Approval of the members is being sought to the reappointment of Mr. H. Kishen as Managing Director of the Company for a period of three years w.e.f. 01-04-2017 on the terms and conditions set out in the draft agreement. The resolution set out in item No. 5 of the Notice is intended for the purpose.

Mr. H. Kishen along with Mr .H. Narsaiah, Director, Mr. H.Krishna Kumar, Whole-time Director & Mr. H. Sanjay Kumar, Whole-time Director who are related to him, are considered interested in the resolution.

A copy of the draft agreement referred to in the resolution will be available for inspection of the members at the Company's Registered Office on any working day between 11.00 A.M to 1.00 P.M. prior to the date of the meeting and will also be available at the meeting.

**STATEMENT PURSUANT TO SECTION II OF PART II OF SCHEDULE V, OF THE COMPANIES ACT, 2013:**

**I. GENERAL INFORMATION**

- (1) **Nature of Industry:** PVC Leather and PVC Film
- (2) **Expected date of commencement of commercial production:** NA
- (3) **In case of new companies, expected date of commencement of activities as per project approved by financial institutions appearing in the prospectus:** NA
- (4) Financial performance during the last three years:

Financial Parameters	2014-15	2015-16	2016-17
Total Income	23,827.90	22,399.74	22,579.87
PBT	237.26	96.62	101.50

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**(5) Export performance:**

	<b>2014-15</b>	<b>2015-16</b>	<b>2016-17</b>
Export Earnings	1,325.92	1,132.45	616.02

**(6) Foreign investments or collaborations, if any : NIL**

**II. INFORMATION ABOUT THE APPOINTEE:**

- 1. Background of the Appointee:** Mr. H. Kishen is one of the promoter directors and associated with Company's -operations since its inception. He is well versed with all the operations of the Company particularly the manufacturing operations and units. He looks after overall administration functions of the Company.
- 2. Past Remuneration (including contribution to PF, Superannuation fund and Gratuity fund) for last 3 years:**

2014-15	- Rs. 78,00,000/-
2015-16	- Rs. 78,00,000/-
2016-17	- Rs. 78,00,000/-
- 3. Recognition and awards:** Rajiv Gandhi Excellency Award for his contribution and achievements.
- 4. Job profile and his suitability:**
  - (a) Job Profile:** He will be responsible for all day-to-day operations of the Company and looks after the administration and control of the Company as a Managing Director.
  - (b) Suitability:** He has been Managing Director since the inception of the Company. His experience of about four decades has helped the Company to grow to its present level. He is well suited as he is not only experienced but also well versed with entire operations of the Company.
- 5. Remuneration proposed:** As specified above in this explanatory statement.
- 6. Comparative Remuneration Profile:** The proposed remuneration to the appointee is in line with the remuneration comparable to the size of the Company and also that of the industry and of the position and person.
- 7. Pecuniary relationship directly or indirectly with the Company, or relationship with the managerial personnel, if any:** He is related to Mr. H. Krishna Kumar, Whole-time Director, Mr. H. Narsaiah, Director and Mr. H. Sanjay Kumar, Whole-time Director. He is holding 206,646 Equity Shares.

**III OTHER INFORMATION:**

- (1) Reasons of Loss or Inadequate profits:** Loss or Inadequate profits were due to heavy competition from unorganized sector to whom the overheads are very minimal.
- (2) Steps taken or proposed to be taken for improvement:**
  - (a)** The Company has taken various measures to reduce the interest costs including better working capital and debtors' management.