

# **31<sup>st</sup> ANNUAL REPORT 2015-2016**



**VISHAL FABRICS LIMITED**

**CORPORATE INFORMATION**

<b>Board of Directors</b>	Mr. Jyotiprasad Chiripal Mr. Shubhankar Jha Mr. Arakhita Khandual Mr. Amit Kadmawala Ms. Dhara Shah	Managing Director (DIN: 00155695) Independent Director(DIN:07208823) Independent Director(DIN:00055601) Executive Director (DIN: 07016454) Independent Director(DIN:06983857)
<b>Audit Committee</b>	Mr. Arakhita Khandual Mr. Jyotiprasad Chiripal Mr. Shubhankar Jha Ms. Dhara Shah	Chairman Member Member Member
<b>Nomination &amp; Remuneration Committee</b>	Ms. Dhara Shah Mr. Shubhankar Jha Mr. Arakhita Khandual	Chairman Member Member
<b>Stakeholders' Relationship Committee</b>	Mr. Arakhita Khandual Mr. Shubhankar Jha Ms. Dhara Shah	Chairman Member Member
<b>Corporate Identification Number</b>	CIN: L17110GJ1985PLC008206	
<b>Bankers</b>	Oriental Bank of Commerce, IDBI Bank & The Lakshmi Vilas Bank Limited	
<b>Chief Financial Officer</b>	Mr. Mahesh Kawat	
<b>Company Secretary &amp; Compliance Officer</b>	Ms. Tanushree Dave (appointed w.e.f. 23.08.2016) Ms. Poonam Pabla (resigned w.e.f. 23.07.2016)	
<b>Registered Office and Plant</b>	Ranipur Narol Road, Ahmedabad – 382 405 Phone: + 91 - 79 - 25353977/78/79/80 Fax: +91 - 79 – 25353981	
<b>Corporate Office</b>	'Chiripal House', Shivranjani Cross Roads, Satellite, Ahmedabad – 380 015 Phone: + 91 - 79 - 26734660/2/3 Fax: + 91 - 79 – 26768656	
<b>Statutory Auditors</b>	M/s. Anil S. Shah & Co. Chartered Accountants, 302, Shailly Complex, Opp. Loha Bhavan, Nr. Old High Court Road, Navrangpura, Ahmedabad – 380 009	
<b>Registrar and Share Transfer Agent</b>	Link Intime India Private Limited 303, 3rd Floor, Shoppers Plaza V, Opp. Municipal Market, Off. C.G. Road, Ahmedabad – 380 009 Tel. No.: +91 - 79 - 26465179   Fax No.: +91 - 79 - 26465179   Email: ahmedabad@linkintime.co.in	
<b>Email and Website</b>	cs.vfl@chiripalgroup.com, www.vishalfabricsltd.com	

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**VISHAL FABRICS LIMITED**

(CIN: L17110GJ1985PLC008206)

Regd. Office: Ranipur Narol Road, Ahmedabad – 382 405

Phone: +91 - 79 - 25353977/78/79/80; Fax: +91 - 79 - 25353981

Email: cs.vfl@chiripalgroup.com; Website: www.vishalfabricsltd.com

**NOTICE**

Notice is hereby given that the 31st Annual General Meeting of the members of Vishal Fabrics Limited will be held on Tuesday, September 20, 2016 at 3:30 P.M. at the Corporate Office of the Company situated at 'Chiripal House', Near Shivranjani Cross Roads, Satellite, Ahmedabad – 380015 to transact the following business:

**ORDINARY BUSINESS:**

1. To receive, consider and adopt the Audited Financial Statements of the Company for the Financial Year ended March 31, 2016, the Reports of the Board of Directors and Auditors thereon.
2. To appoint a Director in place of Mr. Amit Kadmawala (DIN: 07016454), who retires by rotation and being eligible offers himself for re-appointment.
3. To appoint the 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, 142 and other applicable provisions, if any, of the Companies Act, 2013 and the Rules framed there under as amended from time to time, M/s. Anil S. Shah & Co., Chartered Accountants (FRN: 100474W) are hereby appointed as the Statutory Auditors of the Company to hold office from the conclusion of this Annual General Meeting till the conclusion of the next Annual General Meeting of the Company and that their appointment be at a remuneration to be decided by the Board of Directors in consultation with the Auditors plus applicable service tax and re-imbursement of travelling and out of pocket expenses incurred by them for the purpose of audit."

**SPECIAL BUSINESS:**

4. To approve 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), M/s. A.G. Tulsian and Co., Cost Accountants (FRN: 100629), who are appointed as the Cost Auditor of the Company by the Board of Directors to conduct the audit of the cost records of the Company be paid remuneration for the financial year ending March

31, 2017, not exceeding Rs. 35,000/- (Rupees Thirty Five Thousand Only) plus service tax, travelling and other out of pocket expenses incurred by them in connection with the said audit."

5. 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 in Section 61 read with Section 64 and other applicable provisions, if any, of the Companies Act, 2013 (including any statutory modification(s), amendment or re-enactment thereof) and the rules framed thereunder, the consent of the members of the Company be and is hereby accorded to increase the Authorized Share Capital of the Company from existing Rs. 20,00,00,000/- (Rupees Twenty Crore Only) divided into 2,00,00,000 (Two Crore) Equity Shares of Rs. 10/- (Rupees Ten Only) each to Rs. 25,00,00,000/- (Rupees Twenty Five Crore Only) divided into 2,50,00,000 (Two Crore Fifty Lac) Equity Shares of Rs. 10/- (Rupees Ten Only) each ranking pari passu with the existing shares of the Company."

**"FURTHER RESOLVED THAT** pursuant to the provisions of Section 61 and 64 and other applicable provisions of the Companies Act, 2013 (including any statutory modification(s), amendment or re-enactment thereof) and the rules framed thereunder, the consent of the members be and is hereby accorded for substituting Clause V of the Memorandum of Association of the Company with the following Clause:

**V. The Authorized Share Capital of the Company is Rs.25,00,00,000/- (Rupees Twenty Five Crore Only) divided into 2,50,00,000 (Two Crore) Fifty Lac Equity shares of Rs. 10/- (Rupees Ten Only) each."**

6. To approve 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 62 and other applicable provisions, if any, of the Companies Act, 2013 and the rules framed thereunder, as amended (including any statutory modification(s) or re-enactment thereof for the time being in force), the Foreign Exchange Management Act, 1999, as amended, the Foreign Exchange Management (Transfer or Issue of Security by a Person Resident Outside India) Regulations, 2000, as amended and the rules, regulations, guidelines, notifications and circulars, if any, issued by the Government of India, the Reserve Bank of India, the



Securities and Exchange Board of India including the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009, as amended and the Securities and Exchange Board of India (Substantial Acquisitions of Shares and Takeovers) Regulations, 2011, as amended and any other guidelines and clarifications issued by any other competent authority, to the extent applicable including the enabling provisions of the Memorandum of Association and Articles of Association of the Company, Listing Agreements entered into by the Company with the Stock Exchanges where the equity shares of the Company are listed (the "Stock Exchanges") and subject to the permissions, consents, sanctions and approvals by any authority or institution, including but not limited to the bankers of the Company, as may be necessary, and subject to such conditions and modifications as may be prescribed while granting such approvals, consents, permissions and sanctions, and which may be agreed to by the Board of Directors of the Company (hereinafter referred to as the "Board", which term shall be deemed to include any Committee(s) constituted/to be constituted by the Board to exercise its powers including the powers conferred by this Resolution), and subject to any other alterations, modifications, conditions, changes and variations that may be decided by the Board in its absolute discretion, the consent of the Members of the Company be and is hereby accorded to the Board to create, offer, issue and allot in one or more tranches, by way of a Rights Issue, the equity shares of the face value of Rs.10/- each to the holders of equity shares as on a record date to be determined by the Board, or their renouncee(s), including resident/foreign shareholders, Institutions, Non-resident Indians, Corporate Bodies, Trust, Societies, Mutual Funds, Banks, Insurance Companies, Pension Funds, Foreign Portfolio Investors and Individuals (collectively, the "Investors") on such terms and conditions as may be mentioned in the Letter of Offer to be issued by the Company for the purpose at such time or times, at such price or prices, including at a discount to the market price or prices in such manner and on such terms and conditions considering the prevalent market conditions at that time and such other consideration that the Board may, in its absolute discretion, decide that the aggregate value of such number of equity shares of the Company (including premium on face value of the equity shares of Rs. 10/-each) does not exceed Rs.100 Crores (Rupees One Hundred Crores Only) and that the holders of equity shares to whom the equity shares are being offered under the Rights Issue shall also be entitled to apply for additional equity shares and allotment of additional equity shares shall be made in such proportion as may be decided by the Board in its sole and absolute discretion.

**FURTHER RESOLVED THAT** all the new equity shares to be issued and allotted in the manner aforesaid shall be subject to the Memorandum of Association and Articles of Association of the Company and shall rank pari passu in all respects with the existing equity shares of the Company.

**FURTHER RESOLVED THAT** the Board be and is hereby authorised to allot the equity shares on basis of the application received as a result of offer from the existing equity shareholders and/ or renouncee and to dispose of equity shares remained unsubscribed, if any, in such manner, as the Board may deem fit and proper at its absolute discretion and as most beneficial to the Shareholders and the Company.

**FURTHER RESOLVED THAT** the Board be and is hereby authorised to adjust the unsecured loan as taken by the Company from the Promoters & Promoter Group of the Company, if any in the books of the Company until the finalizing of the Letter of Offer for the Rights Issue, against the Application Money for their entitlements (include additional equity shares, if any) in the Rights Issue, subject to the full disclosure about the same in the Offer Documents, in term of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009, as amended.

**FURTHER RESOLVED THAT** for the purpose of giving effect to the above Resolution including any offer, issue or allotment of equity shares, the Board be and is hereby authorised on behalf of the Company to do all such acts, deeds, matters and things, as it may, in its absolute discretion, deem necessary or desirable for such purpose, including without limitation, the determination of terms and conditions for issuance of the equity shares and proportion thereof, timing for issuance of such equity shares, issue price, premium on face value, if any, to appoint Lead Manager(s), Banker(s), Legal Advisor(s), Registrar and other intermediaries/agencies, to fix the record date / book closure in consultation with the Stock Exchange and shall be entitled to vary, modify or alter any of the terms and conditions as it may deem expedient, entering into and executing arrangements for managing, underwriting and/or standby, marketing, listing, trading and providing legal advice as well as acting as depository, custodian, registrar and executing other agreements, including any amendments or supplements thereto, as necessary or appropriate and to finalise, approve and issue any document(s), including but not limited to Letter of Offer and/or offering circular and/or offer document and/or documents and agreements including filing of registration statements, and other documents (in draft or final form) with any authority or stock exchanges and sign all deeds, documents and writings and to pay any fees, commissions, remuneration, expenses relating thereto and with power on behalf of the Company to settle all questions, difficulties or doubts that may arise in regard to the issue, offer or allotment of equity shares including allotment of equity shares that are not subscribed and take all steps which are incidental and ancillary in this connection, including in relation to utilization of the issue proceeds and disclosure thereof in accordance with applicable regulations/guidelines in force, as it may in its absolute discretion deem fit without being required to seek further consent or approval of the Members of the Company.



**FURTHER RESOLVED THAT** the Board be and is hereby authorised to delegate all or any of its powers herein conferred to any Committee thereof or to any one or more executives of the Company.”

By order of the  
Board of Directors  
Sd/-

**Date :** August 23, 2016

Jyotiprasad Devkinandan Chiripal  
Chairman

**Place:** Ahmedabad

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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 HIM/HER SELF AND 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 ANNUAL GENERAL MEETING. A PERSON CAN ACT AS A PROXY ON BEHALF OF MEMBERS NOT EXCEEDING FIFTY AND HOLDING IN THE AGGREGATE NOT MORE THAN TEN PERCENT OF THE TOTAL SHARE CAPITAL OF THE COMPANY CARRYING VOTING RIGHTS. A MEMBER HOLDING MORE THAN TEN PERCENT OF THE TOTAL SHARE CAPITAL OF THE COMPANY CARRYING VOTING RIGHTS MAY APPOINT SINGLE PERSON AS PROXY AND SUCH PERSON SHALL NOT ACT AS PROXY FOR ANY OTHER PERSON OR SHAREHOLDER.
2. The Statement pursuant to Section 102(1) of the Companies Act, 2013, which sets out details relating to Special Business to be transacted at the meeting, is annexed hereto.
3. Electronic copy of the Annual Report for FY 2015-16 is being sent to all the members whose email IDs are registered with the Company/Depository Participants(s) for communication purpose unless any member has requested for a Physical copy of the same. Members may also note that the Notice of Annual General Meeting and Annual Report for 2015-16 will also be available on the Company's website [www.vishalfabricsltd.com](http://www.vishalfabricsltd.com).
4. Corporate Members intending to send their authorized representatives to attend and vote at the Annual General Meeting are requested to send a duly certified copy of the Board Resolution at registered office of the company authorizing their representative to attend and vote on their behalf at the meeting.
5. Members are requested to bring their Attendance Slip along with copies of their Annual Report to the meeting.
6. In case of joint holders attending the meeting, only such joint holder who is higher in the order of name will be entitled to vote.
7. Brief resume of Directors including those proposed to be appointed / re-appointed, nature of their expertise in specific functional areas, names of companies in which they hold directorships and memberships / chairmanships of Board Committees as stipulated under Regulation 36 of the Listing Regulations, 2015 entered into with the Stock Exchange, are provided in the annexure to the notice calling Annual General Meeting.
8. The Register of Directors and Key Managerial Personnel and their shareholding maintained under Section 170 of the Companies Act, 2013 will be available for inspection by the members at the AGM.
9. The Register of Contracts maintained under Section 189 of the Companies Act, 2013 will be available for inspection by the members at the AGM.
10. Members holding equity shares in electronic form are requested to notify the change of address or bank mandates to their Depository Participants with whom they are maintaining their demat accounts.
11. To prevent fraudulent transactions, members are advised to exercise due diligence and notify the Company/Registrar of any change in address or demise of any member as soon as possible. Members are also advised not to leave their demat account(s) dormant for long. Periodic statement of holdings should be obtained from the concerned Depository Participant and holdings should be verified.
12. 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 the 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 Registrar and Share Transfer Agent of the Company.
13. As per Notification issued by Ministry of Corporate Affairs dated 19th of March, 2015 with reference to the Companies (Management and Administration) Rules, 2014, Companies covered under Chapter XB and Chapter XC as per SEBI (ICDR) Regulations, 2009 will be exempted from e-voting provisions. Also, no such provision is available in SME Equity Listing Agreement. Company is covered under Chapter XB as it is a SME Company and listed on SME platform of BSE Limited. Therefore Company is not providing e-voting facility to its shareholders.
14. Members are requested to intimate their Email IDs for correspondence and quicker response to their queries.
15. The Register of Members and Share Transfer Register shall remain closed for registering share transfer Monday, 19th day of September, 2016 to Tuesday, 20th day of September, 2016 (both days inclusive)
16. All documents referred to in the accompanying notice and the Statement are open for inspection by the members at the Registered Office of the Company on all working days, except Saturdays, during business hours upto the date of the Annual General Meeting.



## **EXPLANATORY STATEMENT**

### *PURSUANT TO SECTION 102(1) 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**

In accordance with the provisions of Section 148 of the Companies Act, 2013 (the Act) and the Companies (Audit and Auditors) Rules, 2014 (the Rules), the Company is required to appoint a cost auditor to audit the cost records of the Company.

On recommendation of the Audit Committee, the Board at its meeting held on 23rd May, 2016, has approved the appointment of M/s. A.G. Tulsian & Co., Cost Accountants as the Cost Auditor of the Company for the Financial Year 2016-17 at a remuneration of Rs. 35,000/- plus reimbursement of service tax and all out of pocket expenses incurred, if any, in connection with the cost audit. The remuneration of the cost auditor is to be ratified by the members in accordance with the provisions of the Act and Rule 14 of the Rules.

Accordingly, the Directors recommend the Ordinary Resolution as set out at item no. 4 of the Notice for approval of the Members.

None of the Directors, Key Managerial Personnel and their relatives are concerned or interested in the Resolution at item no. 4 of the Notice.

#### **Item No. 5**

The present Authorized Share Capital of the Company is Rs. Rs. 20,00,00,000/- (Rupees Twenty Crore Only) divided into 2,00,00,000 (Two Crore) equity shares of face value of Rs. 10/- (Rupees Ten) each. In order to meet the eventualities such as augmenting resources, issue of shares etc., it is hereby proposed to increase the Authorised Share Capital to Rs. 25,00,00,000/- (Rupees Twenty Five Only) by addition of 50,00,000 (Fifty Lac) equity shares of the face value of Rs. 10/- (Rupees Ten) each. The management is considering further issue of share capital on rights basis, so it is proposed to increase the Authorised Share Capital from Rs. 20 Crore to Rs. 25 crore commensurate with the business requirements. Consequent to the increase of Authorized Share Capital, the Authorized Share Capital Clause contained in Clause V of the Memorandum of Association of the Company needs to be altered as indicated in Resolution No. 5 contained in the Notice. Your Directors recommend the Resolution set out at Sl. No. 5 for the approval of the shareholders of the Company.

A copy of the Memorandum and Articles of Association together with the proposed amendments is available for inspection by the Members at the Registered Office of the Company on all working days during the office hours of the Company till the conclusion of the Annual General Meeting.

None of the Directors, Key Managerial Personnel and Relatives of the Directors / Key Managerial Personnel of the Company is interested in the proposed Resolutions except as holders of shares in general.

#### **Item No. 6**

The Company at its Annual General Meeting held on September 28, 2015, authorized the Board of Directors to generate long term resources by issuing further securities through various fund raising options. As the said resolution could not be implemented due to unavoidable circumstances, hence it is now required to pass a fresh resolution. As the members are aware, your Company is in the process of expanding its business by pursuing growth opportunities in business, for which long term funds are required to be generated. In order to meet your Company's growth objectives and also to strengthen its financial position and finance its expansion plans, the Board of Directors at their meeting held on August 23, 2016 have proposed to generate long term resources by issuing further securities.

And to support the growth plans and for meeting the capital expenditure for the upcoming project of the Company, your Company needs Financial Assistance by way of Rupee Term Loans, Corporate Loans, etc. from time to time from various lenders i.e. Financial Institutions / Banks in different tranches upon such terms and conditions as stipulated by them from time to time and approved by the Board. One of the terms of the sanction of the Financial Institutions / Banks provides that contribution is required from the promoters of the Company in the future projects of the Company to be financed by the Financial Institutions / Banks. To fulfill the said condition of the Financial Institutions / Banks, it is required by the promoter(s) of the Company to provide financial contribution in the upcoming project by way of unsecured loans. The unsecured loans to be provided by the promoter(s) is at the option that the Promoter(s) can convert whole or part of their outstanding facility into fully paid-up ordinary Equity Shares in the Company.





## VISHAL FABRICS LIMITED

Section 62 of the Companies Act, 2013 ("Act"), provides inter alia, that where it is proposed to increase the subscribed share capital of the Company by allotment of further shares. Such further shares shall be offered to the persons who on the Record Date are holders of the Equity Shares of the Company, in proportion to the capital paid up on those shares as of that date unless the Shareholders decide otherwise. The Listing Agreement with the Stock Exchanges also provides that the Company shall issue or offer in the first instance all securities to the existing equity shareholders, unless the Shareholders decide otherwise. The Special Resolution seeks the consent and authorization of the Shareholders accordingly.

Pursuant to the provisions of section 62 of the Act, any offer or issue of shares by a company to persons other than the holders of the Equity Shares of the Company or to such holders otherwise than in proportion to the capital paid up, requires prior approval of the shareholders by passing of a Special Resolution. Under the proposed Rights Issue, the Equity Shares will be offered to existing Shareholders of the Company on the basis of shares held by them. Further, in case of renunciation, the equity shares may be offered and allotted to persons other than the existing shareholders and hence, the proposed resolution.

This Special Resolution authorises the Board or a Committee thereof to decide and finalise all aspects of the issue including the terms and conditions of the issue, price and size of the issue, in consultation with the Lead Manager(s), Legal Advisor and other experts and / or such other agency or authorities as need to be consulted including in relation to the pricing of the issue which will be fixed keeping in view the then prevailing market conditions and in accordance with the applicable provisions of laws, rules, regulations, or guidelines. The detailed terms and conditions of the Rights Issue will be intimated to the Shareholders through the Letter of Offer and / or Abridged Letter of Offer or other documents to be issued in this regard.

The proposed Resolution is an enabling resolution under the provisions of Section 62(3) and other applicable provisions of the Companies Act, 2013 in view of the fact that the promoter(s) may be entitled at their option to convert the entire or part of the outstanding facility into fully paid-up ordinary Equity Shares in the Company in accordance with the applicable SEBI Regulations at the time of such conversion. Allotment of equity shares as above requires prior approval of the members by way of Special Resolution. Hence this enabling resolution.

The proposed issue is in the interest of the Company and your Directors

commend the resolution for your approval.

None of the Directors and Key Managerial Personnel of the Company or their relatives is concerned or interested, financially or otherwise, in the said resolution, save and except as shareholder and to the extent of their shareholding in the Company.

The Board accordingly recommends the resolution as set out in Item No. 6 of the Notice for the approval of the members.

By order of the  
Board of Directors  
Sd/-

**Date :** August 23, 2016  
**Place:** Ahmedabad

Jyotiprasad Devkinandan Chiripal  
Chairman



**Details of Directors seeking Appointment /  
Re-appointment at the Annual General Meeting**

(Under Regulation 36 of the SEBI (Listing Obligations and Disclosure Requirements), 2015)

Name of Director	Mr. Amit Kadmawala (07016454)
Date of Birth	06th July, 1977
Brief Resume and Nature of Expertise in Functional Area	Mr. Amit Kadmawala is associated with the Company since May 2006. He is responsible for reduction in the cost and quality enhancement of the production. His work includes ensuring the proper functioning of the store and plant and achieving the best possible output. He is also responsible to keep a watch at costing of all the departments and abnormal costs occurring, if any.
Disclosure of Relationships between Directors inter-se	No relationship
List of Directorship / Committee Memberships in other Public Companies as on 31st March, 2016	Other Directorship: NIL <b>Committee positions held in Vishal Fabrics Limited:</b> <ul style="list-style-type: none"> <li>• Member – CSR Committee</li> <li>• Member – Rights Issue Committee</li> <li>• Member – Finance Committee</li> </ul> Committee Positions held in other Public Companies: NIL
Shareholding in Vishal Fabrics Ltd.	NIL

*\*Consideration as per Regulation 26 of Securities and Exchange Board of India ( Listing Obligations and Disclosure Requirements) Regulations, 2015.*





## DIRECTORS' REPORT

To,  
The Members,

Your Directors have pleasure in presenting the 31st Annual Report along with Audited Financial Statements for the year ended March 31, 2016.

### FINANCIAL RESULTS

(Rs. in Lacs)

PARTICULARS	2015-16	2014-15
Net revenue from operations	27357.80	22362.65
Profit Before Depreciation & Tax	2123.60	1297.88
Less : Depreciation	343.94	305.85
Profit Before Tax	1780.97	992.03
Less : Provision for Taxation (Including Deferred Tax)	354.78	58.43
Profit After Tax	1426.19	933.60
Earnings per share (in Rs)	10.83	7.85

### OPERATIONS

During the year under review your Company has achieved a turnover of Rs. 27357.80 Lac as compared to a turnover of Rs. 22362.65 Lac over the previous Financial Year which shows increase of 22.34%. The Profit Before Depreciation and Tax increased by 63.62% to Rs. 2123.60 Lac as compared to Rs. 1297.88 Lac in the Financial Year 2014-15. The Profit After Tax stood at Rs. 1426.19 Lac against Rs. 933.60 Lac in the previous year, recording a growth of 52.76%.

### SHARE CAPITAL

The paid-up equity share capital of the Company as on March 31, 2016 was Rs. 1317.40 Lacs. During the year under review, the Company has not issued shares with differential voting rights and sweat equity shares.

### TRANSFERS TO RESERVES

During the financial year under review, the Company was not required to transfer any amount to any reserves.

### DIVIDEND

The Board of Directors has not recommended any dividend during the year under review.

### PUBLIC DEPOSITS

Your company has not accepted any Deposits from the public during the year under review

### PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS UNDER SECTION 186

Details of Loans, Guarantees and Investments covered under the provisions of Section 186 of the Companies Act, 2013 are given in the notes to the Financial Statements.

### BOARD OF DIRECTORS

The Board of Directors, at its meeting held on May 28, 2015 appointed Mr. Shubhankar Jha as Additional Director of the Company in the category of Non - Executive Independent Director. The appointment was also approved by the shareholders at the Annual General Meeting held on September 28, 2015.

### Directors retiring by rotation

In accordance with the provisions of the Companies Act, 2013 and Companies Articles of Association, Mr. Amit Kadmawala (DIN: 07016454) retires by rotation at the ensuing Annual General Meeting and being eligible, offers himself for re-appointment. Necessary resolution for his re-appointment is placed before the shareholders for approval. The Board recommends his re-appointment.

### Declaration from Independent Directors

Your Company has received declaration from the Independent Directors confirming that they meet the criteria of independence as prescribed under the Section 149(6) of Companies Act, 2013 read with Rules made thereunder.

### Criteria for appointment of Independent Directors

An Independent Director shall be a person of integrity and possess appropriate balance of skills, experience and knowledge in one or more fields of finance, law, management, sales, marketing and technical operations or any other discipline related to the Company's business.

### Criteria for appointment of Managing Directors / Whole - Time Directors

The appointment is made pursuant an established procedure which includes assessment of managerial skills, professional behavior, technical skills and other requirements as may be required and shall take into consideration recommendation, if any, received from any member of the Board.

### Remuneration Policy

The Company follows a policy on remuneration of Directors and Senior Management Employees, details of the same are given in the Corporate Governance Report.

**Performance Evaluation**

Pursuant to the provisions of the Companies Act, 2013, the Nomination and Remuneration Committee has laid down the criteria for evaluation of the performance of individual Directors and the Board as a whole. Based on the criteria the exercise of evaluation was carried out through a structured process covering various aspects of the Board functioning such as composition of the Board and committees, experience & expertise, performance of specific duties & obligations, attendance, contribution at meetings, etc. The performance evaluation of the Chairman and the Non Independent Directors was carried out by the Independent Director. The performance of the Independent Directors was carried out by the entire Board (excluding the Director being evaluated). The Directors expressed their satisfaction with the evaluation process.

**SUBSIDIARY COMPANY**

The Company has no subsidiaries.

**EXTRACT OF ANNUAL RETURN**

Extract of the Annual Return in Form MGT - 9 is annexed herewith as Annexure - I to this Report.

**INSURANCE**

All assets of the company including inventories, building, plant and machineries are adequately insured.

**RELATED PARTY TRANSACTIONS**

The Company has no material significant transactions with its related parties which may have a potential conflict with the interest of the Company at large. Transactions between related parties were performed on arm's length price. The details of transactions with the Company and related parties are given as information under notes to Accounts and Form AOC – 2 as Annexure II.

**RISKS MANAGEMENT POLICY**

In line with the regulatory requirements, the Company has framed a Risk Management Policy to identify and access the key business risk areas and a risk mitigation process. A detailed exercise is being carried out at regular intervals to identify, evaluate, manage and monitor all business risks. The Board periodically reviews the risks and suggests steps to be taken to control and mitigate the same through a properly defined framework.

**VIGIL MECHANISM / WHISTLE BLOWER POLICY**

The Company has framed a Whistle Blower Policy to deal with instances of fraud and mismanagement, if any. The details of the Policy are given in the Corporate Governance Report and the Policy is posted on the Company's website.

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

The Company has always believed in providing a safe and harassment free workplace for every individual working in its premises through various interventions and practices. The Company always endeavors to create and provide an environment that is free from discrimination and harassment including sexual harassment. The Company has in place an Anti-Sexual Harassment Policy in line with the requirements of The Sexual Harassment of Women at the Workplace (Prevention, Prohibition and Redressal), ACT 2013. Internal Complaints Committee (ICC) has been set up to redress complaints received regarding sexual harassment. All employees (permanent, contractual, temporary, trainees) are covered under this policy.

**The following is a summary of sexual harassment complaints received and disposed off during the year 2015-16:**

- No. of Complaints received: NIL
- No. of Complaints disposed off: NIL

**DIRECTORS RESPONSIBILITY STATEMENT**

Pursuant to Section 134(3)(c) of the Companies Act, 2013, the Directors confirm that:

- (i) that in the preparation of the accounts for the financial year ended 31st March 2016, the applicable accounting standards have been followed along with proper explanation relating to material departures;
- (ii) that the Directors have selected such accounting policies and applied them consistently and made judgments and estimates that were reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at 31st March, 2016 and of the profit of the company for the year under review;
- (iii) that the Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- (iv) that the Directors have prepared the accounts for the financial year on going concern basis;
- (v) the Directors have laid down internal financial controls, which are adequate and were operating effectively.
- (vi) the Directors have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.