

# 26th Annual Report 2015-16



**Winsome Yarns Limited**

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# **WINSOME YARNS LIMITED**

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## **BOARD OF DIRECTORS**

Shri Satish Bagrodia	Chairman
Shri Pradeep Kumar	Independent Director
Shri K. P. Ramakrishnan	Independent Director
Shri Suresh Kumar Singla	Director (PSIDC-Nominee)
Shri Brij Mohan Padha	Director (PNB-Nominee)
Shri Manish Bagrodia	Managing Director

## **CHIEF FINANCIAL OFFICER**

Shri Anand Balkishan Sharma

## **G.M. (LEGAL) & COMPANY SECRETARY**

Shri K. V. Singhal

## **AUDITORS**

M/s Lodha & Co.  
Chartered Accountants  
12, Bhagat Singh Marg  
New Delhi-110001

## **REGISTERED OFFICE**

SCO- 191-192, Sector 34-A,  
Chandigarh - 160022

## **REGISTRAR AND SHARE TRANSFER AGENT**

Link Intime India Pvt. Limited  
44, Community Centre, 2nd Floor  
Near PVR, Naraina Industrial Area, Phase-1  
New Delhi - 110028

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## **WINSOME YARNS LIMITED**

CIN : L17115CH1990PLC010566

Regd. Office : SCO 191-192, Sector 34-A, Chandigarh-160022  
Phone No. : 0172-4612000, 2603966, 2662232, Fax No. 0172-4614000  
E-mail : [cshare@winsomegroup.com](mailto:cshare@winsomegroup.com)

### **Appeal to Members holding shares in Physical Mode:**

Members are requested to:

1. Get their shareholding converted in dematerialize form to receive the Annual Report, Notices etc. from the Company electronically.
2. Get their email-id registered by sending the scanned copy of their written request by email at **[cshare@winsomegroup.com](mailto:cshare@winsomegroup.com)** or send by post at the Registered office address of the Company.

### **Benefits of Dematerialization:**

- ✧ Investments in Demat form is easy and convenient.
- ✧ No problem of losing investment certificates.
- ✧ Transferring securities becomes easy.
- ✧ Lower costs when buying and selling of securities.
- ✧ Changes in personal details viz. Communication address and bank account number etc. will apply to all the securities held and need not be done separately.
- ✧ Receive all communication of the company electronically through email including Annual Report and Notices.

### **Appeal to Members holding shares in Demat mode:**

Please update your valid email-id with your Depository Participant (DP).

## WINSOME YARNS LIMITED

CIN : L17115CH1990PLC010566

Regd. Office : SCO 191-192, Sector 34-A, Chandigarh-160022

Phone No. : 0172-4612000, 2603966, 2662232, Fax No. 0172-4614000

E-mail : kvsinghal@winsomegroup.com, cshare@winsomegroup.com

### NOTICE

NOTICE is hereby given that the 26th Annual General Meeting of the Members of Winsome Yarns Limited, will be held on Wednesday the 28th September, 2016 at 11.30 a.m. at PHD Chamber of Commerce and Industry, Regional Office, PHD House, Sector 31-A, Chandigarh to transact the following business:

### ORDINARY BUSINESS:

#### ITEM NO. 1

To receive, consider and adopt the Audited Financial Statement of the Company for the Financial Year ended March 31, 2016 together with the Reports of the Board of Directors and Auditors thereon.

#### ITEM NO. 2

To appoint a Director in place of Shri Manish Bagrodia (DIN. 00046944), who retires by rotation in terms of Section 152(6) of the Companies Act, 2013 and being eligible, offers himself for re-appointment.

#### ITEM NO. 3

To ratify the appointment of M/s Lodha & Co., Chartered Accounts (Firm Registration No. 301051E) as Statutory Auditors of the Company for the year 2016-17 and to fix 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 Companies (Audit and Auditors) Rules, 2014, the Company hereby ratify the appointment of M/s Lodha & Co., Chartered Accountants, (Firm Registration No. 301051E) as the Statutory Auditors of the Company for the financial year 2016-17 to hold the office from the conclusion of this Annual General Meeting till the conclusion of next Annual General Meeting at a remuneration to be decided by the Managing Director of the Company in consultation with the Auditors plus applicable service tax and reimbursement of out of pocket expenses incurred by them for the purpose of audit."

### SPECIAL BUSINESS:

#### ITEM NO. 4

To appoint M/s Balwinder and Associates as Cost Auditor of the Company and 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 148 and other applicable provisions, if any, of Companies Act 2013, read with Companies (Audit and Auditors) Rules, 2014, (including any statutory modification(s) or re-enactment thereof for the time being in force), and final policy of the Central Government on the subject, M/s Balwinder & Associates, Cost Accountants, (Firm registration number 000030), Mohali, Punjab, be and are hereby appointed as Cost Auditor to conduct the audit of cost accounts of the Company for the financial year 2016-2017.

**RESOLVED FURTHER THAT** pursuant to provisions of section 148(3) of the Companies Act, 2013 and Rules made thereunder, approval of the shareholders be and is hereby accorded for the remuneration of Rs. 75000/- (Rupees Seventy five thousand only) plus service tax and out-of pocket expenses payable to M/s Balwinder and Associates, Cost Accountants, appointed by the Board of Directors as cost auditor of the Company for the financial year 2016-17."

For and on behalf of the Board

Place : Chandigarh  
Dated : 30.05.2016

Manish Bagrodia  
Managing Director

## NOTES :

1. A member entitled to attend and vote at the Annual General Meeting (the "Meeting") is entitled to appoint a proxy to attend and vote on a poll instead of himself and the proxy need not be a member of the Company. In case of joint holders attending the Meeting, only such joint holder who is higher in the order of names will be entitled to vote. The instrument appointing the proxy should, however, be deposited at the registered office of the Company not less than forty-eight hours before the commencement of the Meeting.
2. Members are requested to bring their attendance slip along with their copy of Annual Report to the Meeting.
3. 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 a single person as proxy and such person shall not act as a proxy for any other person or shareholder.
4. Corporate members intending to send their authorized representatives to attend the Meeting are requested to send a certified copy of the Board Resolution authorising their representative to attend and vote on their behalf at the Meeting.
5. Relevant 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 up to the date of the Meeting.
6. 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 to the Company/ RTA.
7. **Members who have not registered their e-mail addresses so far are requested to register their e-mail address with the Depository Participants, who have hold the shares in demat form and with the Company, who have hold the shares in physical form for receiving all communication including Annual Report, Notices, Circulars, etc. from the Company electronically.**
8. M/s Link Intime India Pvt. Limited, 44, Community Centre, 2nd Floor, Near PVR, Naraina Industrial Area, Phase-I, New Delhi-110028 (Tele. 011-41410592-94, Fax No. 011-41410591) is acting as common agency for dematerialisation and physical transfer of shares of the Company.
9. According to section 124(5) and 125(2)(c) of the Companies Act, 2013, the unclaimed/ unpaid dividend for the year 2007-08 have been transferred to Investor Education and Protection Fund on 19.11.2015.
10. The notice of AGM along with Annual Report 2015-16 is being sent by electronic mode to those Members whose valid e-mail addresses are registered with the Company/Depositories, unless any Member has requested for a physical copy of the same. The Members who have not registered their e-mail addresses, physical copies are being sent by the permitted mode.
11. Item No. 2 - Shri Manish Bagrodia aged about 48 years is M.Com, Diploma in Computer Applications having around 28 years of experience in Textile Industry. He is holding 52040 shares of the company. Presently, he is Managing Director of Winsome Yarns Limited, and Directors of Inde Dutch Engineering & Aerospace Services Ltd., IDS-Argus Healthcare Services Pvt. Limited, Winsome Yarns (Cyprus) Limited, IDS Infotech (UK) Limited and Confederation of Indian Textile Industry. He is also member of Audit Committee, Stakeholders Relationship Committee and Risk Management Committee of Winsome Yarns Limited.
12. A Explanatory Statement pursuant to Section 102 of the Companies Act, 2013, relating to the Special Business is annexed hereto.
13. The Register of Members and Share Transfer Books of the Company will remain closed on **15.09.2016 to 17.09.2016** (both days inclusive).

### Remote e-voting Procedure

14. The instructions for shareholders voting electronically are as under:
  - (i) The E-voting period begins on **25.09.2016 at 9.00 a.m.** IST and ends on **27.09.2016 at 5.00 p.m.** IST. During this period shareholders of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date (**21.09.2016**), may cast their vote. 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" tab.
  - (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.	
PASSWORD	<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.</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>
Date of Birth or Date of Incorporation	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.
Bank Details	<p>Enter the 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 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 Bank details field as mentioned in instruction (iv).</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 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 Winsome Yarns Limited for e-voting.
- (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) Shareholders can also cast their vote using CDSL's mobile app m-Voting available for Andoid, Apple and Windows based mobiles. The m-Voting app can be downloaded from Google Play Store, App Store and Windows Phone Store respectively. Please follow the instructions as prompted by the mobile app while voting on your mobile.
- xix) 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 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 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.
- (xx) 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).

Mr. Girish Madan, Practising Company Secretary (Membership No. FCS 5017), proprietor of M/s. Girish Madan and Associates has been appointed as the Scrutinizer to scrutinize the e-voting process in a fair and transparent manner.

The Scrutinizer shall within a period not exceeding three(3) working days from the conclusion of the e-voting period unblock the votes in the presence of at least two(2) witnesses not in the employment of the Company and make a Scrutinizer's Report of the votes cast in favour or against, if any, forthwith to the Chairman of the Company.

The Results shall be declared on or after the AGM of the Company. The Results declared alongwith the Scrutinizer's Report shall be placed on the Company's website and on the website of CDSL within two(2) days of passing of the resolutions at the AGM of the Company and communicated to the BSE Limited and the National Stock Exchange of India Limited.

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

### **ITEM NO. 4**

The Board of Directors after considering the recommendations of Audit and Nomination & Remuneration Committees have appointed M/s Balwinder and Associates, Cost Accountants, as Cost Auditor of Company for the Financial Year 2016-17 to conduct the Cost Audit of Cost Accounts of the Company on a total remuneration of Rs. 75000/- (Rupees Seventy five thousand only) plus service tax and out of pocket expenses. According to provisions of section 148 of Companies Act 2013 read with Companies (Audit & Auditors) Rules 2014, the remuneration of Cost Auditor is subject to the ratification of members of the Company.

The Board recommends this resolution for approval of the shareholders. None of the Directors, Key Managerial Personnel or their relatives is interested in this resolution.

For and on behalf of the Board

Place : Chandigarh  
Dated : 30.05.2016

Manish Bagrodia  
Managing Director

**DIRECTORS' REPORT**

Dear Members,

We are pleased to present the 26th Annual Report of the Company and the audited statement of accounts for the year ended 31st March, 2016. A summary of the financial results is given below.

**SUMMARISED FINANCIAL RESULTS:**

(Rs. in lacs)

<b>Financial Highlights</b>	<b>Year ended 31.03.2016</b>	<b>6 Months ended 31.03.2015</b>
Revenue from Operations	<b>37886.60</b>	20452.49
Profit before Interest, Depreciation & Tax	<b>(515.19)</b>	(3525.83)
Less: Interest	<b>606.96</b>	275.29
Profit/(Loss) before Depreciation	<b>(1122.15)</b>	(3801.12)
Less: Depreciation	<b>1878.20</b>	873.59
Profit/ (Loss) before Taxes	<b>(3000.35)</b>	(4674.71)
Exceptional items	--	--
Less : - Current Tax	--	--
- Previous year's Tax	--	--
- Deferred Tax	--	--
Net Profit/ (Loss) after Taxes	<b>(3000.35)</b>	(4674.71)
Add : Surplus brought forward from previous year	<b>(24661.83)</b>	(19987.12)
Balance Carried to Balance Sheet	<b>(27662.18)</b>	(24661.83)

**OPERATIONS & PERFORMANCE:**

During the period under review, the Company's operations continued to be affected due to slackness in demand for finished products, non availability of adequate working capital for operations and constrained margins. Furthermore, the Company could not undertake necessary and regular capital expenditure as per industry norms for proper maintenance and upkeep of plant and equipment in the previous years due to paucity of funds.

The overall performance of the Company for the period ended 31.03.2016 continued to be a loss of Rs. 3000.35 lacs in comparison to the net loss of Rs. 4674.71 lacs of the previous period of 6 months ended 31.03.2015. Your Company's turnover of Rs.37886.60 lacs was lower against the previous period's (6 months) turnover of Rs.20452.49 lacs, which was thus below the annualised turnover of earlier year.

**EROSION OF ENTIRE NET WORTH:**

Consequent to erosion of entire net worth and filing of the reference to the Hon'ble Board for Industrial and Financial Reconstruction (BIFR) under Sick industrial company (Special Provision Act. 1985), (SICA), which was registered on 10.04.2015.

**OUTLOOK:**

Lenders having outstanding debts of more than 80% have assigned and transferred their total debts due from the Company along with underlying rights, benefits and obligations to an Asset Reconstruction Company, M/s Edelweiss Asset Reconstruction Company Limited (EARC).

The Company is in discussion with EARC to achieve restructuring of its debts. The performance of the Company during the current year shall depend on availability of raw material - cotton at reasonable prices and the Indian currency remaining stable with the currency of customers in importing countries.

**SUBSIDIARY COMPANIES:**

According to the provisions of Section 129 of Companies Act, 2013, a statement containing salient features of the financial statements of the Company's subsidiaries in Form AOC-1 is attached to the financial statements of the Company.

As required by Accounting Standard - 21 issued by the Institute of Chartered Accountants of India the consolidated financial statements, included in this Annual Report, incorporate the accounts of its subsidiary Companies namely Winsome Yarns (Cyprus) Limited and Winsome Yarns (FZE) (as at 31.03.2016, unaudited, ceased operations, declared defunct effective 01.04.2014).



# WINSOME YARNS LIMITED

Pursuant to the provisions of Section 136 of the Companies Act, 2013, the financial statements of the Company, consolidated financial statements along with relevant documents and separate audited/ unaudited accounts in respect of subsidiaries are available on web site of the Company.

The ongoing business recessionary conditions in European Countries, caused negative effects to the three step down subsidiaries of the Company, namely, S.C. Winsome Romania, S.r.l., IMM Winsome Italia S.r.l. and S.C. Textil, S.r.l., which were placed under liquidation, and therefore, their Balance Sheets and other financial statements are not available; accordingly, the instant consolidated financial statements of the Company do not include the financials of the above named three subsidiary Companies

The present status of these three subsidiary companies is given as under:-

Sr. No.	Name of Subsidiary	Start of liquidation process	Present status
1	IMM Winsome Italia S.r.l.	30.09.2008	Under Liquidation.
2	S.C. Winsome Romania S.r.l.	26.11.2008	Under Liquidation.
3	S.C. Textil S.r.l.	09.02.2010	Under Liquidation.

## ISO 9001/2008:

Your Directors are pleased to inform you that your Company continues to be the holder of ISO 9001/2008 certificates.

## DIVIDEND:

Your Directors are unable to recommend any dividend on equity shares for the year under review.

## SHARE CAPITAL:

During the year the company has not allotted any securities.

## DIRECTORS:

- Shri Manish Bagrodia, Director, retires by rotation and being eligible, offers himself for re-election.
- None of the Directors are disqualified under the provisions of Section 164(2) of the Companies Act, 2013. The Directors have made the requisite disclosures, as under the provisions of Companies Act, 2013 and under the regulations of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (Listing Regulations).
- Ms. Ishika Aggarwal, Independent Director of the Company resigned and ceased to be director w.e.f. 21.05.2016.

## BOARD EVALUATION:

Pursuant to the provisions of the Companies Act, 2013 and under the regulations of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Board has carried out an annual evaluation of its own performance, the directors individually, as well as the evaluation of the working of its Committees. At the meeting of the Board all the relevant factors that are material for evaluating the performance of individual Directors, the Board and its various committees were discussed in detail. A structured questionnaire each for evaluation of the Board, its various Committees and individual Directors was prepared and recommended to the Board by Nomination & Remuneration Committee for doing the required evaluation after taking into consideration the input received from the Directors covering various aspects of the Board's functioning and its Committees, execution and performance of specific duties, obligations and governance etc.

A separate exercise was carried out to evaluate the performance of individual Directors including the Chairman of the Board, who were evaluated on parameters such as level of engagement and contribution, independence of judgement, safeguarding the interest of the Company and its minority shareholders etc. The performance evaluation of the independent Directors was carried out by the entire Board. The performance evaluation of the Chairman and non-independent Directors was also carried out by the Independent Directors at their separate meeting. The Directors expressed their satisfaction with the evaluation process.

## NO. OF BOARD MEETINGS:

Four board meetings were convened and held during the financial year 2015-16. The details thereof are given in the Corporate Governance Report. The intervening gap between the meetings was within the period prescribed under the Companies Act, 2013.

## AUDITORS:

M/s. Lodha & Co., Chartered Accountants (Firm Registration Number: 301051E), who are Statutory Auditors of the Company hold office up to the forthcoming Annual General Meeting and are recommended for re-appointment to audit the accounts of the Company for the Financial Year 2016-17. As required under the provisions of Section 139 of the Companies Act, 2013, the Company has obtained written confirmation from M/s Lodha & Co. that their appointment, if made, would be in

## AUDITORS' REPORT:

The Statutory Auditors of the Company have submitted Auditors' Report on the accounts of the Company for the financial year ended March 31, 2016. The statement of Impact of Audit Qualifications of Standalone and Consolidated Financials have been given after the respective Auditors' Reports.

## THE EXPLANATION/COMMENTS OF THE BOARD ON QUALIFICATION/RESERVATION OR ADVERSE REMARKS GIVEN BY AUDITORS IN ITS REPORT FOR THE FINANCIAL YEAR 2015-16:

Explanation of management on the audit qualifications contained in the Auditors' Report are given in the respective statements of Impacts of audit qualifications of the stand alone and consolidated financials.

## COST AUDITORS AND COST AUDIT REPORT:

Pursuant to Section 148 of the Companies Act, 2013 read with The Companies (Cost Records and Audit) Amendment Rules, 2014, the cost audit records maintained by the Company in respect of various activities are required to be audited. Your Directors had, on the recommendation of the Audit Committee, appointed M/s. Balwinder and Associates, Cost Accountants, to audit the cost accounts of the Company for the financial year 2016-17 on a remuneration to be decided by the Managing Director of the Company in consultation with the Cost Auditor, subject to approval of the shareholders of the company. The Cost Audit of Textile Industry was not required for the financial year 2014-15.

## SECRETARIAL AUDIT:

Pursuant to the provisions of Section 204 of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Company has appointed M/s. Girish Madan & Associates, a firm of Company Secretaries in practice (C.P. No. 3577) to undertake the Secretarial Audit of the Company. The Secretarial Audit Report for the financial year ended 31st March, 2016 is annexed herewith as 'Annexure A' to this Report.

## PUBLIC DEPOSIT:

During the year, the Company has not accepted any deposits from the public and as such, there are no outstanding deposits in terms of the Companies (Acceptance of Deposits) Rules, 2014.

## DIRECTORS' RESPONSIBILITY STATEMENT:

The Board of Directors acknowledge the responsibility for ensuring compliance with the provisions of Section 134(3) read with Section 134(5) of the Companies Act, 2013 in the preparation of annual accounts for the year ended on 31st March, 2016 and state that:

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

## KEY MANAGERIAL PERSONNEL:

Shri Manish Bagrodia, Managing Director, Shri Anand Balkishan Sharma, President (Corporate Finance) and Chief Financial Officer (CFO) and Shri K. V. Singhal, General Manager (Legal) & Company Secretary of the Company are the Key Managerial Personnel of the Company.

## CORPORATE GOVERNANCE:

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

## AUDIT COMMITTEE & RISK MANAGEMENT:

The details pertaining to composition of audit committee are included in the Corporate Governance Report.

## RISK MANAGEMENT:

The Board of the Company has already formed a risk management committee to frame, implement and monitor the risk