

# Annual Report 2015-2016



**Suryavanshi**  
spinning mills ltd.

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## Important Communication to Members

The Ministry of Corporate Affairs has taken a "Green Initiative in the Corporate Governance" by allowing paperless compliances by the companies and has issued circular stating that service of notice / documents including Annual Report can be sent by e-mail to its members. To support this green initiative of Government in full measure, members who have not registered their e-mail addresses, so far, are requested to register their e-mail addresses in respect of electronic holdings with the Depository through their concerned Depository Participants.

## **CORPORATE INFORMATION**

### **BOARD OF DIRECTORS**

Sri Badrinarayan Agarwal  
Sri R. Surender Reddy  
Sri Rajender Kumar Agarwal  
Sri Surender Kumar Agarwal  
Sri Manish Gupta  
Smt Sushma Gupta

Executive Chairman  
Independent Director  
Managing Director  
Independent Director  
Independent Director  
Independent Director

### **Chief Financial Officer & Company Secretary**

Sri B. Somasekhara Rao

### **Auditors**

M/s. Brahmayya & Co.  
Flat No.403 & 404,  
Golden Green Apartments,  
Irrum Manzil Colony,  
Hyderabad-500082

### **Bankers**

Andhra Bank  
State Bank of Hyderabad  
ICICI Bank Limited

### **Registered Office**

6th Floor, Surya Towers, 105, S.P. Road  
Secunderabad – 500 003, Telangana  
Website: [www.suryavanshi.com](http://www.suryavanshi.com)  
Email: [info@suryavanshi.com](mailto:info@suryavanshi.com)  
CIN: L14220TG1978PLC002390  
Phone: 91-40-30512700  
Fax: 91-40-30512725

### **Registrar and Share Transfer Agents**

Karvy ComputerShare Private Limited  
Karvy Selenium Tower B, Plot No 31 & 32, Gachibowli,  
Financial District, Nanakramguda, Serilingampally,  
Hyderabad – 500 032  
Tel No. 040-67161606, Fax No. 040-23420814  
e-mail: [einward@karvy.com](mailto:einward@karvy.com)  
Website: [www.karvycomputershare.com](http://www.karvycomputershare.com)

### **FACTORY**

Spinning & Medical Textile Divisions  
Aliabad, Medchal Taluq, Ranga Reddy Dist.  
Telangana – 500 078

### **Audit Committee**

Sri Surender Kumar Agarwal  
Sri R. Surender Reddy  
Sri Manish Gupta  
Sri Rajender Kumar Agarwal

### **Stakeholders' Relationship Committee**

Sri Surender Kumar Agarwal  
Sri Rajender Kumar Agarwal

### **Nomination & Remuneration Committee**

Sri R. Surender Reddy  
Sri Surender Kumar Agarwal  
Sri Manish Gupta

ISIN: INE431C01023  
Listed on BSE Limited  
Scrip Code: 514140

## NOTICE

NOTICE is hereby given that the 37<sup>th</sup> Annual General Meeting of the Members of Suryavanshi Spinning Mills Limited will be held on **Friday, 30<sup>th</sup> day of September, 2016 at 10.00 A.M. at Gayatri Gardens, Survey No. 26, Sikh Village, Near Diamond Point Hotel, Secunderabad - 500003** to transact the following business:

### ORDINARY BUSINESS

1. To receive, consider and adopt the Audited Financial Statements for the financial year ended 31<sup>st</sup> March, 2016 and the Reports of the Directors and Auditors thereon.
2. To appoint a director in place of Sri Rajender Kumar Agarwal, who retires by rotation and, being eligible offers himself for re-appointment.
3. To appoint auditors and to fix their remuneration.

### SPECIAL BUSINESS

4. **TO CONSIDER AND IF THOUGH FIT, TO PASS, WITH OR WITHOUT MODIFICATION(S), THE FOLLOWING RESOLUTION AS AN ORDINARY RESOLUTION.**

**“RESOLVED THAT** the Company do hereby approve in terms of Section 148 of the Companies Act, 2013 and Rule 14 of the Companies (Audit & Auditors) Rules, 2014, as amended, the remuneration of ₹ 20,000/- (Rupees Twenty thousand only) plus out of pocket expenses payable to Aruna Prasad & Co., Cost Accountant for the cost audit to be conducted by them of the cost records of the Company for the financial year 2016-17.”

By order of the Board  
For **Suryavanshi Spinning Mills Limited**

Place : Secunderabad  
Date : 30.05.2016

**B.N.Agarwal**  
Executive Chairman

## NOTES:

1. The register of members and share transfer books of the Company will be closed from 24th September, 2016 to 30<sup>th</sup> September, 2016 (both days inclusive) for the purpose of Annual General Meeting.
2. **A MEMBER ENTITLED TO ATTEND AND VOTE AT THE ANNUAL GENERAL MEETING (AGM) IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE ON A POLL INSTEAD OF HIMSELF AND SUCH PROXY NEED NOT BE A MEMBER OF THE COMPANY.**

A person can act as proxy on behalf of members not exceeding fifty and holding in the aggregate not more than 10% of the total share capital of the Company carrying voting rights. The holder of the proxy shall prove his/her identity at the time of attending the meeting.

3. A member holding more than 10% of the total share capital may appoint a single person as Proxy and such person shall not act as Proxy for any other person or member. The Instrument appointing the proxy should be deposited at the registered office of the company not less than forty-eight hours before the commencement of the meeting.
4. The shareholder desiring any further information as regards the accounts are requested to write to the Company so as to reach it at least one week prior to the date of the meeting for consideration of the management to deal at the meeting.
5. Corporate Members intending to send their authorized representatives to attend the Meeting pursuant to Section 113 of the Companies Act, 2013 are requested to send to the Company, a certified copy of the relevant Board Resolution together with their respective

specimen signatures authorizing their representative(s) to attend and vote on their behalf at the Meeting.

6. Members may note that the Notice of the 37<sup>th</sup> AGM and the Annual Report for FY 2015-16, copies of audited financial statements, directors' report etc., will also be available on the website of the company, [www.suryavanshi.com](http://www.suryavanshi.com) for download. Members holding shares in electronic mode are therefore requested to keep their email address updated with the Depository Participants. Members holding shares in physical mode are also requested to update their email addresses by writing to the Registrar and Transfer Agent of the Company at the address M/s Karvy Computershare Private Limited, Karvy Selenium Tower B, Plot No 31 & 32, Gachibowli, Financial District, Nanakramguda, Serilingampally, Hyderabad – 500 032, Telangana.

## 7. E-Voting:

- (i) Pursuant to the provisions of Section 108 and other applicable provisions, if any, of the Companies Act, 2013 and Rule 20 of the Companies (Management and Administration) Amendment Rules, 2015 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company is pleased to provide to its Members, the facility to cast their vote electronically, through the e-voting services provided by Karvy Computershare Private Limited (KCPL) on all resolutions set forth in this Notice. The members may cast their votes using an electronic voting system from a place other than the venue of the Meeting ('remote e-voting').
- (ii) In order to enable its Members, who do not have access to e-voting facility, to send their assent or dissent in writing in respect of the resolutions as set out in the Notice of AGM, the Company has also enclosed a ballot form with the Annual Report for 2015-16.
- (iii) The facility for voting through polling paper shall be made available at the Meeting and the members attending the Meeting who have not cast their vote by remote e-voting/ballot form shall be able to vote at the Meeting through polling paper.
- (iv) A Member can opt for only single mode of voting i.e. either through e-voting or by ballot form. If a Member casts votes by both modes then voting done through e-voting shall prevail and vote by Ballot shall be treated as invalid. The members who have cast their vote by remote e-voting/ballot form may also attend the Meeting but shall not be entitled to cast their vote again.

- (v) The Board of Directors of the Company has appointed Smt Rashida Adenwala, a Practising Company Secretary, Partner, R & A Associates, Hyderabad as Scrutinizer to voting process (e-voting, ballot and poll) in a fair and transparent manner and she has communicated her willingness to be appointed and will be available for same purpose.
- (vi) **Voting rights shall be reckoned on the paid-up value of shares registered in the name of the member / beneficial owner (in case of electronic shareholding) as on the cut-off date i.e. 23rd September 2016.**
- (vii) **A person, whose name is recorded in the register of members or in the register of beneficial owners maintained by the depositories as on the cut-off date, i.e. 23rd September 2016 only shall be entitled to avail the facility of remote e-voting, ballot form as well as voting at AGM through polling paper.**
- (viii) Any person who becomes a member of the Company after dispatch of the Notice of the Meeting and holding shares as on the cut-off date i.e. 23rd September 2016, may obtain the User ID and password by writing to Karvy at [evoting@karvy.com](mailto:evoting@karvy.com) or contact 040-67161606 or Toll Free No. 1800 3454 001. However, if the person is already registered with Karvy for remote e-voting then the existing user ID and password can be used for casting vote.
- (ix) The remote e-voting facility will be available during the following period:  
**Commencement of remote e-voting: From 9.00 a.m. (IST) on 27<sup>th</sup> September 2016.**  
**End of remote e-voting: Up to 5.00 p.m. (IST) on 29<sup>th</sup> September 2016**  
The remote e-voting will not be allowed beyond the aforesaid date and time and the e-voting Module shall be disabled by Karvy upon expiry of aforesaid period.
- (x) The Scrutinizer, after scrutinising the votes cast at the meeting and through remote e-voting, will, not later than three days of conclusion of the Meeting, make a consolidated scrutinizer's report and submit the same to the Chairman. The results declared along with the consolidated scrutinizer's report shall be placed on the website of the Company [www.suryavanshi.com](http://www.suryavanshi.com) and on the website of Karvy <https://evoting.karvy.com>. The results shall simultaneously be communicated to BSE Limited.
- (xi) Subject to receipt of requisite number of votes, the Resolutions shall be deemed to be passed on the date of the Meeting, i.e. 30<sup>th</sup> September 2016.



**(xii) Instructions and other information relating to remote e-voting:**

**A. In case of Members receiving Notice through mail:**

- a. Open e-mail and open PDF File viz. "Suryavanshi Spinning Mills.pdf" with your client ID or folio No. as password. The said PDF File contains your user ID and password for e-voting. Please note that the password is an initial password.
- b. Use the following URL for e-voting: From Karvy website: <http://evoting.karvy.com>
- c. Shareholders of the Company holding shares either in physical form or in dematerialized form, as on the cut-off date, may cast their vote electronically.
- d. Enter the login credentials. In case of physical folio, User ID will be EVEN number followed by folio number. In case of Demat account, User ID will be your DP ID and Client ID. However, if you are already registered with Karvy for e-voting, you can use your existing User ID and password for casting your vote.
- e. After entering the details appropriately, click on LOGIN.
- f. You will reach the Password change menu wherein you are required to mandatorily change your password. The new password shall comprise of minimum 8 characters with at least one upper case (A-Z), one lower case (a-z), one numeric value (0-9) and a special character (@, #, \$, etc.). The system will prompt you to change your password and update any contact details like mobile, email etc., on first login. You may also enter the secret question and answer of your choice to retrieve your password in case you forget it. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- g. You need to login again with the new credentials.
- h. On successful login, the system will prompt you to select the EVENT i.e., **Suryavanshi Spinning Mills Limited**.
- i. On the voting page, enter the number of shares as on the cut-off date under FOR/AGAINST or alternately you may enter partially any number in FOR and partially in AGAINST but the total number in FOR/AGAINST taken together should not exceed the total shareholding. You may also choose the option ABSTAIN. If the shareholder does not indicate either "FOR" or "AGAINST" it will be treated as "ABSTAIN" and the shares held will not be counted under either head.

j. Shareholders holding multiple folios / demat account shall choose the voting process separately for each folios / demat account.

k. Voting has to be done for each item of the notice separately. In case you do not desire to cast your vote on any specific item it will be treated as abstained.

l. Cast your vote by selecting an appropriate option and click on SUBMIT. A confirmation box will be displayed. Click OK to confirm else CANCEL to modify. Once you confirm, you will not be allowed to modify your vote. During the voting period, shareholders can login any number of times till they have voted on the Resolution.

m. Once the vote on the Resolution is cast by the shareholder, he shall not be allowed to change it subsequently.

n. Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) are required to send scanned copy (PDF/JPG Format) of the relevant Board Resolution/ Authority letter etc. together with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer through e-mail to [rashida@rna-cs.com](mailto:rashida@rna-cs.com) with a copy marked to [evoting@karvy.com](mailto:evoting@karvy.com).

o. In case of any queries relating to e-voting, members may please refer the Frequently Asked Questions (FAQs) for shareholders and e-voting User Manual for shareholders available at the download section of <http://evoting.karvy.com> or contact Mr. P. Srirama Murthy, Asst. Manager - Corporate Registry, Karvy Computershare Private Limited, Karvy Selenium Tower B, Plot No. 31 & 32, Gachibowli, Financial District, Nanakramguda, Serilingampally, Hyderabad – 500032, Contact no. 040-67161606, Toll free No. 1800 345 4001, email id: [srirama.murthy@karvy.com](mailto:srirama.murthy@karvy.com), [evoting@karvy.com](mailto:evoting@karvy.com).

**B. In case of members receiving notice through post/courier:**

- (i) E-Voting Event Number (EVEN), User ID and Password is provided in the ballot form
- (ii) Please follow all steps mentioned above in Sr. No. (xii)(A)(b) to (xii)(A)(n) to cast your vote by electronic means.

**(xiii) Instructions and other information relating to Ballot Form:**

- (i) A Member desiring to exercise voting by using Ballot Form shall complete the enclosed Ballot Form with assent (FOR) or dissent (AGAINST) and send it to the Scrutinizer, Smt Rashida

Adenwala, a Practising Company Secretary, Partner, R & A Associates, Hyderabad, duly appointed by the Board of Directors of the Company, Ballot Forms deposited in person or sent by post or courier by the member will be accepted at the Registered Office of the Company.

- (ii) Please convey your assent in Column "FOR" or dissent in the column "AGAINST" by placing a tick (✓) mark in the appropriate column in the Ballot Form only. The assent / dissent received in any other form / manner will not be considered.
- (iii) Duly completed and signed Ballot Forms shall reach the Scrutinizer on or before **Thursday, September 29<sup>th</sup> 2016 (5.00 p.m. IST)**. The Ballot Forms received after the said date / time shall be strictly treated as if the reply from the Member has not been received.
- (iv) Unsigned / incomplete Ballot Forms will be rejected. Scrutinizer's decision on validity of the Ballot Form shall be final.
- (v) A Member may request duplicate Ballot Form, if so required, by writing to the Company at its Registered Office or by sending an email on

[info@suryavanshi.com](mailto:info@suryavanshi.com) by mentioning their Folio No. / DP ID and Client ID. However, the duly filled in duplicate Ballot Form should reach the scrutinizer not later than **Thursday, September 29<sup>th</sup>, 2016 (5.00 p.m. IST)**.

- 8. The Companies Act, 2013 provides for the facility of nomination to the holders of Shares in a Company. Accordingly, members can avail the facility of nomination in respect of their shares held either singly or jointly. Members desiring to avail this facility are requested to fill up the prescribed nomination form and send the same to the Registered Office of the Company. (The forms are available at the Regd. Office /Office of Registrars of the Company).
- 9. Members are requested to notify immediately any change in their addresses to the Company.
- 10. The members are requested to bring their copy for the annual report with them at the time of attending Annual General Meeting.

By order of the Board  
For **Suryavanshi Spinning Mills Limited**

Place : Secunderabad  
Date : 30.05.2016

**B.N.Agarwal**  
Executive Chairman

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

### Item No. 4

Section 148 of the Companies Act, 2013 read with Rule 14 of Companies (Audit & Auditors) Rules, 2014, as amended, provides for the appointment and the remuneration of the Cost Auditor for the audit of the cost records of the company by the Board and the remuneration of the Cost Auditor to be ratified by the members of the company. The appointment of Aruna Prasad & Co., Cost Accountant has been approved by Board of Directors as Cost Auditor for carrying out cost audit on the cost records maintained by the company for the year 2016 - 17 on a remuneration of ₹ 20,000/- plus out of pocket expenses. The ratification by the members to this remuneration is being sought in this resolution. The Board

recommends the resolution for the approval of the members.

None of the Directors and/or Key Managerial Personnel of the Company and their relatives is concerned or interested, financially or otherwise in the resolution.

By order of the Board  
For **Suryavanshi Spinning Mills Limited**

Place: Secunderabad  
Date: 30.05.2016

**B.N.Agarwal**  
Executive Chairman

## ANNEXURE TO ITEM 2 OF THE NOTICE

Details of Directors seeking appointment and re-appointment at the forthcoming Annual General Meeting  
 (in pursuance of Regulation 36 (3) of SEBI (Listing Obligations Disclosure Requirements) Regulations, 2015)

<b>Name of the Director</b>	<b>Sri Rajender Kumar Agarwal</b>
DIN	00041892
Date of Birth	28.07.1962
Nationality	Indian
Date of Appointment on the Board	12.10.1990
Qualifications	B.E (Mechanical)
Expertise in specific functional area	Experience of more than 25 years in Textiles business.
Number of shares held in the Company as on 31.03.2016	1219359
List of the directorships held in other companies	1. Surya Sarv Shakti Spinning Mills Private Ltd 2. Telangana Spinning & Textile Mills Association 3. Sheshadri Power and Infrastructure Private Limited 4. Suryavanshi Industries Limited 5. Suryalaxmi Enterprises Private Limited
Chairman/ Member in the Committees of the Boards of companies in which he is Director*	Nil
*Committee memberships/chairmanships includes only Audit Committee and Stake holders' Relationship Committee of other Public Limited Companies (whether Listed or not).	
Except Sri Badrinarayan Agarwal being father to Sri Rajender Kumar Agarwal, there is no inter-se relationship between other Board Members.	

Sri Rajender Kumar Agarwal is interested in the resolution with regard to his re-appointment and the relatives of Sri Rajender Kumar Agarwal may be deemed to be interested in the said resolution to the extent of their shareholding in the company.

Except the above none of the other Directors/Key Managerial Personnel of the Company/their relatives is in anyway concerned or interested, financially or otherwise in the Item No. 2 of the Notice.



## DIRECTORS' REPORT

Dear Shareholders,

We have pleasure in presenting the 37th Annual Report on the business and operations of Company and Financial Results for the year ended 31st March, 2016.

### 1. FINANCIAL RESULTS

₹ In lakhs

	2015-2016	2014-2015
Turnover Revenue	10296.57	10787.92
Gross Profit before financial charges & depreciation	387.15	642.54
Less: Depreciation	173.12	173.33
Financial charges	533.52	440.17
Exceptional items	14.61	-
Profit / (Loss) before taxation	(334.10)	29.04
Tax expenses	85.83	-
Profit / (Loss) after taxation	(419.93)	29.04

### 2. OPERATIONS

During the year under review the company achieved total turnover of ₹ 10296.56 lakhs is marginally lower than that of the previous year. The operations in the year have ended in a loss of ₹ 419.93 lakhs as against a small profit in the previous year. The Company's operations have been affected by the recessionary conditions prevailing in China and European Countries.

The Company could not achieve the growth in exports it had visualized for the year. Further, the yarn prices have been subdued (both in domestic and export markets). The Company is optimistic and re-working its strategies to overcome such issues in the current year.

### 3. CHANGE IN SHARE CAPITAL

There is no change in Share Capital of the company during the year under review.

### 4. DIVIDEND

In view of losses incurred by the Company during the year under review, the Board is unable to recommend dividend.

### 5. EXPORTS

During the year under review the company's exports were ₹ 27.09 Crores as against ₹ 22.49 crores of the previous financial year.

### 6. EXPANSION & MODERNISATION

Modernization and technological up-gradation programs continue in the Company to maintain competitiveness and achieve better quality. Company plans to modernize by adding balancing equipment with a capital cost of about ₹ 400 lakhs. Stringent cost control measures remain in place in all possible areas and are regularly reviewed.

### 7. FUTURE OUTLOOK

The company has further plans to modernize/expand its operations at its spinning unit. In the bleached cotton business, the company continues to produce products such as surgical cotton rolls and cotton buds. This will help in good value addition to its product range and improve the prospects of the company in the coming years.

### 8. CORPORATE GOVERNANCE

A separate report on Corporate Governance is enclosed as a part of this Annual Report. A certificate from the Auditors of the Company regarding compliance with conditions of Corporate Governance norms stipulated under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 is annexed to the Report on Corporate Governance as **Annexure - V**.

### 9. MANAGEMENT DISCUSSION AND ANALYSIS REPORT

Management's Discussion and Analysis Report for the year under review, as stipulated under Regulation 34 read with Schedule V of SEBI (Listing Obligations and Disclosure Requirements), 2015 is presented in a separate section forming part of the Annual Report as **Annexure - IV**.

### 10. ENVIRONMENT AND POLLUTION CONTROL

The manufacturing facility has obtained environmental clearance from the Pollution Control Board concerned and are in compliance with all current environmental legislation. As an integral part of its environment protection drive, the Company ensures the very minimum quantity of generation of waste, low emission levels and low noise pollution levels during operations of its manufacturing facility.

### 11. DIRECTORS AND KEY MANAGERIAL PERSONNEL

#### A. RETIREMENT BY ROTATION

Pursuant to provisions of the Companies Act, 2013, Sri Rajender Kumar Agarwal (DIN 00041892),

Director will retire at the ensuing Annual General Meeting and being eligible, offers himself for re-appointment. The Board recommends his re-appointment.

## **B. EVALUATION OF THE BOARD'S PERFORMANCE**

Board carried out through a structured evaluation process covering various aspects of the Board's functioning such as composition of the Board & committees, experience & competencies, performance of specific duties & obligations etc. Separate exercise was carried out to evaluate the performance of individual Directors including the Board, Chairman who were evaluated on parameters such as attendance, contribution at the meetings and otherwise, independent judgment etc. The evaluation of the Independent Directors and that of the Chairman was carried out by the entire Board excluding the Director being evaluated and the evaluation of Non-Independent Directors was carried out by the Independent Directors. A separate meeting of Independent Directors was also held during the year wherein the performance of Chairman, Board and Executive Directors was evaluated.

The Directors were satisfied with the evaluation results, which reflected the overall engagement of the Board and its Committees with the Company.

## **C. REMUNERATION POLICY**

The company follows a policy on remuneration of Directors and Senior Management Employees. The policy is approved by the Nomination & Remuneration Committee and the Board. More details on the same are given in the Corporate Governance Report.

## **D. DECLARATION BY INDEPENDENT DIRECTORS**

All the Independent Directors of the Company have given declaration stating that they meet the criteria of independence as provided under Companies Act, 2013.

## **E. FAMILIARIZATION PROGRAMME OF INDEPENDENT DIRECTORS**

The Company has formulated a familiarization program for Independent Directors to provide insights into the Company's manufacturing, marketing, finance and other important aspects to enable the Independent Directors to understand its business in depth and contribute significantly to the Company. The Company Secretary briefs the Director about their legal and regulatory

responsibilities as a Director. The details of such program are available on the Company's website ([www.suryavanshi.com](http://www.suryavanshi.com))

## **12. AUDITORS & AUDITORS' REPORT**

### **A. STATUTORY AUDITORS**

The Statutory Auditors of the Company, M/s. Brahmayya & Co, Chartered Accountants, Hyderabad will retire at the conclusion of ensuing Annual General Meeting and are eligible for re-appointment. They have confirmed their eligibility under Section 141 of the Companies Act, 2013 and the Rules framed there under for re-appointment as Auditors of the Company. As required under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the auditors have also confirmed that they hold a valid certificate issued by the Peer Review Board of the Institute of Chartered Accountants of India. The Statutory Auditors' Report does not contain any reservation, qualification or adverse remark.

However, In respect of the observation made by the statutory auditors with regards to Non-provision of interest for delay in payments to MSME suppliers, we have to state that explanation was given in Note 33 of the Notes to accounts which is self explanatory.

### **B. SECRETARIAL AUDITOR**

During the year, the Company has appointed M/s R & A Associates, Practising Company Secretaries as Secretarial Auditor. The Secretarial Audit report for the financial year 2015-16 is annexed herewith as **Annexure I** to this Report. The Secretarial Audit Report does not contain any reservation, qualification or adverse remark.

### **C. COST AUDITOR**

Pursuant to Section 148 of Companies Act, 2013, the Board of Directors on the recommendation of Audit Committee appointed Aruna Prasad & Co., Cost Accountants as the Cost Auditors of the Company for the year 2016-17 and has recommended the remuneration to the shareholders for their ratification at the ensuing Annual General Meeting. The Auditor has confirmed that the appointment is within the prescribed limits and also certified that they are free from any disqualifications.

## **13. DIRECTORS' RESPONSIBILITY STATEMENT:**

To the best of their knowledge and belief and according to the information and explanations obtained by them,