

DIRECTORS' REPORT



To the Members,

Your Directors have pleasure in presenting the 42nd Annual Report together with audited accounts of the Company for the year ended 31st March, 2016.

1. Financial summary or highlights/Performance of the Company (Standalone)

The Board's Report shall be prepared based on the stand alone financial statements of the company.

Particulars	2015-2016 (Rs. in Lacs)	2014-2015 (Rs. in Lacs)
Revenue From operations	10860.46	12763.04
Loss/Profit Before Interest, Depreciation and Exceptional Items	-388.17	1568.87
Finance Charges	879.79	1016.25
Loss/Profit before Depreciation and Tax	-1267.96	552.62
Provision for Depreciation	408.12	551.67
Exceptional Item	1201.76	0
Net Loss /Profit Before Tax	-474.32	0.95
Net Loss/Profit After Tax	-538.62	418.31

2. State of Company's affair

The company manufactures Corrugated Fibre Cement Sheets which are widely used in industrial sector.

Our company at present has two units-one at Lucknow and other at Dadri. The company has undergone restructuring and to enhance its financial positions and overall shareholders' value the company has given its Dadri unit on lease.

The Dadri unit has been leased out for 10 years w.e.f 01.02.14, the leasing arrangement are not cancellable and are renewable by mutual consent on agreed terms. The aggregate lease rentals are shown as lease rentals.

During the financial year under review, your Company's revenue from operations has been Rs. 108.60 Crores as compared to Rs. 127.63 Crores in last year the company faced a decrease of revenue by 14.91% over the last year; the company incurred a loss before tax of Rs 4.74 Crores as compared to Profit before tax of Rs. 0.95 Lakhs in last year,. Loss after tax has been Rs. 5.38 Crore as compared to a profit after tax of Rs.4.18 crores in last year.

Highlights of the performance of the company has been discussed in detail in the Management Discussion and Analysis report attached as **Annexure III**

3. DIVIDEND

In view of losses the Board recommends no dividend during the year under report.

4. RESERVES

Since the company has incurred losses no amount is proposed to be transferred to the reserves.

5. DEPOSITS

The company has not accepted any deposits from the public during the year under review however the existing deposits with the company are within the prescribed limit and being timely paid off. A Return in DPT-3 is filed annually with ROC regarding the same. The company plans to pay off all the existing deposits within 31.03.2017.

In this regard we further state that :-

- Deposits amounting to Rs. 6833977.83 are lying unclaimed as on 31.03.2016
- There has been no default in repayment of deposits or payment of interest thereon during the year
- There are no deposits lying with the company which are not in compliance with the requirements of Chapter V of the new Act other than the deposits lying with the company in compliance with the old act.

6. DIRECTORS AND KEY MANAGERIAL PERSONNEL

During the year under review the Board was reconstituted on account of resignations and re-appointments as follows:

Mrs. Mala Agarwal was appointed w.e.f from 30.09.2015 as Independent Directors and Mr. Rakesh Seth was re-appointed as an Independent Director in the company from 30.09.2015 and Mr. T.S. Pradhan, Director of the company vacated the office w.e.f 30.09.2015 whereas Mr. Avadh. B. Lal, Director resigned from the office w.e.f 03.11.2015

Mr. Ajay Trivedi resigned from the office of Company Secretary w.e.f. 24.08.2015 and Mrs. Swati Manocha was appointed in his place at the same meeting.

7. DIRECTOR'S RESPONSIBILITY STATEMENT

Pursuant to the requirement under Section 134(5) of the Companies Act, 2013, with respect to Directors' Responsibility Statement, it is confirmed that:

- in the preparation of the annual accounts for the year ended March 31, 2016, the applicable accounting standards have been followed and there are no material departures from the same;
- the Directors have 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 as at March 31, 2016 and of the profit of the company for the year ended on that date;
- 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;
- the Directors have prepared the annual accounts of the Company on a going concern basis;
- the Directors had laid down the internal financial controls to be followed by the Company and that such internal financial controls are adequate and were operating effectively.
- 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.

8. EXTRACT OF ANNUAL RETURN:

As required pursuant to section 92(3) of the Companies Act, 2013 and Rule 12(1) of the Companies (Management and Administration) Rules, 2014, an extract of annual return in **MGT 9** as a part of this Annual Report as **ANNEXURE I**.

9. MEETINGS DURING THE YEAR

The Board met five times during the financial year ending 31st March, 2016. The intervening gap between any two meetings was within the period prescribed by the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (hereinafter referred to as "Listing Regulations").

For further details in respect of Composition, number and attendance of each director in various Committees of Board as required in accordance with Secretarial Standard-1 on board Meetings and Listing Regulations, please refer Corporate Governance Report annexed herewith as **Annexure II**.

10. DETAILS OF FRAUD REPORTED BY THE AUDITORS UNDER SECTION 143(12) OTHER THAN THOSE WHICH ARE REPORTABLE TO THE CENTRAL GOVERNMENT.:

No such fraud has been reported under section 143(12) of the Companies Act, 2013.

11. SUBSIDIARY, ASSOCIATES & JOINT VENTURES:

As the Company has no subsidiary, associates & joint Ventures, the Company is not required to provide a report on the performance and financial position of each of the subsidiaries, associates and joint venture companies included in the consolidated financial statements in **Form AOC-1 as Annexure XII**

DIRECTORS' REPORT (Contd.)



12. BOARD AND ITS COMMITTEES

During the financial year under review the company on account of the resignation, vacation, appointments during the year the Board and its committees were reconstituted in the following manner :-

Sl.	Name of Committee		Members	Changes
1.	Audit Committee	Shri Dharam Mohan Shri Avadh. B. Lal Shri Rakesh Seth Smt Mala Agarwal Shri Ajay Trivedi Smt Swati Manocha	Chairman Member /NED Member /NED Member /NED Secretary to the Committee Secretary to the Committee	Resigned on 03.11.2015 Appointed on 10.11.2015 Resigned on 24.08.2015 Appointed on 24.08.2015
2.	Nomination and Remuneration Committee	Shri Dharam Mohan Shri Avadh. B. Lal Shri Rakesh Seth Smt Mala Agarwal Shri Ajay Trivedi Smt Swati Manocha	Chairman Member /NED Member /NED Member /NED Secretary to the Committee Secretary to the Committee	Resigned on 03.11.2015 Appointed on 10.11.2015 Resigned on 24.08.2015 Appointed on 24.08.2015
3.	Stakeholders' Relationship Committee	Shri Dharam Mohan Shri Amitabh Tayal Shri Avadh. B. Lal Smt Mala Agarwal Shri Ajay Trivedi Smt Swati Manocha	Chairman Member /ED Member /NED Member /NED Secretary to the Committee Secretary to the Committee	Resigned on 03.11.2015 Appointed on 10.11.2015 Resigned on 24.08.2015 Appointed on 24.08.2015
4.	Share Transfer Committee	Shri Amitabh Tayal Shri Avadh B. Lal Smt. Mala Agarwal Shri Ajay Trivedi Smt. Swati Manocha	Chairman Member /NED Member /NED Company Secretary Company Secretary	Resigned on 03.11.2015 Appointed on 10.11.2015 Resigned on 24.08.2015 Appointed on 24.08.2015
5.	Internal Audit Committee	Shri Dharam Mohan Shri Priyank Tayal Shri Avadh B. Lal Smt. Shailly Tayal Shri Anchal Rastogi Shri Ajay Trivedi Smt. Swati Manocha	Chairman Member/ED Member /NED Member (Head- Financial Audit) Member (Chief Financial Officer) Secretary to the Committee Secretary to the Committee	Resigned on 03.11.2015 Resigned on 24.08.2015 Appointed on 24.08.2015
6.	Risk Management Committee	Shri Dharam Mohan Shri Priyank Tayal Shri Amitabh Tayal Shri Ajay Trivedi Smt. Swati Manocha	Chairman Member/ED Member/ED Secretary to the Committee Secretary to the Committee	Resigned on 24.08.2015 Appointed on 24.08.2015

The Board has accepted all recommendations made by the Audit Committee from time to time.

13. PARTICULARS OF EMPLOYEES

Pursuant to the Rule 5 of Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, statement of particulars of employees is annexed as **Annexure VI**

14. BOARD EVALUATION

Clause 49 of the Listing Agreement mandates that the board shall monitor and review the board evaluation framework. The Companies Act, 2013 states that an annual evaluation needs to be made by the board of its own performance and that of its committees and individual directors, Schedule IV of the Companies Act, 2013 states that the performance evaluation of independent directors shall be done by the entire Board of Directors, excluding the director being evaluated.

The evaluation of all the directors and the Board as a whole was conducted based on the criteria and framework adopted by the Board. The said criteria also contemplates evaluation of the directors based on their performance as director apart from their specific role as independent, non-executive and executive directors as mentioned below:-

1. Executive Director, being evaluated as directors as mentioned above, will also be evaluated on basis of targets/criteria given to them by board from time to time as well as their terms of appointment.
2. Independent Director, as director will be evaluated on meeting their obligations connected with their independence criteria as well as adherence with the requirements of professional conduct, roles, etc. applicable to independent directors as described in the Schedule IV of the Companies Act, 2013

None of the Independent directors are due for retirement

15. DECLARATION BY AN INDEPENDENT DIRECTOR(S) AND RE-APPOINTMENT, IF ANY

The company has received declaration from all the Independent Director(s) under section 149 (6) of the Companies Act, 2013 that he/she meet the criteria of independence as provided in Section 149(6) of the Companies Act, 2013 and the Listing Guidelines.

16. DETAILS OF EQUITY SHARES WITH DIFFERENTIAL VOTING RIGHTS, ESOP'S & SWEAT EQUITY :

The Company has not issued any equity shares with differential voting rights, ESOP's & Sweat Equity.

17. AUDITORS:-**A. STATUTORY AUDITOR :**

The Auditors, M/s Jain Kapoor & Co., Chartered Accountants, retire at the ensuing Annual General Meeting and, being eligible; offer themselves for reappointment for a period of 1 year from the conclusion of this AGM till the conclusion of next AGM.

The Auditors' in their Report to the members, have given Seven qualified opinions and the response of your directors with respect to it are as follows:-

1. Response to Point (1)

Adjustments of any selling price, discounts, commission and breakage compensation is informed to customers and effect of the same is taken by them and confirmed telephonically. Necessary evidences regarding balance confirmation is in process to be obtained.

2. Response to Point (2)

As such there are no reportable businesses or geographical segments in respect of manufacturing & sale of asbestos cement sheet and trading of asbestos fibre, so these are not reportable business segments.

3. Response to Point (3)

The Company is hopeful for recovery of the said amount from the Commercial Tax Department of the Government of Uttar Pradesh as similar matter in this respect has also been decided in favour of Company in F.Y. 2013-14 by Hon'ble Supreme Court.

4. Response to Point (4)

The Company does not agree with the valuation done by the bankers and is in the process of getting a separate valuation done through Government Approved Valuers and decrease, if any, in valuation of the assets of the company shall be recognised after receipt of such valuation report.

5. Response to Point (5)

Expansion Work of existing production capacity of plant was given to contractor. Necessary Documents regarding this is in process to be obtained.

6. Response to Point (6)

The loan amount is recovered in July'2015 but interest income is recognised in Mar'2016 as the company is having practice of recognising interest income on loan on 31st March every year. Management is hopeful for recovery of this amount.

7. Response to Point (7)

Identification of unserviceable or damaged items of inventory is done at the time of physical verification and necessary action is taken in the books of accounts.

B. SECRETARIAL AUDIT REPORT

In terms of Section 204 of the Companies Act, 2013 and Rules made there under, M/s. Amit Gupta & Associates, Practicing Company Secretary have been appointed as the Secretarial Auditors of the Company. The report of the Secretarial Auditors for the financial year under review is enclosed as **Annexure IX** to this report. The report is self-explanatory and do not call for any further comments.

C. COST AUDITOR

In terms of the provisions of Section 148 and all other applicable provisions of the Companies Act, 2013, read with the Companies (Audit and Auditors) Rules, 2014, M/s. Aman Malviya & Associates, Cost Accountants have been appointed as Cost Auditors to conduct the audit of cost records of your company for the financial year 2016-2017. The remuneration payable to the Cost Auditor is subject to ratification by the members at the ensuing Annual General Meeting of the Company.

Your Company submits its Cost Audit Report with the Ministry of Corporate Affairs within the stipulated time period.

D. INTERNAL AUDITOR:

The Company continues to engage Mr. O.P. Singh as its Internal Auditor. During the year, the Company continued to implement their suggestions and recommendations to improve the control environment. Their scope of work includes review of processes for safeguarding the assets of the Company, review of operational efficiency, effectiveness of systems and processes, and assessing the internal control strengths in all areas. Internal Auditors findings are discussed with the process owners and suitable corrective actions taken as per the directions of Audit Committee on an ongoing basis to improve efficiency in operations.

18. POLICIES OF THE COMPANY

A. RISK MANAGEMENT POLICY

The company believes in periodical review of various risks that has bearing on the business and operations of the company. UPAL aims to have formalised and systematic approach for managing risk across the company so that it can mitigate the negative impacts and capitalise on opportunities. The Risk Management Framework aims at identification of risk, Leverage of opportunities and provides strategy to manage transfer and avoid/minimize the impact of the risks and helps to ensure sustainable business growth.

Keeping in view that above the Risk Management Committee of your company has formulated a Risk Management Policy and may be accessed on the company website at the link: <http://www.upasbestos.com>.

B REMUNERATION POLICY

The Board has, on the recommendation of the Nomination & Remuneration Committee framed a policy for selection and appointment of Directors, Senior Management and their remuneration. The Nomination and remuneration policy is attached herewith as **Annexure X**.

C. VIGIL MECHANISM :

In pursuant to the provisions of section 177(9) & (10) of the Companies Act, 2013, a Vigil Mechanism for directors and employees to report genuine concerns has been established. The Vigil Mechanism Policy has been uploaded on the website of the Company at www.upasbestos.com under investors/policy documents/Vigil Mechanism Policy link.

19. MATERIAL CHANGES AND COMMITMENTS, AFFECTING FINANCIAL POSITION OF THE COMPANY OCCURRING BETWEEN THE END OF THE FINANCIAL YEAR OF THE COMPANY AND THE DATE OF THE REPORT

The company proposes to enhance its business operation and hence has altered its memorandum and obtained various approval from statutory authority to augment growth of the company in various sectors.

Apart from this no other material change has occurred affecting the financial position of the company between the end of the financial year of the company and date of the report.

20. DETAILS IN RESPECT OF ADEQUACY OF INTERNAL FINANCIAL CONTROLS WITH REFERENCE TO THE FINANCIAL STATEMENTS.

The company has adequate internal financial control with reference to financial statements. During the year, such controls were tested and no reportable material weakness in the design or operation was observed.

21. DETAILS OF SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS OR COURTS OR TRIBUNALS IMPACTING THE GOING CONCERN STATUS AND COMPANY'S OPERATIONS IN FUTURE:

No such order has been passed against the Company.

22. PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS UNDER SECTION 186

The company has made loans and investment within the prescribed limit of section 186 of the Companies Act, 2013 and rules made thereunder. The Loans made are detailed as under:-

SL	Details of Borrower	Amount (Rs.)	Purpose of loan/investment for the recipient	Date of BR	Date of SR (if reqd)	ROI (%)
1.	Big Apple Real Estate Pvt. Ltd.	Not exceeding 5 cr	For Business Operation	20.05.2013	N.A.	16
2.	Castmet Packagings Pvt. Ltd.	Not exceeding 1 cr	For Business Operation	20.05.2013	N.A.	16
3.	Pasondia Cables Pvt. Ltd.	20000000	Loan converted to share application money pending allotment on 31.03.2016	11.01.2016	N.A.	19

23. PARTICULARS OF CONTRACTS OR ARRANGEMENTS WITH RELATED PARTIES:

The particulars of every contract or arrangements entered into by the Company with related parties referred to in sub-section (1) of section 188 of the Companies Act, 2013 including certain arm's length transactions under third proviso thereto shall be disclosed in Form No. AOC-2. as **Annexure VII.**

24. CORPORATE GOVERNANCE & MANAGEMENT DISCUSSION AND ANALYSIS

The Corporate Governance Report & Management Discussion and Analysis Report, the CEO Declaration for Code of Conduct and certificate of Practicing Company Secretary's certifying compliance of conditions of Corporate Governance by the company has been made part of the annual report and annexed herewith as **Annexure II, III, IV, and V.** A CFO certification is attached herewith as **Annexure XI**

25. OBLIGATION OF COMPANY UNDER THE SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION AND REDRESSAL) ACT, 2013

In order to prevent sexual harassment of women at work place a new act The Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 has been notified on 9th December, 2013. Under the

DIRECTORS' REPORT (Contd.)



said Act every company is required to set up an Internal Complaints Committee to look into complaints relating to sexual harassment at work place of any women employee.

Company has adopted a policy for prevention of Sexual Harassment of Women at workplace and has set up Committee for implementation of said policy. During the year Company has not received any complaint of harassment.

26. CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO

A statement giving details of conserving of energy, technology absorption, foreign earnings and outgo in accordance with Section 134 (3) (m) of the Companies Act, 2013 read with Rule 8 of The Companies (Accounts) Rules, 2014 is annexed to the Directors Report as **Annexure-VIII**.

27. CORPORATE SOCIAL RESPONSIBILITY (CSR)

The company does not fall in the criteria mentioned under section 135 of the Companies Act, 2013. Therefore the Company was not required to form CSR Committee or frame CSR Policy. Accordingly the Company was not required to make any expenditure towards CSR. However the company has voluntarily made expenditure for the purpose of CSR.

28. LISTING WITH STOCK EXCHANGES:

The Company was earlier listed with Delhi Stock Exchange Limited and UP Stock Exchange Limited. However with de-recognition of Delhi Stock Exchange Ltd. and UP Stock Exchange Ltd., the company got its shares listed with Metropolitan Stock Exchange of India Ltd. w.e.f. 08.02.2016. The Company has made payment of all dues to the Stock Exchanges.

29. ACKNOWLEDGEMENTS

An acknowledgement to all with whose help, cooperation and hard work the Company is able to achieve the results.

ANNEXURE TO DIRECTORS' REPORT

Annexure I

FORM NO. MGT 9**EXTRACT OF ANNUAL RETURN**

As on financial year ended on 31.03.2016

Pursuant to Section 92 (3) of the Companies Act, 2013 and rule 12(1) of the Company
(Management & Administration) Rules, 2014.

I. REGISTRATION & OTHER DETAILS :

1.	CIN	L26942UP1973PLC003743
2.	Registration Date	July 18, 1973
3.	Name of the Company	U P Asbestos Limited
4.	Category/Sub-category of the Company	Public Company/Limited by shares
5.	Address of the Registered office & contact details	P O Mohanlalganj, Lucknow – 226 301, Uttar Pradesh, India. Phone No.: +91-522-2622905 Email: upasbestos@upasbestos.com Website: www.upasbestos.com
6.	Whether listed company	Yes, on MSEI Limited (w.e.f. 08.02.2016)
7.	Name, Address & contact details of the Registrar & Transfer Agent, if any.	KARVY COMPUTERSHARE (P) LTD. "KARVY HOUSE", 46, Avenue 4, Street No. 1, Banjara Hills, Hyderabad – 500 034 Phone No.:+91-40-67162222, 33211000 Fax No.:+91-40-23420814 Email:support@karvy.com Website:www.karvy.com

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

The business activities contributing 10 % or more of the total turnover of the company is stated:

SN	Name and Description of main products / services	NIC Code of the Product/service	% to total turnover of the company
1	Corrugated Cement Asbestos Sheets	23959	77%

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES -

S. N	NAME AND ADDRESS OF THE COMPANY	CIN/GLN	HOLDING/SUBSIDIARY/ ASSOCIATE	% of shares held	Applicable Section
NIL					

ANNEXURE TO DIRECTORS' REPORT (Contd.)



A. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)

Category of Shareholders	No. of Shares held at the beginning of the year [As on 31-March-2015]				No. of Shares held at the end of the year [As on 31-March-2016]				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoters									
(1) Indian									
a) Individual/ HUF	1277095	-	1277095	14.02	1282945	-	1282945	14.08	0.06(Inc)
b) Central Govt	-	-	-	-	-	-	-	-	-
c) State Govt(s)	-	-	-	-	-	-	-	-	-
d) Bodies Corp.	5057079	-	5057079	55.53	5057079	-	5057079	55.53	-
e) Banks / FI	-	-	-	-	-	-	-	-	-
f) Any other	170850	-	170850	1.88	170850	-	170850	1.88	-
Total shareholding of Promoter (A)	6505024	-	6505024	71.43	6510874	-	6510874	71.49	0.06(Inc)
B. Public Shareholding									
1. Institutions									
a) Mutual Funds	-	-	-	-	-	-	-	-	-
b) Banks / FI	-	-	-	-	-	-	-	-	-
c) Central Govt	-	-	-	-	-	-	-	-	-
d) State Govt(s)	-	-	-	-	-	-	-	-	-
e) Venture Capital Funds	-	-	-	-	-	-	-	-	-
f) Insurance Co.'s	-	-	-	-	-	-	-	-	-
g) FIs	-	-	-	-	-	-	-	-	-
h) Foreign Venture Capital Funds	-	-	-	-	-	-	-	-	-
i) Others (specify)	-	-	-	-	-	-	-	-	-
Sub-total (B)(1):-	-	-	-	-	-	-	-	-	-
2. Non-Institutions									
a) Bodies Corp.									
i) Indian	590398	1300400	1890798	20.76	590398	1300400	1890798	20.76	-
ii) Overseas	-	-	-	-	-	-	-	-	-
b) Individuals									
i) Individual shareholders holding nominal share capital up to Rs. 1 lakh	229750	339121	568871	6.25	231150	331221	562371	6.18	0.07(Dec.)
ii) Individual shareholders holding nominal share capital in excess of Rs 1 lakh	128650	13350	142000	1.56	128650	13350	142000	1.56	-

ANNEXURE TO DIRECTORS' REPORT (Contd.)


c) Others (specify) NRI	500	-	500	0.01	1150	-	1150	0.01	0.01(Inc)
Sub-total (B)(2)	949298	1652871	2602169	28.57	951348	1644971	2596319	28.51	0.06(Dec)
Total Public Shareholding (B)=(B)(1)+ (B)(2)	949298	1652871	2602169	28.57	951348	1644971	2596319	28.51	0.06(Dec)
C. Shares held by Custodian for GDRs & ADRs	-	-	-	-	-	-	-	-	-
Grand Total (A+B+C)	7454322	1652871	9107193	100	7462222	1644971	9107193	100	-

B) Shareholding of Promoter-

Sl.	Shareholder's Name	Shareholding at the beginning of the year 31 st March, 2015				Shareholding at the end of the year 31 st March, 2016		% change in share holding during the year
		No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	No. of Shares	% of total Shares of the company to total shares	% of Shares Pledged / encumbered	
1.	Amitabh Tayal	127698	1.40	0.42	133698	1.47	0.42	0.07(Inc)
2.	Manju Tayal	97098	1.07	0.00	97098	1.07	0.00	-
3.	Priyank Tayal	528700	5.81	1.79	528700	5.81	1.79	-
4.	Avanti Mohta	454800	4.99	0.00	454800	4.99	0.00	-
5.	Amitabh Tayal (HUF)	68649	0.75	0.00	68649	0.75	0.00	-
6.	Mohan Manglam Trust	170850	1.88	0.00	170850	1.88	0.00	-
7.	Ganga Corporation Pvt.Ltd.	110150	1.21	0.00	110150	1.21	0.00	-
8.	Doon Industrial Fund Ltd	37500	0.41	0.00	37500	0.41	0.00	-
9.	Everest Roofings Pvt Ltd	429471	4.72	0.00	429471	4.72	0.00	-
10.	The Rohtak & Hissar Districts Electric Supply Company Ltd	883350	9.70	0.00	883350	9.70	0.00	-
11.	Mashino Textile Pvt. Ltd.	1539100	16.90	0.00	1539100	16.90	0.00	-
12.	Uniglobe Glycols Limited	2057508	22.59	0.00	2057508	22.59	0.00	-
	Total	6504874	71.43	2.21	6510874	71.49	2.21	0.07(Inc)

ANNEXURE TO DIRECTORS' REPORT (Contd.)



C) Change in Promoters' Shareholding (please specify, if there is no change)

Particulars	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
	No. of shares	% of total shares of the company	No. of Shares	% of total shares of the company
Amitabh Tayal At the beginning of the year (2015)	127698	1.40	127698	1.40
Increase in Promoters Shareholding by transfer of shares during the year	6000	0.07	6000	0.07
At the end of the year (2016)	133698	1.47	133698	1.47
Other Promoters At the beginning of the year (2015) Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus / sweat equity etc.): At the end of the year (2016)	NO CHANGE			

D) Shareholding Pattern of top ten Shareholders

(Other than Directors, Promoters and Holders of GDRs and ADRs):

SN	Name of Shareholder's	Share holding at the beginning of the year 01.04.2015		Cumulative Share holding at the end of the year 31.03.2016	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1.	Jaiprakash Associates Ltd.				
	Opening balance	840000	9.22	840000	9.22
	No change				
	Closing balance	840000	9.22	840000	9.22
2.	R&H Power Co. (P) Ltd.				
	Opening balance	589998	6.48	589998	6.48
	No change				
	Closing balance	589998	6.48	589998	6.48
3.	Camsoft India (P) Ltd.				
	Opening balance	59400	0.65	59400	0.65
	No change				
	Closing balance	59400	0.65	59400	0.65
4.	Emkey Commercial Co. Ltd.				
	Opening balance	49500	0.54	49500	0.54
	No change				
	Closing balance	49500	0.54	49500	0.54

ANNEXURE TO DIRECTORS' REPORT (Contd.)



5	Hitech Computech Pvt. Ltd.				
	Opening balance	37400	0.41	37400	0.41
	No change				
	Closing balance	37400	0.41	37400	0.41
6	B.T. Technet Ltd.				
	Opening balance	34100	0.37	34100	0.37
	No change				
	Closing balance	34100	0.37	34100	0.37
7	Aduri Sales Pvt. Ltd.				
	Opening balance	33000	0.36	33000	0.36
	No change				
	Closing balance	33000	0.36	33000	0.36
8	Orbital Contractors & Financers Ltd.				
	Opening balance	33000	0.36	33000	0.36
	No change				
	Closing balance	33000	0.36	33000	0.36
9	Govind Bhai Baldev Desai				
	Opening balance	32100	0.35	32100	0.35
	No change				
	Closing balance	32100	0.35	32100	0.35
10	Ashiana Traders Pvt. Ltd.				
	Opening balance	27500	0.30	27500	0.30
	No change				
	Closing balance	27500	0.30	27500	0.30

E) Shareholding of Directors and Key Managerial Personnel:

SN	Shareholding of each Directors and each Key Managerial Personnel	Shareholding at the beginning of the year 01.04.2016		Cumulative Shareholding at the end of the year 31.03.2016	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1	D.M. Tayal	40100	0.44	40100	0.44
2	Amitabh Tayal	127698	1.40	133698	1.47
3	Priyank Tayal	528700	5.81	528700	5.81
4.	Rakesh Seth	-	-	-	-
5.	Mala Agarwal	-	-	-	-
6.	Swati Manocha	-	-	-	-
7.	Anchal Rastogi	-	-	-	-

ANNEXURE TO DIRECTORS' REPORT (Contd.)



F) INDEBTEDNESS -Indebtedness of the Company including interest outstanding/accrued but not due for payment

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	563628928.66	230261689.78	43017000	836907618.44
ii) Interest due but not paid				
iii) Interest accrued but not due	1101098	1500668	2026575	4628341
Total (i+ii+iii)	564730026.66	231762357.78	45043575	841535959.44
Change in Indebtedness during the financial year				
* Addition		151162295.2		151162295.92
* Reduction	103460213.18		25258943	128719156.18
Net Change				
Indebtedness at the end of the financial year				
i) Principal Amount	460353699.48	381942488.70	18359000	860655188.18
ii) Interest due but not paid				
iii) Interest accrued but not due	916114	982165	1425632	3323911
Total (i+ii+iii)	461269813.48	382924653.70	19784632	863979099.18

XI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL-

A. Remuneration to Managing Director, Whole-time Directors and/or Manager:

SN.	Particulars of Remuneration	Name of MD/WT/ Manager		Total Amount
		Priyank Tayal WTD	Amitabh Tayal MD	
1.	Gross salary	2100000	1920000	4020000
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961			
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961		120000	120000
	(c) Profits in lieu of salary under section 17(3) Income- tax Act, 1961			
2.	Stock Option			
3.	Sweat Equity			

ANNEXURE TO DIRECTORS' REPORT (Contd.)



4.	Commission - as % of profit - others, specify...			
5.	Others, please specify	21600		21600
	Total (A)	2121600	2040000	4161600
	Ceiling as per the Act			4200000

B. Remuneration to other directors: NIL

C. REMUNERATION TO KEY MANAGERIAL PERSONNEL OTHER THAN MD/MANAGER/WTG

SN	Particulars of Remuneration	Key Managerial Personnel			
		Ajay Trivedi Cs	Swati Manocha Cs	Anchal Rastogi CFO	Total
		From 01.04.2015 to 31.07.2015	From 01.08.2015 to 31.03.2016		
1.	Gross salary (a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961 (b) Value of perquisites u/s 17(2) of the Income-tax Act, 1961 (c) Profits in lieu of salary under section 17(3) of the Income-tax Act, 1961	142000	195080	1201100	1538180
2.	Stock Option				
3.	Sweat Equity				
4.	Commission - as % of profit others, specify...				
5.	Others, please specify		12600	21600	34200
	Total	142000	207680	1222700	1572380

XII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES:

There are no penalties, punishments or compounding of offence on directors or on Company or any other officer in default for the year ended 31st March, 2016.

COMPANY'S PHILOSOPHY ON CORPORATE GOVERNANCE

The Company firmly believes in practicing good and effective Corporate Governance and endeavours to improve on these aspects on an ongoing basis. These must balance individual interest with corporate goals and operate within accepted norms of propriety, equity, fair play and sense of justice. Accountability improves decision-making and transparency helps to explain the rationale behind decisions, and thereby builds shareholders and other stakeholders' confidence.

In keeping with the essence and philosophy of Corporate Governance, the Company has adopted a frame-work governed by values of quality, customer orientation, commitment, discipline, integrity, transparency, teamwork and trust. The Company is making all efforts to imbibe high standards of corporate governance.

UPAL's philosophy of corporate governance is based upon commitment of the Board of Directors and the senior officers of the company in managing the company in a transparent manner for maximizing long term shareholder value. Adequate control systems exist to enable the Board to effectively discharge its responsibilities in making fair and transparent decisions.

BOARD OF DIRECTORS**Composition of the Board**

The composition of the Board is in conformity with Regulation 17 of SEBI (LODR) Regulations, 2015 which stipulates that if the Chairman is a non-executive Director, at least one-third of the Board should comprise of independent Directors. The appointments made during the year are on the recommendation of the Nomination and Remuneration Committee after considering the qualifications, positive attributes.

Composition & Category of Directors

Particulars	Number of Directors	Percentage of composition
Executive Director	2	40%
Non-executive Directors	3	60%
Total	5	100%

Total non-executive directors are 3 out of whom 3 directors are non-executive independent directors:

During the Financial year 2015-2016 Mrs. Mala Agarwal additional director was regularized w.e.f 30.09.2015 as Independent Director in the company and Mr. Rakesh Seth was re-appointed w.e.f 30.09.2015 as Independent Director in the company whereas Mr. T.S. Pradhan, Director of the company vacated the office w.e.f 30.09.2015 and Mr. Avadh. B. Lal, Director resigned from the office w.e.f 03.11.2015.

Mr. Ajay Trivedi resigned from the office of Company Secretary w.e.f. 24.08.2015 and Mrs. Swati Manocha was appointed in his place.

Director's Attendance Record, Directorship held and Status

During the year under review, 05 Board meetings were held and conducted on 29th May, 2015, 13th August, 2015, 28th September, 2015, 10th November, 2015, 13th February, 2016. The composition of Board of Directors, attendance of directors at the board meetings and Annual General Meeting and also the number of other directorships in Indian Public Limited Companies and memberships of the committees of the Board of such companies are as follows:

ANNEXURE TO DIRECTORS' REPORT (Contd.)



Name of the Director	Category of Director	Attendance at last AGM	No. of Board meetings attended	No. of other Directorships in Public Ltd. Companies	No. of meetings eligible to attend	Other Board's Committees	
						Chairman	Member
Shri Dharam Mohan	*NED	Yes	05	NIL	05	NIL	NIL
Shri Rakesh Seth	NED	No	05	NIL	05	NIL	NIL
Smt. Mala Agarwal	NED	No	05	NIL	05	NIL	NIL
Shri T S Pradhan	NED	No	00	NIL	03	NIL	NIL
Shri Avadh B. Lal	NED	Yes	03	NIL	03	NIL	NIL
Shri Priyank Tayal	*ED	Yes	05	NIL	05	NIL	NIL
Shri Amitabh Tayal	ED	Yes	05	2	05	NIL	NIL

*NED-Non Executive Independent Director, ED-Executive Director

(iii) Disclosure of relationships between directors inter-se

Name of the Director	Designation of Director	Relationships Inter-se
Shri Dharam Mohan (DIN 00161800)	Chairman & Non-executive Independent Director	No Relationship Inter se
Shri Rakesh Seth (DIN 03533529)	Non-executive Independent Director	No Relationship Inter se
Smt. Mala Agarwal (DIN 07134639)	Non-executive Independent Director	No Relationship Inter se
Shri T S Pradhan (DIN 02357004)	Non-executive Independent Director	No Relationship Inter se
Shri Avadh B. Lal (DIN 03533533)	Non-executive Independent Director	No Relationship Inter se
Shri Priyank Tayal (DIN 00556534)	Whole-time Director	Son of Shri Amitabh Tayal, who is a Managing Director of the Company
Shri Amitabh Tayal (DIN 00556569)	Managing Director	Father of Shri Priyank Tayal, who is a Whole-time Director of the Company

None of the Directors is a member of more than 10 Board level Committees or is a Chairman of more than 5 such Committees.

AUDIT COMMITTEE

The composition of the Audit Committee is in conformity with the SEBI (LODR) Regulations, 2015 and under Section 177 of the Companies Act, 2013. All the members of the committee are financially literate. There has been a reconstitution on account of appointment and resignation of the Directors during the financial year ending 31.03.2016 as explained above. The particulars of the meeting attended by the members during the year are:-

ANNEXURE TO DIRECTORS' REPORT (Contd.)



Name of the Director	Position	No. of Meetings		No. of Meetings entitled to attend
		Held	Attended	
Shri Dharam Mohan	Chairman	04	04	4
Smt. Mala Agarwal	Member	04	02	2
Shri Rakesh Seth	Member	04	04	4
Shri Avadh B. Lal	Member	04	02	2
Shri. Ajay Trivedi	Secretary of the Committee (1 st and 2 nd Quarter)			2
Smt. Swati Manocha	Secretary to the Committee (3 rd and 4 th Quarter)			2

Role of Audit Committee

The Audit Committee has been formed to provide directions and review functions of the Audit Department. It will evaluate internal audit policies, plan, procedure and performance and review the other functions through various internal audit reports and other year-end certificate issued by the Statutory Auditors, to ensure accurate and timely disclosure that maintain the transparency, integrity and quality of financial control and reporting.

Powers of Audit Committee

- To investigate any activity within its terms of reference.
- To seek information from any employee.
- To obtain outside legal or professional advice.
- To secure attendance of outsiders with relevant expertise, if it considers necessary.

STAKEHOLDERS' RELATIONSHIP COMMITTEE

(Earlier Known as Shareholders' Grievance Committee)

The Composition of Stakeholders' Relationship Committee is in compliance with Section 178 of the Act read with SEBI (LODR) Regulations, 2015. The Company Secretary is the Compliance Officer. The attendance of the members at the meeting during the year under review keeping account the re-constitution of the Board as mentioned in the Directors' Report is as under:

Name of the Director	Position	No. of Meetings		No. of Meetings entitled to attend
		Held	Attended	
Shri Dharam Mohan	Chairman	04	04	4
Shri Amitabh Tayal	Member	04	04	4
Smt. Mala Agarwal	Member	04	02	2
Shri. Avadh B. Lal	Member	04	02	2
Shri. Ajay Trivedi	Secretary of the Committee (1 st and 2 nd Quarter)			2
Smt. Swati Manocha	Secretary to the Committee (3 rd and 4 th Quarter)			2

Details of investors' complaints received and redressed

The total number of complaints redressed to the satisfaction of the investors during the year ended at 31st March 2016 was 18.

Role of Stakeholders' Relationship Committee

- To monitor the security holders grievance
- To remedy the grievance.
- To make efforts to minimize grievance.

Powers of Stakeholders' Relationship Committee

- To call for information from any Officer or Registrar & Share Transfer Agent or
- To issue necessary directions for remedy of Security holders grievance.

SHARE TRANSFER COMMITTEE

The Board has re-constituted the Share Transfer Committee comprising of following persons to enable it to accord its approval on the request for transfer of physical shares of the company lodged from time to time. The members of the committee as on 31.03.2016 is as follows –

Name of the Director	Position	No. of Meetings		No. of Meetings entitled to attend
		Held	Attended	
Shri Amitabh Tayal	Chairman	04	04	4
Shri Avadh B. Lal	Member	04	03	3
Smt. Mala Agarwal	Member	04	01	1
Shri Ajay Trivedi	Secretary to the meeting held in 1 st and 2 nd quarter			1
Smt. Swati Manocha	Secretary to the meeting held in 3 rd and 4 th quarter			3

NOMINATION & REMUNERATION COMMITTEE

(Earlier Known as Remuneration Committee)

The members of the nomination & remuneration committee at the end of the financial year were as follows:

Name of the Director	Position
Shri Dharam Mohan	Chairman
Shri Rakesh Seth	Member
Smt Mala Agarwal	Member
Smt Swati Manocha	Secretary to the Committee

INTERNAL AUDIT COMMITTEE

The internal audit committee comprising of following persons as on 31.03.2016 :

Name of the Member	Position
Shri Dharam Mohan	Independent Director & Chairman
Shri Priyank Tayal	Member
Smt. Shailly Tayal	Member (Head- Financial Audit)
Shri Anchal Rastogi	Member (Chief Financial Officer)
Smt. Swati Manocha	Secretary to the Committee

ANNEXURE TO DIRECTORS' REPORT (Contd.)



RISK MANAGEMENT COMMITTEE

The committee comprising of following persons as on 31.03.2016:

Name of the Member	Position
Shri Dharam Mohan	Independent Director & Chairman
Shri Priyank Tayal	Director & Member
Shri Amitabh Tayal	Director & Member
Smt. Swati Manocha	Secretary to the Committee

GENERAL BODY MEETINGS

42nd Annual General Meeting would be held on 30th September, 2016.

Details of last three Annual General Meetings are as follows –

For financial year	Date	Time	Venue	No. Special Resolutions considered
2012-13	27.09.2013	10.00 A. M.	Mohanlalganj, Lucknow-226301	02
2013-14	30.09.2014	10.00 A.M.	Mohanlalganj, Lucknow-226301	02
2014-15	30.09.2015	10.00 A.M.	Mohanlalganj, Lucknow-226301	00

No business requiring approval by way of Postal Ballot is proposed to be transacted at the forthcoming Annual General Meeting.

DISCLOSURES

Related Party Transaction and their basis

There were no materially significant transactions of the company with the Directors or the Management or their relatives etc. that may have any potential conflict with the interests of the Company at large and all related party transactions made during the year are as per statutory compliance of the relevant statute in this regard.

Disclosure of Accounting Treatment

The financial statements are prepared under the historic cost convention and statements have been prepared in accordance with applicable mandatory accounting standards prescribed by the Institute of Chartered Accountants of India & relevant presentational requirement of the Companies Act, 2013.

MEANS OF COMMUNICATION

Information to Stock Exchanges and Newspaper publicity –

- The Company has always promptly reported dates of its various Board Meetings, General Meetings, Book Closures / Record Date to Stock Exchanges and also published information pertaining thereto in reputed newspapers for information of shareholders.
- Quarterly / Half-yearly/Annual Results of the Company are published in the newspapers in compliance of SEBI (LODR) Regulations, 2015.

ANNEXURE TO DIRECTORS' REPORT (Contd.)



GENERAL SHAREHOLDER INFORMATION

Annual General Meeting	Date : 30th September 2016 (Friday) Time : 10.00 A. M. Venue : P.O. Mohanlalganj – 226 301, Distt. Lucknow (U. P.)
Dates of Book Closures from 24.09.2016 to 30.09.2016 both days inclusive.	
Listing on Stock Exchanges Metropolitan Stock Exchange of India Ltd.(w.e.f 08.02.2016)	
ISIN No.	INE181C01016
Share Transfer Agent	KARVY COMPUTERSHARE (P) LTD. "KARVY HOUSE, 46, Avenue 4, Street No. 1, Banjara Hills, Hyderabad – 500 034
Share Transfer System	1. Equity Shares in physical form are processed by the share transfer agents of the Company. Transfer of Dematerialized shares can be affected by following the procedure prescribed for the purpose by two national depositories namely NSDL and CDSL with whom the Company has entered into an agreement. 2. Pursuant Regulation 40(9) of SEBI (LODR) Regulations, 2015, a Practicing Company Secretary has been issuing on half yearly basis Certifying that all transfers have been affected within the prescribed period.

Distribution Schedule as on 31.03.2016 is follows –

DISTRIBUTION SCHEDULE AS ON 31.03.2016

Sl.	Category	Cases	% of Cases	Amount	% Amount
1.	upto 1 - 5000	924	75.49	1992210.00	2.19
2.	5001 - 10000	124	10.13	831000.00	0.91
3.	10001 - 20000	90	7.35	1275000.00	1.40
4.	20001 - 30000	23	1.88	608500.00	0.67
5.	30001 - 40000	8	0.65	270000.00	0.30
6.	40001 - 50000	5	0.41	239000.00	0.26
7.	50001 - 100000	11	0.90	671500.00	0.74
8.	100001 & ABOVE	39	3.19	85184720.00	93.54
Total		1224	100.00	91071930.00	100.00

Dematerialization of Shares

The trading of Company's equity shares fall under the category of compulsory delivery in dematerialized mode in respect of all categories of investors. The members are encouraged to go in for dematerialization of their shareholding to derive benefits of scripless trading. As on 31st March 2016, the position of NSDL & CDSL was as under –

ANNEXURE TO DIRECTORS' REPORT (Contd.)

	No. of Shares	(%)
A. DEMAT		
NSDL	6720115	73.79
CDSL	742107	8.15
B. PHYSICAL	1644971	18.06
TOTAL [A+B]	9107193	100.00

ADDRESSES:		
Registered Office	P.O. Mohanlalganj, Distt. Lucknow (U. P.) – 226 301	Tel. No.: +91 7897885557-58
Corporate Office	Mahmoodabad Estate Bldg., 15, Hazratganj, Lucknow – 226001	Tel. No.: 0522-2622905-6,
PLANT LOCATIONS		
Plants: 1 – 3	P.O. Mohanlalganj, Distt. Lucknow (U. P.) – 226 301	Tel. No.: +91 7897885557-58
Plant: 4	PO. Bishara, Tehsil – Dadri, Distt. Gautam BudhNagar (U. P.) - 203 007	Tel. No.: +91 8750315566
COMPLIANCE OFFICER	Mrs. Swati Manocha U. P. Asbestos Ltd. Mahmoodabad Estate Building, 15, Hazratganj, Lucknow – 226 001 Phone : 0522 – 2622905 Email : upasbestos@upasbestos.com	

UNCLAIMED DIVIDENDS & INTEREST

The amount of dividend/deposits or interest thereon remain un-claimed for a period of 7 years, is transferred to the credit of Investors Education & Protection Fund in accordance with the provisions of section 124(5) & (6) of the Companies Act, 2013.

NOMINATION FACILITIES

Shareholders who hold shares in the physical form and wish to make/change a nomination in respect of their shareholding in the Company, as permitted under section 72 of the Companies Act, 2013, may submit to the Registrar and Transfer Agent/Company.

MANAGEMENT DISCUSSION AND ANALYSIS

Your company is engaged in the business of manufacture and sale of Cement Asbestos Sheets, Management Discussion and Analysis is provided hereunder:

Industry Structure and Development

In India, Asbestos Cement products are widely used especially in rural areas for housing, shed, etc. In industrial sector, the A.C. products are widely used for laying the Sheds in the manufacturing units. 70% of our population lives in rural India and consumes more than 40% of consumer products and durables. Asbestos Sheets are weather and fire proofs and found to be corrosive resistant. At present, there are 20 entities in the industry with about 72 manufacturing plants throughout the Country.

The Indian GDP recorded a 7.6% growth in 2015, the fastest in five years, and expected to sustain GDP growth of 8(+) % in 2016. The industrial sector recovered slowly with 2.7% growth in F.Y. 2015-16.

Opportunities, Threats, Risks and Concerns

AC Roofing Sheets are being used in large scale for roofing purposes, cattle sheds, godowns, etc. besides commercial use of this product. Because of abnormal hike in the cost of building material such as Cement, Steel, etc. besides the increased cost of labour and in comparison to GI Sheet, A.C. Sheet is found to be much cheaper. This factor led the users to switch over to A.C. products which they find more cost effective and users friendly.

Cement, flyash etc. are our main raw materials. Cement & flyash are available in the proximity of our plants. Our industry performance is directly linked to performance of rural/semi-urban economies. The year 2015-16 was tough for the fibre cement industry too. Due to poor monsoon during F.Y. 2015-16 the industry witnessed a significant slowdown in rural demand. Capacity build up over last few years by many players also resulted in excess supply. Demand off- take was also weaker than expected due to muted growth in Infrastructure sector.

The Government has planned to increase the share of infrastructure investment in GDP to more than 10% by the end of the Twelfth Five Year Plan 2012-17. In order to achieve this 10%, the Government has set a massive target of around Rs. 55.5 trillion for developing infrastructure. Of the total amount, around 32% of planned investments would be for power sector, 17% for telecommunications, 11% for railways, 13% for irrigation and sanitation and 9% for other infrastructure activities. These investments shall create a big demand, which are widely used in infrastructure sector.

Through a strong formal system which from time to time & periodically indicates risk areas, UPAL identifies risk prone areas and evaluates consequences; initiates risk mitigation strategies and implements corrective actions wherever required.

Business Segment

As on 31st March 2016, the total installed capacity of the Company was 1.08 Lac M.T. per annum. The Company is operating at over 90% capacity utilization and has registered production of 97287 M.T. Total sales during the year were 98721 MT.

Outlook of the Company

The company manufactures Corrugated Fibre Cement Sheets and Plain Boards under Building Products Segment. The Company currently enjoys a decent market share in the AC sheets industries. "UPAL" brand AC sheets have been in the market for over 42 years, and are considered synonymous with providing shelter for housing and industrial construction and false ceiling.

Internal control systems and their Adequacy

For better control of all activities and management information the company has designed and developed various systems of controls, procedures over the years.

ANNEXURE TO DIRECTORS' REPORT (Contd.)



The internal audits are being conducted periodically to review all its operational activities, administrative procedures to have proper control. The reports on the audits are reviewed and corrective action is taken, if necessary. The existing procedures and systems ensure that all the transactions be checked at every level. The reports are also placed periodically before the Audit Committee.

Finance

The company continued its thrust on effective working capital management. During the year under review the Company has recorded a Sales Turnover (Net) of Rs. 10886 lacs and Loss of Rs. 539 lacs as against Sales Turnover (Net) of Rs. 12763 lacs and profit of Rs. 418 lacs respectively in the previous year.

Human Resources / Industrial Relations

Our Company is dedicated to the development of the employees and maintaining a good relationship with them. There have been excellent relations between the employees at various levels and the management. During the year under review, the Management has made sincere and continuous efforts for the development of an atmosphere of mutual cooperation, confidence and honour duly recognizing the rights of the workers. The excellent Industrial Relations at all the manufacturing plants of UPAL continue to be cordial.

For U. P. Asbestos Limited

(Dharam Mohan)
Chairman
(DIN 00161800)

Date : 27.05.2016
Place : Lucknow

AMIT GUPTA & ASSOCIATES

Practicing Company Secretaries

B-12 Basement, Murli Bhawan, 10-A, Ashok Marg, Lucknow – 226 001

Phone : 0522 – 4024033, Mobile : 94150 05108

E-mail: amitguptacs@gmail.com

CERTIFICATE ON COMPLIANCE WITH THE CONDITIONS OF CORPORATE GOVERNANCE

To,

The Members,

U P Asbestos Limited,

(CIN - L26942UP1973PLC003743)

P.O. Mohanlalganj, Lucknow, Uttar Pradesh - 226 301

1. We have examined the compliance of conditions of Corporate Governance by U P Asbestos Limited ("the Company"), for the year ended March 31, 2016, as stipulated in:
 - Clause 49 (excluding clause 49 (VII) (E) of the Listing Agreements of the Company with stock exchanges) for the period April 1, 2015 to November 30, 2015.
 - Clause 49 (VII) (E) of the Listing Agreements of the Company with stock exchanges for the period April 1, 2015 to September 1, 2015.
 - Regulation 23(4) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (SEBI Listing Regulations) for the period September 2, 2015 to March 31, 2016 and
 - Regulations 17 to 27 (excluding regulation 23 (4)) and clauses (b) to (i) of regulation 46 (2) and paragraphs C, D and E of Schedule V of the SEBI Listing Regulations for the period December 1, 2015 to March 31, 2016.
2. The compliance of conditions of Corporate Governance is the responsibility of the Management. Our examination was limited to a review of the procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.
3. We have examined the relevant records of the Company in accordance with the Generally Accepted Auditing Standards in India, to the extent relevant, and as per the Guidance Note on Certification of Corporate Governance issued by the Institute of Chartered Accountants of India.

ANNEXURE TO DIRECTORS' REPORT (Contd.)



4. In our opinion and to the best of our information and according to our examination of the relevant records and the explanations given to us and the representations made by the Directors and the Management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in Clause 49 of the Listing Agreements and Regulation 17 to 27 and clauses (b) to (i) of regulation 46(2) and paragraphs C, D and E of Schedule V of the SEBI Listing Regulations for the respective periods of applicability as specified under paragraph 1 above, during the year ended March 31, 2016.
5. We state that such compliance is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

For Amit Gupta & Associates

Company Secretaries

Amit Gupta

Proprietor

Membership No. : F5478

C.P. No. 4682

Date: 13.08.2016

Place: Lucknow

Annexure-V

Declaration of Compliance with code of conduct
(As required under Regulation 17(5) of SEBI (LODR) Regulations, 2015, the
CEO declaration for Code of Conduct)

The Members of

U.P. Asbestos Limited

This is to certify that as provided under Regulation 17(5) of SEBI (LODR) Regulations, 2015, the Board Members and the Senior Management personnel have affirmed to the compliance with the Code of Conduct and Ethics for the twelve months period ended March 31, 2016.

For U.P. Asbestos Limited

(Dharam Mohan)

Chairman

(DIN 00161800)

Date : 27.05.2016

Place : Lucknow

ANNEXURE TO DIRECTORS' REPORT (Contd.)



Annexure VI

Details pertaining to remuneration as required under section 197(12) of the Companies Act, 2013 read with rule 5(1) of the Companies (appointment and remuneration of managerial personnel) rules, 2014

- a. The percentage increase in remuneration of each Director, Chief Financial Officer, Chief Executive Officer, Company Secretary or Manager, if any, during the financial year, Ratio of the remuneration of each Director to the median remuneration of the employees of the Company for the financial year and the comparison of remuneration of each Key Managerial Personnel (KMP) against the performance of the Company are as under:

SL	Name of Director/KMP and Designation	Remuneration of Director/KMP for financial year 2015-2016	% increase in Remuneration in the Financial Year 2015-2016	Ratio of Remuneration of Director/KMP to median remuneration of employees
1.	Amitabh Tayal (Managing Director)	20,40, 000	(0.39)	16.68
2.	Priyank Tayal (Whole Time Director)	21, 21, 600	1.62	17.34
3.	Anchal Rastogi (Chief Financial Officer)	12, 22, 700	0.61	10.00
4.	Swati Manocha (Company Secretary)	1, 97, 680	N.A.	01.61

- b. median remuneration of employees of the Company during the financial year ending on 31.03.2016 was: **1,22,252**
- c. The percentage increase in the median remuneration of employees in the Financial Year ending on 31.03.2016: **5.75%**
- d. Number of permanent employees on the rolls of the Company as on March 31, 2016 : **224 (excluding the KMP)**
- e. Average percentage increase made in the salaries of employees other than the managerial personnel in the last financial year i.e. 2015-2016 was 9.58% whereas the decrease/increase in the managerial remuneration for the same financial year was 46%
- f. The key parameters for any variable component of remuneration availed by the directors: **N/A**
- g. The ratio of the remuneration of the highest paid director to that of the employees who are not directors but receive remuneration in excess of the highest paid director during the year: **N/A**
- h. It is hereby affirmed that the remuneration is as per the as per the Remuneration Policy of the Company.

Information as required under Rule 5(2) and 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, and forming part of the Director's Report for the Financial Year ended 31.03.2016

Following disclosures are required in respect of following employees :

Top ten employees in terms of salary withdrawn;

1. if employed throughout the financial year, was in receipt of remuneration for that year which, in the aggregate, was not less than One Crore and Two Lakhs rupees; **NIL**
2. if employed for a part of the financial year, was in receipt of remuneration for any part of that year, at a rate which, in the aggregate, was not less than Eight Lakhs Fifty Thousand rupees per month; **NIL**
3. if employed throughout the financial year or part thereof, was in receipt of remuneration in that year, which in the aggregate, or as the case may be, at a rate which, in the aggregate, is in excess of that drawn by the managing director or whole-time director or manager and holds by himself or along with his spouse and dependent children, not less than two percent of the equity shares of the company- **NIL**

FORM NO. AOC -2

(Pursuant to clause (h) of sub-section (3) of section 134 of the Act and Rule 8(2)
of the Companies (Accounts) Rules, 2014.

Form for Disclosure of particulars of contracts/arrangements entered into by the company with related parties referred to in sub section (1) of section 188 of the Companies Act, 2013 including certain arms length transaction under third proviso thereto.

1. **Details of contracts or arrangements or transactions not at Arm's length basis- N.A.**
None of the contracts or arrangements or transactions entered by the company with related parties are beyond Arm's length basis.
2. **Details of contracts or arrangements or transactions at Arm's length basis.**

Sl.	Particulars	Details
1.	Name (s) of the related party & nature of relationship	*Please refer Note below
2.	Nature of contracts/arrangements/transaction	
3.	Duration of the contracts/arrangements/transaction	
4.	Salient terms of the contracts or arrangements or transaction including the value, if any	
5.	Date of approval by the Board	
6.	Amount paid as advances, if any	

***NOTE : A detailed description of the Related Party Transactions entered during the year are disclosed as Note No. 34 of the Financial Statements.**

ANNEXURE TO DIRECTORS' REPORT (Contd.)



ANNEXURE VIII

FORM A : Conservation Of Energy (See rule 2)

A. Power and fuel consumption

1. Electricity

(a) Purchased	Current Year 2015-2016	Previous Year 2014-2015
	Unit	Unit
Total Amount		
Rate/unit		
(b) Own Generation		
(i) Through Diesel Generator		
Unit	1233137	1605508
Unit per Ltr. Of Diesel Oil	3.78 Unit/Ltr	2.95 Unit/Ltr
Cost/unit	11.20	18.90
(ii) Through steam turbine/generator Units	4207252	4472733
Units per ltr. of fuel oil/gas		
Cost/unit	8.50	8.50
2. Coal (specify quality and where used)		
Quantity (tones)		
Total cost		
Average rate		
3. Furnace oil		
Quantity (k ltrs.)		
Total amount		
Average rate		
4. Others/internal generation (please give details)		
Quantity		
Total cost		
Rate/unit		

FORM B : Foreign Exchange Earnings/Outgo :

The company has made expenditure in Foreign exchange amounting to Rs. 25.62 Lakhs on overseas travelling and interest on Buyers Credit.

AMIT GUPTA & ASSOCIATES

Practicing Company Secretaries

B-12 Basement, Murli Bhawan, 10-A, Ashok Marg, Lucknow – 226 001

Phone : 0522 – 4024033, Mobile : 94150 05108

E-mail: amitguptacs@gmail.com

FORM NO. MR.3

SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED 31ST MARCH, 2016

[Pursuant to section 204(1) of the Companies Act, 2013 and rule No.9 of the Companies
(Appointment and Remuneration Personnel) Rules, 2014]

To,

The Members,

U P Asbestos Limited,

(CIN - L26942UP1973PLC003743)

P.O. Mohanlalganj, Lucknow, Uttar Pradesh - 226 301

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by M/s **U P Asbestos Limited** (hereinafter called "the Company"). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon.

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit,

We hereby report that in our opinion

- i. The company has, during the audit period covering the financial year ended 31st March, 2016 complied with the statutory provisions listed hereunder and also
- ii. That the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended 31st March, 2016 according to the provisions of:

- i. The Companies Act, 2013 (the Act) and the rules made there under;
- ii. The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made there under;
- iii. The Depositories Act, 1996 and the Regulations and Bye-laws framed there under -;

- iv. Foreign Exchange Management Act, 1999 and the Rules and Regulations made there under to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings - **Not applicable as the Company has not made any such transaction during the financial year under review;**
- v. The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-
 - a. The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
 - b. The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
 - c. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009- **not applicable as the Company has not made any public offer of securities during the period under review;**
 - d. The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999/Securities And Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 (effective 28th October 2014) - **Not applicable as the Company has not granted any options during the financial year under review;**
 - e. The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 - **not applicable as the Company has not issued any listed debt securities during the period under review;**
 - f. The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client - **Not Applicable as the Company is not registered as Registrar to Issue and Share Transfer Agent during the financial year under review;**
 - g. The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009 - **Not applicable as the Company has not delisted/propose to delist its equity shares from any stock exchange during the financial year under review;**
 - h. The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998 - **Not applicable as the Company has not bought back/propose to buyback any of its securities during the financial year under review.**
- vi. The following other laws as may be applicable specifically to the company:
 - (a) The Environment Protection Act, 1986
 - (b) The Water (Prevention and Control Pollution) Act, 1974
 - (c) The Air (Prevention and Control Pollution) Act, 1981
 - (d) Hazardous Wastes (Management and Handling) Rules 1989

We have also examined compliance with the applicable clauses of the following:

- (i) Secretarial Standards issued by The Institute of Company Secretaries of India; and
- (ii) Listing Agreements entered into by the Company with Metropolitan Stock Exchange of India Ltd. w.e.f. 08.02.2016 (Delhi Stock Exchange Limited, derecognised vide SEBI Order dated 19th November 2014 & U P Stock Exchange, derecognised vide SEBI order dated 14th May, 2015).

During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above, subject to the following observations :

1. There exist unappropriated advance received during previous years against supply of goods or provision of services beyond a period of three hundred and sixty five days from the date of acceptance of such advance.
2. Whereas the Company was required to have certain Key Managerial Personnel including Chief Financial Officer (CFO) after commencement of the Companies Act, 2013 w.e.f. 01.04.2014. The Company appointed CFO w.e.f. 13.08.2015.

We further report that:

- The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors & Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.
- Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were generally sent at least seven days in advance, however we have noted delay in sending agenda papers in few cases, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.
- Majority decision is carried through while the dissenting members' views, if any, are captured and recorded as part of the minutes.

We further report that the systems and processes in the company require further strengthening and improvements, considering the size and operations of the company to enable effective monitoring and ensuring of compliance with applicable laws, rules, regulations and guidelines.

We further report that during the audit period the company has:

- (i) After derecognition of Delhi Stock Exchange Limited vide SEBI Order dated 19th November 2014 & U P Stock Exchange Limited vide SEBI order dated 14th May, 2015, the Company secured listing of its equity shares at Metropolitan Stock Exchange of India Ltd. w.e.f. 08.02.2016.

For Amit Gupta & Associates

Company Secretaries

Amit Gupta

Proprietor

Membership No. : F5478

C.P. No. 4682

Date: 13.08.2016

Place : Lucknow

Note : This report should be read with the letter of even date by the Secretarial Auditors

ANNEXURE TO DIRECTORS' REPORT (Contd.)



To,

The Members,
U P Asbestos Limited,
PO MOHANLALGANJ, LUCKNOW,
UTTAR PRADESH - 226 301

Our Report of even date is to be read along with this letter.

1. Maintenance of secretarial record is the responsibility of the management of the Company. Our responsibility is to express an opinion on these secretarial records based on our audit.
2. We have followed the audit practices and process as were appropriate to obtain reasonable assurance about the correctness of the contents of the secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices, we followed provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records and books of accounts of the Company.
4. Where ever required, we have obtained the management representation about the compliance of laws, rules and regulations and happening of events etc.
5. The Compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedure on test basis.
6. The Secretarial Audit Report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

For Amit Gupta & Associates

Company Secretaries

Amit Gupta

Proprietor

Membership No. : F5478

C.P. No. 4682

Date: 13.08.2016

Place : Lucknow

ANNEXURE-X**NOMINATION AND REMUNERATION POLICY**

The Board of Directors of UP Asbestos Limited ("the Company") constituted the "Nomination and Remuneration Committee", consisting of three (3) Non-Executive Directors of which all are Independent Directors.

1. **OBJECTIVE:** The Nomination and Remuneration Committee and this Policy shall be in compliance with Section 178 of the Companies Act, 2013 read along with the applicable rules thereto and Regulation 19 under the SEBI (LODR) Regulations. The Key Objectives of the Committee would be:
 - 1.1. To guide the Board in relation to appointment and removal of Directors, Key Managerial Personnel and Senior Management.
 - 1.2. To evaluate the performance of the members of the Board and provide necessary report to the Board for further evaluation of the Board.
 - 1.3. To recommend to the Board on Remuneration payable to the Directors, Key Managerial Personnel and Senior Management.
 - 1.4. To provide to Key Managerial Personnel and Senior Management reward linked directly to their effort, performance, dedication and achievement relating to the Company's operations.
 - 1.5. To retain, motivate and promote talent and to ensure long term sustainability of talented managerial persons and create competitive advantage.
 - 1.6. To devise a policy on Board diversity
 - 1.7. To develop a succession plan for the Board and to regularly review the plan;

2. DEFINITIONS

- 2.1. 'Act' means the Companies Act, 2013 and Rules framed thereunder, as amended from time to time.
- 2.2. 'Board' means Board of Directors of the Company.
- 2.3. 'Directors' mean Directors of the Company.
- 2.4. 'Key Managerial Personnel' means:-
 - 2.4.1. Chief Executive Officer or the Managing Director or the Manager;
 - 2.4.2. Whole-time director;
 - 2.4.3. Chief Financial Officer;
 - 2.4.4. Company Secretary; and
 - 2.4.5. such other officer as may be prescribed.
- 2.5. 'Senior Management' means personnel of the company who are members of its core management team excluding the Board of Directors including Functional Heads.

3. ROLE OF COMMITTEE

- 3.1. Matters to be dealt with, perused and recommended to the Board by the Nomination and Remuneration Committee the Committee shall:
 - 3.1.1. Formulate the criteria for determining qualifications, positive attributes and independence of a director.
 - 3.1.2. Identify persons who are qualified to become Director and persons who may be appointed in Key Managerial and Senior Management positions in accordance with the criteria laid down in this policy.
 - 3.1.3. Recommend to the Board, appointment and removal of Director, KMP and Senior Management Personnel.
- 3.2. Policy for appointment and removal of Director, KMP and Senior Management
 - 3.2.1. Appointment criteria and qualifications
 - a) The Committee shall identify and ascertain the integrity, qualification, expertise and experience of the person for appointment as Director, KMP or at Senior Management level and recommend to the Board his / her appointment.

- b) A person should possess adequate qualification, expertise and experience for the position he / she is considered for appointment. The Committee has discretion to decide whether qualification, expertise and experience possessed by a person is sufficient / satisfactory for the concerned position.
- c) The Company shall not appoint or continue the employment of any person as Whole-time Director who has attained the age of seventy years. Provided that the term of the person holding this position may be extended beyond the age of seventy years with the approval of shareholders by passing a special resolution based on the explanatory statement annexed to the notice for such motion indicating the justification for extension of appointment beyond seventy years.

3.2.2. Term / Tenure

- a) Managing Director/Whole-time Director- The Company shall appoint or re-appoint any person as its Executive Chairman, Managing Director or Executive Director for a term not exceeding five years at a time. No re-appointment shall be made earlier than one year before the expiry of term.
- b) Independent Director
 - An Independent Director shall hold office for a term up to five consecutive years on the Board of the Company and will be eligible for re-appointment on passing of a special resolution by the Company and disclosure of such appointment in the Board's report.
 - No Independent Director shall hold office for more than two consecutive terms, but such Independent Director shall be eligible for appointment after expiry of three years of ceasing to become an Independent Director. Provided that an Independent Director shall not, during the said period of three years, be appointed in or be associated with the Company in any other capacity, either directly or indirectly. At the time of appointment of Independent Director it should be ensured that number of Boards on which such Independent Director serves is restricted to seven listed companies as an Independent Director and three listed companies as an Independent Director in case such person is serving as a Whole-time Director of a listed company or such other number as may be prescribed under the Act.

3.2.3. Evaluation- The Committee shall carry out evaluation of performance of every Director, KMP and Senior Management Personnel at regular interval (yearly).

3.2.4. Removal - Due to reasons for any disqualification mentioned in the Act or under any other applicable Act, rules and regulations thereunder, the Committee may recommend, to the Board with reasons recorded in writing, removal of a Director, KMP or Senior Management Personnel subject to the provisions and compliance of the said Act, rules and regulations.

3.2.5. Retirement- The Director, KMP and Senior Management Personnel shall retire as per the applicable provisions of the Act and the prevailing policy of the Company. The Board will have the discretion to retain the Director, KMP, Senior Management Personnel in the same position/ remuneration or otherwise even after attaining the retirement age, for the benefit of the Company.

3.3. Policy relating to the Remuneration for the Whole-time Director, KMP and Senior Management Personnel

3.3.1. General: a) The remuneration / compensation / commission etc. to the Whole-time Director, KMP and Senior Management Personnel will be determined by the Committee and recommended to the Board for approval. The remuneration / compensation / commission etc. shall be subject to the prior/post approval of the shareholders of the Company and Central Government, wherever required.

b) The remuneration and commission to be paid to the Whole-time Director shall be in accordance with the percentage / slabs / conditions laid down in the Articles of Association of the Company and as per the provisions of the Act.

c) Where any insurance is taken by the Company on behalf of its Whole-time Director, Chief Executive Officer, Chief Financial Officer, the Company Secretary and any other employees for indemnifying them against

any liability, the premium paid on such insurance shall not be treated as part of the remuneration payable to any such personnel. Provided that if such person is proved to be guilty, the premium paid on such insurance shall be treated as part of the remuneration.

3.3.2. Remuneration to Whole-time / Executive / Managing Director, KMP and Senior Management Personnel:

- a) **Fixed pay:** The Whole-time Director/ KMP and Senior Management Personnel shall be eligible for a monthly remuneration as may be approved by the Board on the recommendation of the Committee. The breakup of the pay scale and quantum of perquisites including, employer's contribution to P.F, pension scheme, medical expenses, club fees etc. shall be decided and approved by the Board/ the Person authorized by the Board on the recommendation of the Committee and approved by the shareholders and Central Government, wherever required.
- b) **Minimum Remuneration:** If, in any financial year, the Company has no profits or its profits are inadequate, the Company shall pay remuneration to its Whole-time Director in accordance with the provisions of Schedule V of the Act and if it is not able to comply with such provisions, with the previous approval of the Central Government.
- c) **Provisions for excess remuneration:** If any Whole-time Director draws or receives, directly or indirectly by way of remuneration any such sums in excess of the limits prescribed under the Act or without the prior sanction of the Central Government, where required, he / she shall refund such sums to the Company and until such sum is refunded, hold it in trust for the Company. The Company shall not waive recovery of such sum refundable to it unless permitted by the Central Government.

3.3.3. Remuneration to Non- Executive / Independent Director:

- a) **Remuneration / Commission:** The remuneration / commission shall be fixed as per the slabs and conditions mentioned in the Articles of Association of the Company and the Act.
- b) **Sitting Fees:** The Non- Executive / Independent Director may receive remuneration by way of fees for attending meetings of Board or Committee thereof. Provided that the amount of such fees shall not exceed Rs. One Lac per meeting of the Board or Committee or such amount as may be prescribed by the Central Government from time to time.
- c) **Commission:** Commission may be paid within the monetary limit approved by shareholders, subject to the limit not exceeding 1% of the profits of the Company computed as per the applicable provisions of the Act.
- d) **Stock Options:** An Independent Director shall not be entitled to any stock option of the Company.

4. MEMBERSHIP

- 4.1 The Committee shall consist of a minimum 3 non-executive directors, majority of them being independent.
- 4.2 Minimum two (2) members shall constitute a quorum for the Committee meeting.
- 4.3 Membership of the Committee shall be disclosed in the Annual Report.
- 4.4 Term of the Committee shall be continued unless terminated by the Board of Directors.

5. CHAIRPERSON

- 5.1 Chairperson of the Committee shall be an Independent Director.
- 5.2 Chairperson of the Company may be appointed as a member of the Committee but shall not be a Chairman of the Committee.
- 5.3 In the absence of the Chairperson, the members of the Committee present at the meeting shall choose one amongst them to act as Chairperson.
- 5.4 Chairman of the Nomination and Remuneration Committee meeting could be present at the Annual General Meeting or may nominate some other member to answer the shareholders' queries.

6. **FREQUENCY OF MEETINGS** The meeting of the Committee shall be held at such regular intervals as may be required.
7. **COMMITTEE MEMBERS' INTERESTS**
 - 7.1 A member of the Committee is not entitled to be present when his or her own remuneration is discussed at a meeting or when his or her performance is being evaluated.
 - 7.2 The Committee may invite such executives, as it considers appropriate, to be present at the meetings of the Committee.
8. **SECRETARY:** The Company Secretary of the Company shall act as Secretary of the Committee.
9. **VOTING**
 - 9.1 Matters arising for determination at Committee meetings shall be decided by a majority of votes of Members present and voting and any such decision shall for all purposes be deemed a decision of the Committee.
 - 9.2 In the case of equality of votes, the Chairman of the meeting will have a casting vote.
10. **NOMINATION DUTIES** The duties of the Committee in relation to nomination matters include:
 - 10.1 Ensuring that there is an appropriate induction in place for new Directors and members of Senior Management and reviewing its effectiveness;
 - 10.2 Ensuring that on appointment to the Board, Non-Executive Directors receive a formal letter of appointment in accordance with the Guidelines provided under the Act; .
 - 10.3 Identifying and recommending Directors who are to be put forward for retirement by rotation.
 - 10.4 Determining the appropriate size, diversity and composition of the Board;
 - 10.5 Setting a formal and transparent procedure for selecting new Directors for appointment to the Board;
 - 10.6 Developing a succession plan for the Board and Senior Management and regularly reviewing the plan;
 - 10.7 Evaluating the performance of the Board members and Senior Management in the context of the Company's performance from business and compliance perspective;
 - 10.8 Making recommendations to the Board concerning any matters relating to the continuation in office of any Director at any time including the suspension or termination of service of an Executive Director as an employee of the Company subject to the provision of the law and their service contract.
 - 10.9 Delegating any of its powers to one or more of its members or the Secretary of the Committee;
 - 10.10 Recommend any necessary changes to the Board; and
 - 10.11 Considering any other matters, as may be requested by the Board.
11. **REMUNERATION DUTIES** The duties of the Committee in relation to remuneration matters include:
 - 11.1 to consider and determine the Remuneration Policy, based on the performance and also bearing in mind that the remuneration is reasonable and sufficient to attract retain and motivate members of the Board and such other factors as the Committee shall deem appropriate all elements of the remuneration of the members of the Board.
 - 11.2 to approve the remuneration of the Senior Management including key managerial personnel of the Company maintaining a balance between fixed and incentive pay reflecting short and long term performance objectives appropriate to the working of the Company.
 - 11.3 to delegate any of its powers to one or more of its members or the Secretary of the Committee.
 - 11.4 to consider any other matters as may be requested by the Board.
 - 11.5 Professional indemnity and liability insurance for Directors and senior management.
12. **MINUTES OF COMMITTEE MEETING** Proceedings of all meetings must be minuted and signed by the Chairman of the Committee at the subsequent meeting. Minutes of the Committee meetings will be tabled at the subsequent Board and Committee meeting.

**Certificate under Regulation 17(8) of SEBI (Listing Obligations and
Disclosure Requirements) Regulation, 2015**

This is to certify that:

1. We have reviewed financial statements and the cash flow statement for the year ended 31st March, 2016 and that to the best of our knowledge and belief:
 - i. These statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
 - ii. These statements together present a true and fair view of the company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
2. There are, to the best of our knowledge and belief, no transactions entered into by the company during the year which are fraudulent, illegal or violative of the company's code of conduct.
3. We accept responsibility for establishing and maintaining internal controls for financial reporting and we have evaluated the effectiveness of internal control systems of the company pertaining to financial reporting and we have disclosed to the auditors and the Audit Committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and the steps they have taken or propose to take to rectify these deficiencies.
4. We have indicated to the auditors and the Audit committee:
 - i. significant changes in internal control over financial reporting during the year;
 - ii. significant changes in accounting policies during the year and that the same have been disclosed in the notes to the financial statements; and
 - iii. instances of significant fraud of which we have become aware and the involvement therein, if any, of the management or an employee having a significant role in the company's internal control system over financial reporting.
5. We confirm that all Directors and Members of the Senior Management have affirmed compliance with UPAL's Code of Business Conduct & Ethics.

Amitabh Tayal
Managing Director

Anchal Rastogi
Chief Financial Officer

Date : 27.05.2016

Place : Lucknow

ANNEXURE TO DIRECTORS' REPORT (Contd.)



ANNEXURE-XII

Form AOC-1

(Pursuant to first proviso to sub-section (3) of section 129 read with rule 5 of Companies (Accounts) Rules, 2014)

Statement containing salient features of the financial statement of subsidiaries/associate companies/joint ventures

Part "A": Subsidiaries - **NOT APPLICABLE**

Part "B": Associates and Joint Ventures - **NOT APPLICABLE**

AUDITORS' REPORT



JAIN KAPOOR & CO.
CHARTERED ACCOUNTANTS

3RD FLOOR, SARAN CHAMBERS-I,
5, PARK ROAD,
LUCKNOW – 226 001

INDEPENDENT AUDITORS' REPORT

To The Members of
U.P. Asbestos Limited

Report on the Financial Statements

We have audited the accompanying financial statements of U.P. Asbestos Limited ("the Company"), which comprise the Balance Sheet as at 31st March, 2016, the Statement of Profit and Loss, the Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the financial statements.

AUDITORS' REPORT (Contd.)



Basis for Qualified Opinion

1. We draw attention to note 42a of notes to financial statements in respect of non receipt of balance confirmation from customers due to which we are unable to comment on short provision, if any, of bad and doubtful debts, discounts, commission and breakage compensation in the books of account and note 42b regarding non-reconciliation and non- confirmation of balances with parties. We are unable to comment on the impact, if any, of the same on the loss for the year.
2. The company's operations relating to manufacturing and sale of Asbestos cement sheets and trading in Asbestos fibre which constitutes separate identifiable business segments requiring disclosure in accordance with Accounting Standards (AS)-17 has not been disclosed since the management is of the opinion that these are not reportable business segments. (Refer note 32 of Notes to financial statements)
3. Attention is invited to Note 47 of Notes to Financial Statements wherein an amount of Rs.79.70 lacs has been treated as recoverable from the Commercial Tax Department of the Government of Uttar Pradesh. In view of the uncertainty about its ultimate collection, we are unable to form an opinion as to the recoverability of this amount.
4. Impairment of Assets to the extent of Rs. 1623.90 lacs referred to in note 33(a) of notes to financial statements, on the basis of valuers' report issued at the behest of Union Bank of India, has not been accepted by the management. As explained to us, the company is in the process of getting a separate valuation done through government approved valuers. Pending receipt of report from Government Approved valuers, we are unable to comment on the extent of impairment losses, if any, not recognised by the company in the financial statements and the impact of the same on the loss for the year and reserves and surplus of the company as at year-end.
5. Additions to fixed assets include expenditure in respect of which it has been represented to us that the same has been incurred for expansion of existing production capacity of the plant of the company at Mohanlalganj. In the absence of adequate internal control systems in relation to the said expenditure, we are unable to comment on the incurrence of the same. (Refer Note 46 of Notes to Financial Statements)
6. Attention is invited to note no. 50 of Notes to financial statements with regard to recording of interest income and recoverability of the same on loan granted to Big Apple Real Estate Private Limited. We are unable to comment on the recoverability of the same.
7. We are unable to comment on the effectiveness of the internal control with respect to identification of unserviceable or damaged items of inventory for valuation of the same at lower of cost or Net realizable value.

Qualified Opinion

In our opinion and to the best of our information and according to the explanations given to us, except for the effects of the matters described in the Basis for Qualified Opinion paragraph, the aforesaid financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31st March, 2016, and its loss and its cash flows for the year ended on that date.

Emphasis of Matters

1. Balance with Revenue Authorities in note 13(3) includes Rs. 241.73 lacs determined by the management as refundable from Sales Tax Department for various years. Pending completion of assessments/ appeals of the company by the revenue authorities the ultimate outcome of liability against the company/ refund due to the company cannot presently be determined. Consequently, no provision for any liability that may result has been made in the financial statements. (Also refer note 39 of Notes to financial statements)
2. We draw attention to note 44 of Notes to financial statements stating therein that the liability of entry tax of Rs. 179.71 lacs is dependent on the outcome of the decision of the Hon'ble Supreme Court in the Special Leave Petition of another party. Since the ultimate outcome of the matter cannot presently be determined pending decision of the Hon'ble Supreme Court, hence no provision of liability of Rs. 85.73 lacs is deemed necessary by the management.

3. Attention is invited to note 43 of Notes to financial statements wherein it has been stated that Cenvat credit of service tax paid on outward freight of Rs. 278.70 lacs has been availed and utilised for payment of excise duty on finished goods sold by the company. If a different view is taken by the authorities, we are unable to comment on the impact, if any, of the same on the financial statements.
4. We draw attention to note 51 of Notes to financial statements regarding matters contained therein. The same are subject to confirmation from the parties concerned.

Our opinion is not qualified/ modified in respect of these matters.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the Annexure 'A' a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
2. As required by Section 143 (3) of the Act, we report that:
 - (a) Except to the extent stated above in paragraph 5 of Basis for Qualified Opinion, we have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
 - (c) The Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
 - (d) Except to the extent stated above in paragraph 2 and paragraph 4 of Basis for Qualified Opinion, in our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
 - (e) On the basis of the written representations stated to have been received from the directors as on 31st March, 2016 and taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2016 from being appointed as a director in terms of Section 164(2) of the Act.
 - (f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate report in Annexure 'B'.
 - (g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - i. The Company has disclosed the impact of pending litigations on its financial position in its financial statements – Refer Note 31 to the financial statements.
 - ii. As informed to us, the Company did not enter into any long-term contracts including derivative contracts for which there were any material foreseeable losses.
 - iii. As explained to us, there were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

For Jain Kapoor & Co.
Chartered Accountants
(Firm's Regn. No. 000705C)

Sandeep Kumar
Partner
(Membership No. 077590)

Place : Lucknow
Date : 27.05.2016

**ANNEXURE 'A' TO INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS OF
U. P. ASBESTOS LIMITED FOR THE YEAR ENDED 31.03.2016**

(Referred to under Report on Other Legal and Regulatory
Requirements in our Independent Auditors' Report of even date)

1.
 - (a) The Company has maintained records showing full particulars, including quantitative details and situation of its fixed assets. However, the same was not produced before us as the same was stated to be in the process of updation and reconciliation with the books of accounts.
 - (b) As informed to us, physical verification of substantial portion of the fixed assets has been carried out by the management during the year which, in our opinion, is reasonable. We have been explained that the company is in the process of comparing physical verification of fixed assets done during the year with book records. As such, we are unable to comment whether any material discrepancies were noticed during the course of such verification.
 - (c) We have been explained that the aspect of availability of title deeds of immovable properties is applicable only in respect of land held by the company. We have been informed that land is held in the name of the company, however, since the title deeds of land are pledged with the bank the same were not produced before us for verification.
2. As informed to us, physical verification of inventory was conducted by the management at year-end except for materials stated to be lying with third parties. In our opinion, the frequency of verification of materials verified by the company is reasonable. We were explained that discrepancies noticed on physical verification of inventory as compared to book records were not material.
3. As informed to us, the Company has, in an earlier year, granted interest bearing unsecured loan to a company which at the time of grant of loan was covered in the register maintained under section 189 of the Act (balance as on 31.03.2016 is Nil; maximum amount at any time during the year is Rs.270.05 lacs).
 - (a) In our opinion and according to the information and explanations given to us, the terms and conditions of the grant of such loan are not prima facie prejudicial to the interests of the company.
 - (b) The management has represented that aforesaid unsecured loan is repayable on demand. There are no stipulations regarding receipt of principal and interest. Hence, we are unable to comment on the regularity of receipt of principal and interest on the aforesaid loans.
 - (c) Attention is invited to note no. 50 of Notes to financial statements wherein it has been stated that though the unsecured loan granted by the company has been recovered, interest of Rs. 11.85 lacs for financial year 2015-16 till the date of repayment of loan is yet to be recovered for which it has been stated that necessary efforts are being made by the company.
4. In our opinion and according to the information and explanations given to us, in respect of loans granted and investments made, the Company has complied with the provisions of section 185 and 186 of the Act.
5. It has been explained to us that the company has not accepted any deposits during the year under the Fixed Deposit Scheme framed in earlier year in accordance with the provisions of the Companies Act, 1956 read with Companies (Acceptance of Deposits) Rules, 1975. In respect of deposits lying with the company under the aforesaid Fixed Deposit Scheme which are not due for repayment as on 31.03.2016, the management is of the opinion that in view of the provisions of Explanation to Rule 19 of Companies (Acceptance of Deposits) Rules, 2014 companies can repay deposits accepted prior to 1st April, 2014 in accordance with terms and conditions for which the deposits had been accepted. The management has further represented that other amounts qualifying as deposits are as a result of any advance received for supply of goods or provision of services and which has not been appropriated against supply of goods or provision of services within a period of three hundred and sixty five

days from the date of acceptance of such advance in respect of which we are unable to comment in the absence of relevant information. (Refer Note 48 of Notes to Financial Statements)

6. We have been informed that the Company has maintained cost records pursuant to Section 148(1) of the Act. We have been explained that the said records are being updated. We have, therefore, not been able to make an examination of the cost records with a view to determine whether they are accurate or complete.
- 7.(a) On the basis of information and explanations given to us and according to the records of the company, amounts deducted/ accrued in the books of account in respect of the undisputed statutory dues applicable to the company are generally being regularly deposited by the company with the appropriate authorities. According to the books of accounts and other information and explanations furnished to us, we report that there are no undisputed statutory dues as at the last day of the financial year outstanding for a period of more than six months from the date they become payable except Rs. 0.14 lacs for the financial year 2010-11 under the Maharashtra Value Added Tax Act, 2002, Rs. 2.17 lacs, Rs. 1.70 lacs and Rs. 0.64 lacs for the financial year 2004-05, 2010-11 and 2012-13 respectively under the Central Sales Tax Act, 1956 and Rs. 0.18 lacs in respect of service tax under the Finance Act, 1994.
- (b) The information furnished to us by the management regarding the amount involved and the forum where the dispute is pending in respect of Income tax/ Sales Tax/ Wealth Tax/ Service Tax/ Duty of Customs/ Duty of Excise/ Value Added Tax/ Cess which have not been deposited on account of any dispute are given herein below :

Name of the Statute	Nature of the Dues	Amount (Rs. in lacs)	Period to which the amount relates	Forum where dispute is pending
Central Sales Tax Act, 1956	Central sales Tax	1.38	1977-78	Jt. Commissioner of Trade Tax (Appeal), Lucknow
		122.62	2006-07	Addl. Commissioner (Appeal) Lucknow
		1269.44	2009-10	Tribunal, Lucknow
	Penalty	0.66	2008-09	Addl. Commissioner (Appeal) Lucknow
Central Sales Tax Act, 1956	Central Sales Tax alongwith interest & Penalty	2.95	2001-02	Jt. Commissioner of Sales Tax (Appeal), Nagpur
		97.23	2002-03	Maharashtra Sales Tax Tribunal
		125.51	2003-04	Jt Commissioner of Sales Tax (Appeal), Nagpur
		110.90	2004-05	- do -
		34.51	2005-06	Dy. Commissioner of Sales Tax (Appeal), Nagpur
The Uttar Pradesh Tax on Entry of Goods Act, 2007	Entry Tax	1.06	2006-07	Tribunal, Lucknow
	Entry Tax	85.73	November' 07 to December, 11	Allahabad High Court

AUDITORS' REPORT (Contd.)



Name of the Statute	Nature of the Dues	Amount (Rs. in lacs)	Period to which the amount relates	Forum where dispute is pending
Income Tax Act, 1961	Entry Tax	1.76	2009-10	Tribunal, Lucknow
	Income Tax	241.99	2002-03(A.Y.)	Allahabad High Court (Department appeal)
		131.99	2012-13(A.Y.)	ITAT, Lucknow (Department Appeal)
		159.55	2013-14(A.Y.)	CIT(Appeal), Lucknow
Central Excise Act, 1944	Central Excise Penalty	50.69	March, 2007 to March, 2008	CESTAT, Allahabad
	Excise Duty	22.21	02-06-1998	Allahabad High Court (Department Appeal)
	Cenvat Credit Penalty	168.03	2005-06 to 2009-10	CESTAT, Allahabad
	Excise Duty	168.03	April, 2007 to December, 2008	Commissioner Central Excise (Appeal), Nagpur (Department Appeal)
BST Act, 1959		17.59	April, 2007 to December, 2008	Commissioner Central Excise (Appeal), Nagpur (Department Appeal)
		8.66	April, 2008 to September, 2008	CESTAT, Allahabad (Department Appeal)
	Sales Tax alongwith interest & penalty	0.41	2001-02	Jt Commissioner of Sales Tax (Appeal), Nagpur
		1.49	2003-04	
U.P. Trade Tax Act	Trade Tax	16.74	2006-07	Tribunal, Lucknow
Uttar Pradesh Value Added Tax Act, 2008	Value Added Tax	7.51	2008-09	Addl. Commissioner (Appeal) Lucknow
		5.74	2009-10	Tribunal, Lucknow
		2.40	2010-11	Addl. Commissioner (Appeal) Lucknow
		23.49	2011-12	Addl. Commissioner (Appeal) Lucknow
		20.30	2012-13	Addl. Commissioner (Appeal) Lucknow
		1253.07	2013-14	Addl. Commissioner (Appeal) Lucknow
Uttaranchal Vat Act, 2005	Uttaranchal Vat	1.88	2001-02	Jt Commissioner (A) CT Dehradun
		15.62	2002-03	- do -
		14.29	2003-04	- do -
		15.38	2004-05	- do -
The Finance Act, 1994	Penalty (Service Tax)	12.74	January, 2005 to February, 2006	CESTAT, Mumbai
	Service Tax Penalty	32.90	July, 2011 to November, 2011	CESTAT New Delhi
		3.15		

8. On the basis of the information and explanations furnished to us, during the year there are some minor defaults in repayment of loans or borrowings to banks and financial institution. However, as informed to us there are no defaults in repayment of loans or borrowings as at the balance sheet date.
9. To the best of our knowledge and belief and according to the information and explanations given to us, term loans availed by the company have been applied for the purpose for which these were obtained except term loans availed for purchase of fixed assets stated in paragraph 5 of Basis for Qualified opinion of our Independent Auditors' report in respect of which we are unable to comment for the reasons stated therein.
10. It has been represented to us by the management that no fraud by the company or any fraud on the company by its officers and employees has been noticed or reported during the year.
11. In our opinion and according to the explanations given to us managerial remuneration has been paid or provided in accordance with the requisite approvals mandated by the provisions of section 197 read with schedule V of the Act.
12. In our opinion and according to the information and explanations given to us, the Company is not a nidhi company. Accordingly, paragraph 3 (xii) of the Order is not applicable.
13. According to the information and explanations given to us and based on our examination of the records of the Company, transactions with related parties are in compliance with sections 177 and 188 of the Act where applicable and details of such transactions have been disclosed in the financial statements as required by the applicable accounting standards.
14. According to the information and explanations given to us and based on our examination of the records of the Company, the company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year.
15. According to information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into non-cash transactions with directors or persons connected with him. Accordingly paragraph 3(xv) of the Order is not applicable.
16. The Company is not required to be registered under section 45-IA of the Reserve Bank of India, Act, 1934.

For Jain Kapoor & Co.
Chartered Accountants
(Firm's Regn. No. 000705C)

Sandeep Kumar
Partner
(Membership No. 077590)

Place : Lucknow
Date : 27.05.2016

**ANNEXURE 'B' TO INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS OF
U. P. ASBESTOS LIMITED FOR THE YEAR ENDED 31.03.2016**

(Referred to in paragraph 2(f) under Report on Other Legal and Regulatory
Requirements in our Independent Auditors' Report of even date)

Report on the Internal Financial Controls under Clause (i) of Sub section 3 of Section 143 of the the Act

We have audited the internal financial controls over financial reporting of U P Asbestos Limited ("the company") as on March 31, 2016 in conjunction with our audit of the financial statements of the company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal controls stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (ICAI). These responsibilities includes the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

Auditor's Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Act to the extent applicable to an audit of Internal Financial Controls, both applicable to an audit of Internal Financial Controls and both issued by the ICAI. Those standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness.

Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and

evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

Meaning of Internal Financial Controls Over Financial Reporting

A company's internal financial controls over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that

- (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company;
- (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditure of the company are being made only in accordance with authorizations of management and directors of the company; and;
- (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Disclaimer of Opinion

Attention is invited to note 49 of Notes to Financial Statements, wherein it has been stated that the company has adequate internal financial controls over financial reporting for ensuring orderly and efficient conduct of its business and though such internal financial controls are yet to be formally documented the same are being followed as part of company's routine functioning. In the absence of proper documentation of internal financial controls over financial reporting on criteria based on or considering the essential components of internal control stated in Guidance Note on Audit of Financial Controls over Financial Reporting issued by the ICAI, we are unable to obtain sufficient appropriate audit evidence to provide a basis of our opinion whether the company had adequate internal financial controls over financial reporting and whether such internal financial controls were operating effectively as at March 31, 2016.

AUDITORS' REPORT (Contd.)



We have considered the disclaimer reported above in determining the nature, timing and extent of audit tests applied in our audit of the financial statements of the company and the disclaimer does not affect our opinion on the financial statements of the company except to the extent stated in Basis of Qualified opinion in our Independent Auditors' Report.

For Jain Kapoor & Co.
Chartered Accountants
(Firm's Regn. No. 000705C)

Sandeep Kumar
Partner
(Membership No. 077590)

Place : Lucknow
Date : 27.05.2016

BALANCE SHEET as at 31st March, 2016

(Rs. in Lacs)

PARTICULARS	NOTE NO.	As at 31st March 2016	As at 31st March 2015
I. EQUITY & LIABILITIES			
(1) Shareholder's Funds			
(a) Share Capital	2	911.71	911.71
(b) Reserves & Surplus	3	7,809.67	8,351.76
(2) Non-Current Liabilities			
(a) Long Term Borrowings	4	3,033.47	2,930.99
(b) Deferred Tax Liabilities (Net)	5	404.15	339.94
(c) Other Long Term Liabilities	6	40.00	40.00
(d) Long Term Provisions	7	70.44	79.43
(3) Current Liabilities			
(a) Short Term Borrowings	8	4,560.39	4,286.31
(b) Trade Payables		505.56	944.69
(c) Other Current Liabilities	9	1,385.69	1,602.40
(d) Short Term Provisions	10	26.28	14.51
TOTAL		18,747.36	19,501.74
II. ASSETS			
(1) Non-Current Assets			
(a) Fixed Assets			
(i) Tangible Assets	11	9,280.69	9,203.62
(ii) Capital Work-in-Progress		170.93	-
(b) Non-Current Investment	12	0.22	150.22
(c) Long Term Loans & Advances	13	1,150.82	1088.02
(d) Other Non-Current Assets	14	212.02	203.72
(2) Current Assets			
(a) Inventories	15	4,142.39	3,961.71
(b) Trade Receivables	16	2,434.61	3,928.21
(c) Cash and Bank Balances	17	416.04	412.80
(d) Short Term Loans & Advances	18	704.96	532.12
(e) Other Current Assets	19	234.68	21.32
TOTAL		18,747.36	19,501.74

Significant Accounting Policies and notes to the financial statements

1 to 55

In terms of our report of even date

For JAIN KAPOOR & CO.
CHARTERED ACCOUNTANTS
(Firm Reg. No. : 000705C)

SANDEEP KUMAR
Partner
Membership No. 077590

A. RASTOGI
Chief Financial Officer
SWATI MANOCHA
Company Secretary

On behalf of the Board of Directors
AMITABH TAYAL
PRIYANK TAYAL

Date : 27th May, 2016

Place : Lucknow

Statement of PROFIT & LOSS for the year ended 31st March, 2016



(Rs. in Lacs)

PARTICULARS	NOTE NO.	For the Year Ended 31st March 2016 Rs.	For the Year Ended 31st March 2015 Rs.
I. REVENUE FROM OPERATIONS (GROSS)	20	10,894.85	12,980.85
Less : Excise Duty		<u>34.39</u>	<u>217.81</u>
II. OTHER INCOME	21	<u>575.05</u>	<u>595.72</u>
III. TOTAL REVENUE (I+II)		<u>11,435.51</u>	<u>13,358.76</u>
IV. EXPENSES			
(1) Cost of Material Consumed	22	6,909.14	6,497.92
(2) Purchase of Stock-in-Trade		3,053.53	3,037.48
(3) Changes in Inventories	23	(482.43)	111.70
(4) Employee Benefits Expense	24	634.35	572.18
(5) Finance Cost	25	879.79	1,016.25
(6) Depreciation & Amortisation Expense	26	408.12	551.67
(7) Other Expenses	27	<u>1,709.09</u>	<u>1,570.61</u>
Total Expenses		<u>13,111.59</u>	<u>13,357.81</u>
V. Profit before Exceptional Item (III – IV)		(1676.08)	0.95
VI. Exceptional item (Refer Note No. 36)		1,201.76	–
VII. Profit before Tax (V + VI)		(474.32)	0.95
VIII. Tax Expenses			
(1) Earlier Year		0.09	0.16
(2) Current Year		–	–
(3) Deferred (Asset)/Liability		<u>64.21</u>	<u>(417.52)</u>
IX. Profit / (Loss) for the year(VII – VIII)		<u>(538.62)</u>	<u>418.31</u>
X. Earning per share			
(1) Basic and Diluted (in Rs.)		(5.91)	4.59

Significant Accounting Policies and notes to the financial statements 1 to 55

In terms of our report of even date
For JAIN KAPOOR & CO.
CHARTERED ACCOUNTANTS
(Firm Reg. No. : 000705C)

SANDEEP KUMAR
Partner
Membership No. 077590

A. RASTOGI
Chief Financial Officer
SWATI MANOCHA
Company Secretary

On behalf of the Board of
Directors
AMITABH TAYAL
PRIYANK TAYAL

Date : 27th May, 2016
Place : Lucknow

CASH FLOW STATEMENT for the year ended 31st March, 2016



	2015-16		2014-15	
	Rs.	Rs.	Rs.	Rs.
A. CASH FLOW FROM OPERATING ACTIVITIES :				
NET PROFIT BEFORE TAX AND AFTER EXCEPTIONAL ITEM AS PER STATEMENT OF PROFIT & LOSS		(474.32)		0.95
Adjustment for :				
Depreciation and amortisation expense (Net of Excess Depreciation written back)	300.10		551.70	
Finance Cost	879.79		1,016.25	
Bad Debts Written off	93.01		-	
Foreign Exchange (+)Loss/(-)Gain	(2.82)		(2.36)	
(Profit) Loss on Sale of Fixed Assets (Net)	(0.45)		1.99	
Interest Earned	(94.45)		(138.81)	
Dividend Earned	(0.04)	1,175.14	(0.03)	1,428.74
OPERATING PROFIT BEFORE WORKING CAPITAL CHANGES		700.82		1,429.69
Adjustment for :				
Increase (-)/Decrease in				
Trade and other Receivables	1,014.05		429.55	
Increase (-)/Decrease in Inventories	(180.69)		(499.80)	
Increase/Decrease (-) in Trade Payables, current liabilities and provisions	(513.98)	319.37	539.86	469.61
CASH GENERATED FROM OPERATIONS		1,020.19		1,899.29
Direct Tax Paid (Net of Refund)		(70.85)		(44.60)
NET CASH FROM OPERATING ACTIVITIES & EXCEPTIONAL ITEMS		949.34		1,854.69
Adjustment for Exceptional item				
(Profit on sale of equity shares)		(1,201.76)		-
NET CASH FROM OPERATING ACTIVITIES		(252.42)		1,854.69
B. CASH FLOW FROM INVESTING ACTIVITIES :				
Purchase of Fixed Assets		(554.61)		(510.39)
Proceeds from sale of Fixed Assets		3.53		2.44
Proceeds from sale of investments in equity shares		1,834.53		-
Purchase of Shares		(482.76)		(150.00)
Interest Received		94.45		138.81
Dividend Received		0.04		0.03
NET CASH FLOW FROM INVESTING ACTIVITIES		895.17		(519.12)

CASH FLOW STATEMENT for the year ended 31st March, 2016



	(Rs. in Lacs)	
	2015-16	2014-15
	Rs.	Rs.
C. CASH FLOW FROM FINANCING ACTIVITIES :		
Proceeds from Long Term Borrowing and other borrowings (net of repayment)	237.46	(196.23)
Finance cost	(879.79)	(1,016.25)
Foreign Exchange (-)Loss/(+)Gain	2.82	2.36
NET CASH USED IN FINANCING ACTIVITIES	(639.51)	(1,210.12)
NET INCREASE IN CASH AND CASH EQUIVALENTS (A+B+C)	3.24	125.45
CASH AND BANK BALANCE AS AT BEGINNING OF THE YEAR	412.80	287.35
CASH AND BANK BALANCE AS AT END OF THE YEAR	416.04	412.80

In terms of our report of even date
For JAIN KAPOOR & CO.
CHARTERED ACCOUNTANTS
(Firm Reg. No. : 000705C)

SANDEEP KUMAR
Partner
Membership No. 077590

Date : 27th May, 2016
Place : Lucknow

NOTE NO. 1**Significant Accounting Policies****a) Basis of Preparation of Financial Statement**

The Financial Statements are prepared under the historical cost convention on accrual basis, except for certain fixed assets which are revalued, in accordance with generally accepted accounting principles in India, accounting standards notified under section 133 of Companies Act, 2013 ('the Act') read with rule 7 of Companies (Accounts) rules, 2014 and provisions of the Companies Act, 2013.

b) Sales

Sales comprise sale of goods dealt with by the company in the ordinary course of its business, adjusted for discount. Sales are accounted on dispatch of goods to customers.

c) Fixed Assets

The fixed assets stated at cost or revalued at cost net of recoverable duties & taxes, less accumulated depreciation and impairment, if any, direct cost, including borrowing costs, wherever applicable, are capitalised until such assets are ready for its intended use in accordance with Accounting Standard (AS)-16 on Borrowing Costs.

Capital Work-in-progress comprises the cost of fixed assets that are not yet ready for their intended use at the reporting date.

d) Depreciation

- i) Depreciation including depreciation on the revalued portion of certain assets is provided based on useful life of the assets as prescribed in Schedule II of the Companies Act, 2013.
- ii) The Useful lives of fixed assets, is taken as per Schedule II of the Companies Act, 2013

Buildings	5/30 Years.
Plant & Equipments	15 Years.
Electrical Installation and Equipments	10 Years.
Office Equipments	5 Years.
Computers	3 Years.
Furniture & Fixture	10 Years.
Vehicles	8 Years.

e) INVENTORIES

- i) Raw Material, Stores and Spares parts and Finished Products are valued at lower of cost or net realisable value in accordance with AS-2 on Valuation of inventories. Materials in transit, and material with third parties are included in inventories.
- ii) Cost of Raw Material, Stores & spare parts is determined on first-in, first-out (FIFO) method.

f) OTHER CURRENT ASSETS

- i) Excise Duty in respect of goods manufactured by the company is accounted for on removal of goods from the factory.
- ii) Custom Duty in respect of goods lying in bonded warehouses is accounted for at the time of their debonding.

Significant Accounting Policies – Note No. 1



- iii) Sundry Debtors are stated after making such provision for doubtful debts as is deemed adequate by the management.

g) INVESTMENTS

Investments are stated at cost. Dividends are accounted for as and when received.

h) RETIREMENT BENEFITS

i) Defined Contribution Plan

Company's contribution paid / payable during the period to Provident Fund and ESIC are charged to the Statement of Profit & Loss Account.

ii) Defined Benefit Plan

- 1 Company's contribution towards Gratuity made under the Group Gratuity Scheme with Life Insurance Corporation (LIC) is determined based on the amount recommended by LIC and the liability above the fund value as determined on the basis of the Actuarial Valuation made as on 31st March 2016 in accordance with the AS-15 is provided for in the financial statements.
- 2 In accordance with the requirements of AS 15 the company has provided for unutilised leave benefit available to the employees on the basis of an actuarial valuation made as at 31st March 2016.

i) CONTINGENT LIABILITIES

Contingent liabilities are not provided for and are disclosed by way of notes to financial statements.

j) FOREIGN CURRENCY TRANSACTIONS

Transactions in foreign currency, on initial recognition, are recorded at the exchange rate existing at the time of the transaction. In respect of items covered by foreign exchange contract, the premium or discount arising at the inception of such a forward contract is amortised as expense or income over the life of the contract. Monetary items are reinstated at the rates prevailing at the year end and the difference between year end rate and the exchange rate at the date of the transaction is recognised as income or expense in the Statement of Profit & Loss.

Note to the Financial Statements as at 31st March, 2016



(Rs. in Lacs)

NOTE NO. 2 : SHARE CAPITAL

As at 31.03.2016

As at 31.03.2015

PARTICULARS

1. AUTHORISED CAPITAL :

- (a) 25,000 (previous year 25,000) Preference Shares of Rs. 100/- each redeemable or otherwise entitled to such rate of annual dividend as the Director may determine
- (b) 1,50,00,000 (previous year 1,50,00,000 Equity Share of Rs. 10/- each)

25.00

25.00

1,500.00

1,500.00

1,525.00

1,525.00

2. ISSUED, SUBSCRIBED AND PAID-UP EQUITY SHARE-CAPITAL :

- 91,07,193 (previous year 91,07,193) Equity Share of Rs. 10/- each fully paid up in cash
- Forfeited Share**
- Amount originally received as allotment money and calls on account of 33300 equity shares

910.72

910.72

0.99

0.99

911.71

911.71

3. There is no change in issued, subscribed and paid-up share capital during the current year and corresponding previous year.

4. Shares in the Company held by each shareholder holding more than 5% shares.

	No. of Shares	% holding in the shares	No. of Shares	% holding in the shares
(a) Uniglobe Glycols Limited	20,57,508.00	22.59	20,57,508.00	22.59
(b) Mashino Textiles Private Limited	15,39,100.00	16.90	15,39,100.00	16.90
(c) Rohtak & Hissar District Electric Supply Company Private Limited	8,83,350.00	9.70	8,83,350.00	9.70
(d) Jaiprakash Associates Limited	8,40,000.00	9.22	8,40,000.00	9.22
(e) R & H Power Company Private Limited	5,89,998.00	6.48	5,89,998.00	6.48
(f) Mr. Priyank Tayal	5,28,700.00	5.81	5,28,700.00	5.81

(Rs. in Lacs)

NOTE NO. 3 : RESERVES AND SURPLUS

(a) Revaluation Reserve, as per last Balance Sheet	5,068.94		5,072.47	
Less : Amount Transferred to Statement of Profit and Loss (refer note no. 26)	3.47	5,065.47	3.53	5,068.94
(b) Share Premium		756.47		756.47
(c) Investment Allowance Reserve		7.64		7.64
(d) General Reserve		12.10		12.10
(e) Surplus in statement of Profit & Loss				
(i) Opening Balance as per last Balance Sheet	2,506.61		2,195.48	
(ii) Less : Impact of Depreciation on applicability of schedule II of Companies Act 2013	—		107.18	
(iii) Add : Profit / (Loss) Transferred from Statement of Profit and Loss	(538.62)	1,967.99	418.31	2,506.61
		7,809.67		8,351.76

Note to the Financial Statements as at 31st March, 2016



(Rs. in Lacs)

NOTE NO. 4 : LONG TERM BORROWINGS

PARTICULARS (1)	As at 31.03.2016 (2)		As at 31.03.2015 (3)	
	CURRENT [Refer Note No. 8(1)]	NON-CURRENT	CURRENT Refer Note No. 8(1)]	NON-CURRENT
1. Secured Loan				
(a) Term Loan from Banks & Financial Institution				
(i) HDFC Bank : (Secured by hypothecation of vehicles purchased) [Refer Terms of Repayment (i) to (viii)]	14.14	19.10	11.21	23.76
(ii) Union Bank of India : [Secured by way of first charge on entire fixed assets (both present & future) of the Company & personal guarantee Managing Director and a Director of the Company & pledge of 201366 shares of the Company by the Managing Director (38566 shares) and a Director of the Company (162800 shares)] [Refer Terms of Repayment (xi to xv)]	408.80	590.53	665.47	960.15
(b) Term Loan from Others				
(i) UPFC : (Secured by way of the 2nd pari - passu charge with UBI on entire immovables properties consisting of lands, buildings, plant & machineries, and other fixed assets both present & future and personal guarantee of Managing Director & a Director of the Company) [Refer Terms of Repayment (x)]	317.38	833.65	125.65	1,151.04
2. Unsecured Loan				
Loan from Banks - ICICI Bank (Secured by equitable mortgage on the immovable property of Managing Director & Personal Guarantee of Managing Director & a Director of the Company) [Refer Terms of Repayment (ix)]	88.77	550.19	73.87	641.45
Loan from Others				
(a) Loan from Related Parties	-	1,040.00	-	-
(b) Fixed Deposits from Others [Refer Terms of Repayment (xvi and Note no. 48)]	96.59	-	195.58	107.59
(c) Fixed Deposits from Related Parties [Refer Terms of Repayment (xvi and Note no. 48)]	47.00	-	40.00	47.00
	972.68	3,033.47	1,111.78	2,930.99

I **Default in respect of loan taken by the company as at balance sheet date from bank are as under :**

Name of Account	Current Year			Previous Year		
	Amount	Nature	Period of default (Days)	Amount (Rs. in Lacs)	Nature	Period of default (Days)
LOAN - UBI TERM LOAN (Refer point no. xii below)	NIL	N.A.	NIL	0.49	Interest	5
LOAN - UBI TERM LOAN (Refer point no. xv below)	NIL	N.A.	NIL	3.67	Interest	31
LOAN - UBI TERM LOAN (Refer point no. xiii below)	NIL	N.A.	NIL	4.00	Interest	1
LOAN - UBI TERM LOAN (Refer point no. xiv below)	NIL	N.A.	NIL	5.41	Principal	1

Terms of Repayment :

- i. **HDFC Bank Rs. NIL (Rs. 0.69 Lacs)**
Terms of Repayment - Rate of Interest @ 9% p.a. and Repayable in 60 EMI of Rs. 35,000/- and last EMI due on 7th May 2015
- ii. **HDFC Bank Rs. NIL (Rs. 0.74 Lacs)**
Terms of Repayment - Rate of Interest @ 13.25% p.a. Repayable in 36 EMI of Rs. 10,990/- and last EMI due on 5th October, 2015
- iii. **HDFC Bank Rs. 9.24 Lacs (Rs.11 Lacs)**
Terms of Repayment - Rate of Interest @ 10.75% p.a. Repayable in 60 EMI of Rs. 23,780/- and last EMI due on 5th March, 2020
- iv. **HDFC Bank Rs. 2.10 Lacs (Rs. 3 Lacs)**
Terms of Repayment - Rate of Interest @ 10.75% p.a. Repayable in 36 EMI of Rs. 9,788/- and last EMI due on 7th March, 2018
- v. **HDFC Bank Rs. 2.66 Lacs (Rs. 4.43 Lacs)**
Terms of Repayment - Rate of Interest @ 10.75% p.a. Repayable in 36 EMI of Rs. 17,942/- and last EMI due on 5th July, 2017
- vi. **HDFC Bank Rs. 9.74 Lacs (Rs. 15.11 Lacs)**
Terms of Repayment - Rate of Interest @ 10.5% p.a. Repayable in 60 EMI of Rs. 55,900/- and last EMI due on 7th October, 2017
- vii. **HDFC Bank Rs. 4.97 Lacs (Rs. NIL)**
Terms of Repayment - Rate of Interest @ 10% p.a. Repayable in 36 EMI of Rs. 17,750/- and last EMI due on 5th November, 2018
- viii. **HDFC Bank Rs. 4.52 Lacs (Rs. NIL)**
Terms of Repayment - Rate of Interest @ 10% p.a. Repayable in 36 EMI of Rs. 16,140/- and last EMI due on 5th November, 2018
- ix. **ICICI Bank Rs. 638.96 Lacs (Rs. 715.32 Lacs)**
Terms of Repayment - Rate of Interest 13% p.a. Repayable in 121 EMI of Rs. 13,68,916/- and last EMI due on 1st October 2021
- x. **UPFC Rs.1151.03 Lacs (Rs. 1276 Lacs)**
Terms of Repayment - Rate of interest NIL - Bullet repayment of Rs. 126 Lacs in F Y 2015-16, Rs. 317 Lacs in 2016-17, Rs. 207 Lacs in F Y 2017-18, Rs. 227.75 Lacs in F Y 2019-20 & Rs. 398 Lacs in F Y 2020-21
- xi. **Union Bank of India Rs. 154.75 Lacs (Rs. 256.99 Lacs)**
Terms of Repayments - Rate of Interest 14% p.a. - Repayable in 16 quarterly installments out of which 3 quarterly installments of Rs.19 Lacs each in F Y 2013-14, 4 quarterly installments of Rs. 19 Lacs each in F Y 2014-15, 1 quarterly installments of Rs. 19 Lacs and 3 quarterly installments of Rs. 28 Lacs each in F Y 2015-16, 1 quarterly installments of Rs. 28 Lacs and 3 quarterly installment of Rs. 34 Lacs each in F Y 2016-17, and 1 installment of Rs. 24 Lacs in F Y 2017-18.
- xii. **Union Bank of India Rs. 193 Lacs (Rs. 272.49 Lacs)**
Terms of Repayments - Rate of Interest 14% p.a. - Repayable in 19 quarterly installments out of which 3 quarterly installments of Rs.19 Lacs each in F Y 2013-14, 4 quarterly installments of Rs. 20 Lacs each in F Y 2014-15, 4 quarterly installments of Rs. 20 Lacs each in F Y 2015-16, 4 quarterly installment of Rs. 26 Lacs each in F Y 2016-17, and 3 quarterly installment of Rs. 26 Lacs and one quarterly installment of Rs. 10 Lacs in F Y 2017-18.
- xiii. **Union Bank of India Rs. 227.76 Lacs (Rs. 341.07 Lacs)**
Terms of Repayments - Rate of Interest 14.25% p.a. - Repayable in 60 monthly installment Rs.8.33 Lacs each starting from 01-08-2013.
- xiv. **Union Bank of India Rs. 423.82 Lacs (Rs. 465.06 Lacs)**
Terms of Repayments - Rate of Interest 14.25% p.a. - Repayable in 84 monthly installments of Rs. 6.54 Lacs each starting from March, 2015

Note to the Financial Statements as at 31st March, 2016



xv. Union Bank of India Rs. NIL (Rs. 289.99 Lacs)

Terms of Repayments - Rate of Interest 14.25% p.a. - Repayable in 10 quarterly installments out of which 3 quarterly installments of Rs. 97 Lacs each in FY 2013-14, 4 quarterly installments of Rs. 97 Lacs each in FY 2014-15, 2 quarterly installments of Rs. 97 Lacs each & 1 quarterly installments of Rs. 96 Lacs each in FY 2015-16.

xvi. Fixed deposits represent deposits accepted from public carrying interest varying from 11.50% to 12.50%. The maturities of these deposits fall on different dates depending on the date and period of each deposit.

NOTE NO. 5 : DEFERRED TAX LIABILITY (NET)

(Rs. in Lacs)

PARTICULARS	As at 31.03.2016	As at 31.03.2015
a) Related to Fixed Assets	634.07	757.46
b) Disallowances under the Income Tax Act 1961	(229.92)	(417.52)
TOTAL	404.15	339.94

(Rs. in Lacs)

NOTE NO. 6 : OTHER LONG TERM LIABILITIES

PARTICULARS	As at 31.03.2016	As at 31.03.2015
1. Security Deposit	40.00	40.00
	<u>40.00</u>	<u>40.00</u>

NOTE NO. 7 : LONG TERM PROVISIONS

PARTICULARS	As at 31.03.2016	As at 31.03.2015
1. Provisions for Employees Benefit		
(a) Gratuity	44.02	51.08
(b) Leave Encashment	26.42	28.35
	<u>70.44</u>	<u>79.43</u>

(Rs. in Lacs)

NOTE NO. 8 : SHORT TERM BORROWINGS

PARTICULARS	As at 31.03.2016	As at 31.03.2015
1. Secured Loan		
Working Capital Loan from Banks		
Union Bank of India	2,419.93	2,699.02
[Secured by Hypothecation of Stores, work-in-progress, Stocks, goods-in-transit, and book-debts and collaterally secured as second charge on pari-passu basis with UPFC by equitable mortgage of Company's immovable properties consisting of land, building, plant and machinery and other fixed assets both present and future and personal guarantee of Managing Director, and a Director of the Company and pledge of 201366 shares of the Company by the Managing Director and a Director of the Company.]		
2. Unsecured Loan		
a) Over Draft Limit From ICICI Bank (Secured by equitable mortgage on the immovable property of Managing Director and personal guarantee of Managing Director & Director of the Company)	88.17	86.38
b) Buyers credit from Banks (in foreign currency)	935.79	848.41
c) Loan from companies	315.00	359.00
d) Loan from related parties	801.50	293.50
	<u>4,560.39</u>	<u>4,286.31</u>

(Rs. in Lacs)

NOTE NO. 9 : OTHER CURRENT LIABILITIES

PARTICULARS	As at 31.03.2016	As at 31.03.2015
1. Current Maturity of Long Term Debts (refer note no. 4)	972.68	1,111.78
2. Interest accrued but not due on borrowings	33.24	46.28
3. Credit Balances of Customers	195.37	225.04
4. Amount due to Employees	43.79	29.53
5. Statutory dues/duties, taxes payable	61.10	121.10
6. Deposit from stockiest, distributors and contractors	79.51	68.67
	<u>1,385.69</u>	<u>1,602.40</u>

NOTE NO. 10 : SHORT TERM PROVISIONS

PARTICULARS	As at 31.03.2016	As at 31.03.2015
1. Provisions for employees benefit		
a) Bonus	24.11	12.02
b) Leave Encashment	2.17	2.49
	<u>26.28</u>	<u>14.51</u>

Note to the Financial Statements as at 31st March, 2016



(Rs. in Lacs)

NOTE NO. 11 : TANGIBLE ASSETS

DESCRIPTION	GROSS BLOCK			DEPRECIATION			NET BLOCK			
	Cost As On 01.04.15	Additions Made during the year	Deductions Made During the year	Cost As on 31.03.16	Charged Upto 31.03.15	Charged During the year	Adjust-ment	Charged Upto 31.03.16	As On 31.03.16	As On 31.03.15
	(Rs.)	(Rs.) #	(Rs.)	(Rs.)	(Rs.)	(Rs.)	(Rs.)	(Rs.)	(Rs.)	(Rs.)
Land	5143.18	0.00	0.00	5143.18	0.00	0.00	0.00	0.00	5143.18	5143.18
Buildings	2314.26	25.32	6.64	2332.94	960.97	71.07	83.87	948.17	1384.77	1353.29
Plant & Equipments	5634.08	342.03	0.07	5976.04	3011.85	325.41	28.11	3309.15	2666.89	2622.23
Office Equipments	59.81	3.37	0.31	62.87	56.20	1.27	0.98	56.49	6.38	3.61
Furniture & Fixture	17.44	0.14	0.00	17.58	14.39	2.20	0.00	16.59	0.99	3.05
Vehicles	145.49	12.84	17.13	141.20	67.23	11.61	16.12	62.72	78.48	78.26
Current Year Total	13314.26	383.70	24.15	13673.81	4110.64	411.56	129.08	4393.12	9280.69	9203.62
Prev. Year Total	12756.55	567.98	10.27	13314.26	3454.48	662.38	6.22	4110.64	9203.62	9302.07

Includes Borrowing Cost Rs. 21 Lacs (Rs. Nil)

NOTE NO. 12 : NON-CURRENT INVESTMENTS

(Rs. in Lacs)

S.N.	NAME OF COMPANIES	No. of Shares	Rs.	No. of Shares	Rs.
1.	Trade investment (Quoted) (Valued at Cost)		As at 31.03.2016	As at 31.03.2015	
a.	M/s Uniplas India Ltd.	100	0.03	100.00	0.03
b.	M/s Prakash Industries Ltd.	225	0.07	225.00	0.07
c.	M/s Hyderabad Industries Ltd.	200	0.06	200.00	0.06
d.	M/s Eternit Everest Ltd.	50	0.02	50.00	0.02
e.	M/s Roofit Industries Ltd.	200	0.03	200.00	0.03
f.	M/s Visaka Industries Ltd.	50	0.01	50.00	0.01
	TOTAL Trade Investment (Quoted)		0.22		0.22
2.	Other Investment (Unquoted)- Big Apple Real Estate Pvt. Ltd.		-	196,773.00	150.00
	TOTAL Other Investment (Unquoted)		-		150.00
	Aggregate of Investments	Book Value	Market Value	Book Value	Market Value
		Rs.	Rs.	Rs.	Rs.
	Total Trade Investment (Quoted)	0.22	1.13	0.22	1.35
	Total Other Investment (Unquoted)	-	-	150.00	-
	Total	0.22	1.13	150.22	1.35

(Rs. in Lacs)

NOTE NO. 13 : LONG TERM LOANS & ADVANCES

PARTICULARS	As at 31.03.2016	As at 31.03.2015
1. Capital Advances (Unsecured & Considered good)	—	261.85
2. Deposit Payments (Unsecured & Considered good)	327.30	73.39
3. Balances with revenue authorities (Unsecured & Considered good)	805.35	734.64
4. Advances recoverable in cash or kind or for value to be received (Unsecured & Considered good)	18.17	18.17
	<u>1,150.82</u>	<u>1,088.02</u>

(Rs. in Lacs)

NOTE NO. 14 : OTHER NON-CURRENT ASSETS

PARTICULARS (1)	As at 31.03.2016 (2)	As at 31.03.2015 (3)
1. Deposit with banks held as Margin Money against bank guarantee	<u>212.02</u>	<u>203.72</u>
	<u>212.02</u>	<u>203.72</u>

(Rs. in Lacs)

NOTE NO. 15 : INVENTORIES

PARTICULARS (1)	As at 31.03.2016 (2)	As at 31.03.2015 (3)
1. Raw Materials	1,215.02	1,481.50
2. Finished Goods	2,265.68	2,327.48
3. Trading Goods	544.23	—
4. Stores & Spares	117.46	111.60
5. Goods-in Transit (Raw material)	—	41.13
	<u>4,142.39</u>	<u>3,961.71</u>

Mode of valuation

Raw material, store & spares parts & finished products are valued at lower of cost or net realisable value in accordance with Accounting Standard (AS)-2 on valuation of inventories notified under Section 133 of the Companies Act, 2013 ("the Act") read with Companies (Accounts) Rules, 2014 & provisions of the Act.

Note to the Financial Statements as at 31st March, 2016



(Rs. in Lacs)

NOTE NO. 16 : TRADE RECEIVABLES

PARTICULARS (1)	As at 31.03.2016 (2)	As at 31.03.2015 (3)
1. Trade Receivables outstanding for a period exceeding six months		
a) Secured & considered good	45.15	47.44
b) Unsecured & considered good	653.51	604.43
c) Doubtful	—	9.78
	698.66	661.65
Less : Allowance for Bad & Doubtful Debts	—	9.78
	698.66	651.87
2. Other Trade Receivables		
a) Secured & considered good	19.53	5.10
b) Unsecured & considered good	1,716.42	3,271.24
	1,735.95	3,276.34
	2,434.61	3,928.21

(Rs. in Lacs)

NOTE NO. 17 : CASH & BANK BALANCES

PARTICULARS (1)	As at 31.03.2016 (2)	As at 31.03.2015 (3)
1. Balance with banks	55.68	53.13
2. Cash in hand	6.03	7.52
3. Earmarked balances with banks	45.02	43.18
4. Deposit with banks held as margin money	282.75	282.75
5. Other deposit with banks for period of less than 12 months	26.56	26.22
	416.04	412.80

(Rs. in Lacs)

NOTE NO. 18 : SHORT TERM LOANS AND ADVANCES

PARTICULARS (1)	As at 31.03.2016 (2)	As at 31.03.2015 (3)
1. Advances to Employees		
a) Unsecured & considered good	18.24	7.44
b) Doubtful	1.02	1.02
	19.26	8.46
Less : Allowance for Bad & Doubtful Debts	1.02	1.02
	18.24	7.44
2. Advance with Suppliers/Service providers		
a) Unsecured & considered good	511.31	94.63
b) Doubtful	0.84	0.84
	512.15	95.47
Less : Allowance for Bad & Doubtful Debts	0.84	0.84
	511.31	94.63
3. Balance with Revenue Authority		
Unsecured & considered good	52.74	42.66
4. Loan to Others		
Unsecured & considered good	110.36	110.36
5. Loan to Related Party		
Unsecured & considered good	—	270.05
6. Other Advances		
Unsecured & considered good#	12.31	6.98
	<u>704.96</u>	<u>532.12</u>

Other Advances include prepaid expense

NOTE NO. 19 : OTHER CURRENTS ASSETES

PARTICULARS (1)	As at 31.03.2016 (2)	As at 31.03.2015 (3)
1. Interest accrued but not due on deposit with banks	5.40	5.43
2. Interest accrued & due on Loan to related parties (Refer note no.50)	11.85	—
3. Interest accrued & due on Loan to others	17.43	15.89
4. Share application money pending allotment for purchase of equity shares	200.00	—
	<u>234.68</u>	<u>21.32</u>

NOTE NO. 20 : REVENUE FROM OPERATIONS

PARTICULARS (1)	As at 31.03.2016 (2)	As at 31.03.2015 (3)
1. Sale of products	10,885.73	12,785.33
2. Other operating income (net of expenses)	9.12	195.52
	<u>10,894.85</u>	<u>12,980.85</u>

Note to the Financial Statements for the year ended 31st March, 2016



(Rs. in Lacs)

NOTE NO. 21 : OTHER INCOME

PARTICULARS (1)	As at 31.03.2016 (2)	As at 31.03.2015 (3)
1. Interest Income	94.45	138.81
2. Dividend Income	0.04	0.03
3. Applicable Net gain on foreign currency transaction	2.82	2.36
4. Other non-operating incomes	0.85	0.77
5. Lease Rent	476.44	453.75
6. Profit on sale of fixed assets	0.45	—
	<u>575.05</u>	<u>595.72</u>

NOTE NO. 22 : COST OF RAW MATERIAL CONSUMED

PARTICULARS (1)	As at 31.03.2016 (2)	As at 31.03.2015 (3)
1. Cement	1,989.41	2,086.64
2. Asbestos Fibre	4,341.89	3,670.86
3. Slag	518.90	700.10
4. Other	58.94	40.32
	<u>6,909.14</u>	<u>6,497.92</u>

NOTE NO. 23 : CHANGES OF INVENTORIES

PARTICULARS (1)	As at 31.03.2016 (2)	As at 31.03.2015 (3)
1. Stock in Hand at the beginning of the year finished goods	2,327.48	2,439.18
Stock in Hand at the beginning of the year trading goods	—	—
2. Less : Stock in Hand at the end of the year finished goods	2,265.68	2,327.48
Less : Stock in Hand at the end of the year trading goods	544.23	—
Decrease / (Increase) in Stock	<u>(482.43)</u>	<u>111.70</u>

NOTE NO. 24 : EMPLOYEES BENEFIT EXPENSES

PARTICULARS (1)	As at 31.03.2016 (2)	As at 31.03.2015 (3)
1. Salaries & wages	541.52	533.76
2. Contribution to Provident and Other Funds	33.08	30.49
3. Staff Welfare Expenses	11.62	7.93
4. Contractual Labour	48.13	—
	<u>634.35</u>	<u>572.18</u>

(Rs. in Lacs)

NOTE NO. 25 : FINANCE COST

PARTICULARS (1)	As at 31.03.2016 (2)	As at 31.03.2015 (3)
1. Interest Expenses	792.09	931.92
2. Other Borrowing Costs	27.86	22.05
3. Applicable Net (gain) / Loss on foreign currency transaction & translation	59.84	62.28
	<u>879.79</u>	<u>1,016.25</u>

NOTE NO. 26 : DEPRECIATION AND

AMORTISATION EXPENSE

PARTICULARS (1)	As at 31.03.2016 (2)	As at 31.03.2015 (3)
Depreciation	411.59	662.38
Less : Transferred from Revaluation Reserve (Refer Note No. 3 (a))	3.47	3.53
Less : Adjusted from Opening Profit & Loss	—	107.18
TOTAL	<u>408.12</u>	<u>551.67</u>

Note to the Financial Statements for the year ended 31st March, 2016



NOTE NO. 27 : OTHER EXPENSES

PARTICULARS (1)	As at 31.03.2016		As at 31.03.2015	
	(2)		(3)	
1. Consumption of stores & spare parts	345.70		376.80	
2. Power & Fuel	577.82		637.31	
3. Rent	0.18		1.61	
4. Repairs to Building	38.16		—	
5. Repairs to Machineries	48.92		27.35	
6. Insurance	17.79		20.56	
7. Rates & Taxes	9.13		6.81	
8. Miscellaneous Expenses	273.91		187.71	
9. Transport, Packing & Forwarding Expenses	354.60		292.89	
10. Payments to Auditors				
i) As Auditor	1.43		1.40	
ii) Taxation matters	—		—	
iii) For Other Services	2.10		1.23	
iv) For Reimbursement of Expenses	0.05	3.58	0.20	2.83
11. Bad Debts / Irrecoverable Claims written off	97.28		0.60	
12. Loss on Sale of Fixed Assets	—		1.99	
13. Expenses / (Income) related to previous year (Net)	(57.98)		14.15	
	<u>1,709.09</u>		<u>1,570.61</u>	

(Rs. in Lacs)

NOTE NO. 28 : VALUE AND PERCENTAGE OF IMPORTED AND INDIGENOUS RAW MATERIAL, SPARE PARTS AND COMPONENTS CONSUMED

PARTICULARS (1)	As at 31.03.2016		As at 31.03.2015	
	Value	%	Value	%
	(2)		(3)	
1. Raw Material				
i) Imported	4,341.89	62.84	3,657.40	56.29
ii) Indigenous	2,567.26	37.16	2,840.52	43.71
2. Indigenous Spare parts & Components	345.70	100.00	376.80	100.00

NOTE NO. 29 : EXPENDITURE IN FOREIGN CURRENCY

PARTICULARS (1)	As at 31.03.2016		As at 31.03.2015	
	(2)		(3)	
1. Overseas Travelling	3.96		—	
2. Interest on Buyers Credit	21.66		22.94	

NOTE NO. 30 : VALUE OF IMPORTS CALCULATED ON C.I.F. BASIS

PARTICULARS (1)	As at 31.03.2016		As at 31.03.2015	
	(2)		(3)	
1. Raw Material	3,797.56		3,346.39	
3. Stock in Trade	2,492.67		2,012.13	

(Rs. in Lacs)

**NOTE NO. 31 : CONTINGENT LIABILITIES
AND COMMITMENTS**

PARTICULARS (1)	As at 31.03.2016 (2)	As at 31.03.2015 (3)
1. Contingent Liabilities		
a) Claim against the Company not acknowledge as Debts		
i) Sales Tax	3,222.46	4,250.79
ii) Income Tax	159.55	176.53
iii) Service/Excise/Custom	539.13	526.66
iv) Entry Tax	88.90	20.79
v) Others	1.53	1.53
b) Guarantees	284.27	284.38
c) Departmental Appeal in Tax Matters .		
i) Income Tax	373.98	241.99
ii) Service & Excise Tax	48.46	48.46
2. Commitments		
a) Custom Duty on Raw Material	45.75	36.86
b) Excise Duty on Finished Goods	9.27	146.08

NOTES ON ACCOUNTS

32. SEGMENT REPORTING

The company's operations predominantly relate to manufacture and sale of asbestos cement sheets and trading in asbestos fibre through which the Company caters to the needs of the domestic market. In the opinion of the management the Company is primarily engaged in the business of asbestos product in domestic market. As such, there are no reportable business or geographic segments in respect of manufacturing & Sale of Asbestos Cement Sheet and Trading of Asbestos Fibre. However, the management considers leasing arrangements of its Dadri Unit and Trading in Steel Coils as a separate reportable business segments. As such, necessary disclosure required for reportable segment in accordance with AS-17 on Segment Reporting is given below :

Rs.in Lacs

	MANUFACTURING & TRADING IN ASBESTOS PRODUCTS (Rs.)		LEASING (Rs.)		TRADING (Others) (Rs.)		TOTAL (Rs.)	
	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year
Revenue	10864.63	12766.02	476.43	453.75	—	—	11341.06	13219.95
Segment Result	-1329.03	683.17	350.59	110.89	—	—	-978.44	794.06
Interest Expenses							792.09	931.92
Interest Income							94.45	138.81
Profit Before Tax & Exceptional item							-1676.08	0.95
Tax Expenses							64.30	-417.36
Exceptional item (Profit on Sale of investments in equity shares)							1201.76	—
Net Profit for the year							-538.62	-418.31
Assets	15573.11	16903.21	2630.25	2598.53	544.00	—	18747.36	19501.74
Liabilities	9985.99	10173.60	40.00	64.67	—	—	10025.99	10238.27
Depreciation	174.26	208.81	233.86	342.86	—	—	408.12	551.67
Capital Work-in-Progress	170.93	—	—	—	—	—	170.93	—

33a. Union Bank of India has in the year 2013, at the time of sanction of loan facilities to the company, got valuation of the company's fixed assets done through Bank's own valuers. The valuers have valued the Building, Plant & Machinery at Dadri and Lucknow units of the Company lower than the then Book Value of the assets by Rs. 1623.90 lacs. The Company does not agree with the valuation done by the bankers and is in the process of getting a separate valuation done through Government Approved Valuers and decrease, if any, in valuation of the assets of the Company shall be recognised after receipt of such valuation report. Pending receipt of report from valuers impairment loss, if any, in terms of Accounting Standard -28 prescribed under section 133 of the Companies Act, 2013 read with Rule 7 of Companies (Accounts) Rules, 2014 due to decrease in the value of fixed assets has not been recognised in the financial statements. If the impact of impairment loss on the basis of valuation report provided by Bank's valuers is accounted for then the value of Tangible assets of the Company would have decreased by Rs. 1623.90 lacs with corresponding decrease in Reserve & Surplus of the Company.

33b. The Management is of opinion that the recoverable amount of Company's other assets are higher than the carrying amount, therefore such assets of the Company are not impaired in terms of Accounting Standard-28. Notified under the Companies (Accounting Standard) Rules 2006.

34. Related Party Disclosures

List of Related Parties and Relationship

i) COVERED BY CONTROL CRITERIA

Mashinotextile (P) Ltd
 Everest Roofings (P) Ltd
 Rohtak & Hissar District Electric Supply Co. (P) Ltd
 Ganga Corporation (P) Ltd
 Sangam Hotels (P) Ltd.
 UPAL Hotels (P) Ltd.
 Horseshoe Developers (P) Ltd.
 MTX Hotels (P) Ltd.
 Doon Industrial Fund Limited
 United Malls (P) Ltd.
 West Village Developers P. Ltd.
 Ecogreen Developers (P) Ltd.
 Progreen Developers (P) Ltd.
 Progreen Property Developers (P) Ltd.
 MTX Retail Private Limited
 Uniglobe Glycols Ltd.
 Univision Developers (P) Ltd.

ii) ENTERPRISE SIGNIFICANTLY INFLUENCED BY KEY MANAGEMENT PERSONNEL AT "A" AND "B" BELOW

Gangetic Developers (P) Ltd.	(effected till 19.08.2015)
Gangetic Hotels Private Limited	(effected till 19.08.2015)
UPAL Developers (P) Ltd.	(effected till 19.08.2015)
Blackwood Developers Private Limited	(effected till 19.08.2015)
Big Apple Real Estate Pvt. Ltd.	(effected till 19.08.2015)
Sangam Infrabuild Corporation (P) Ltd.	(effected till 19.08.2015)

iii) KEY MANAGEMENT PERSONNEL, RELATIVES & OTHER EXECUTIVE OFFICER

A. Mr. Amitabh Tayal	-	Managing Director
B. Mr. Priyank Tayal	-	Director
C. Mrs. Shailly Tayal	-	Wife of Mr. Priyank Tayal.
D. Mr. Anchal Rastogi	-	Chief Financial Officer
E. Mrs. Swati Manocha	-	Company Secretary

Note:- Related party relationship is identified by the Company and relied upon by the auditors

Note to the Financial Statements as at 31st March, 2016



Transactions with Related Parties and Outstanding balances as on 31-03-2016

(Rs. In Lacs)

Transactions	Covered by Control / Significant Influence Criteria	Key management personnel, their relatives & other Executive Officer	Enterprises Significantly Influenced by Key Management Personnel	Total
	Rs.	Rs.	Rs.	Rs.
EXPENSES				
Interest Paid	41.54 (44.81)	57.05 (13.63)	— (—)	98.59 (58.44)
Remuneration Paid	— (—)	58.22 (42.16)	— (—)	58.22 (42.16)
INCOME				
Sale of goods	— (—)	— (—)	1.09 (4.01)	1.09 (4.01)
Interest Received/Receivable	— (—)	— (—)	11.85 (52.74)	11.85 (52.74)
OTHER TRANSACTION				
Sale of Capital Goods	— (—)	— (—)	0 0	0 0
Shares Application Money given	— (—)	— (—)	350.00 (375.00)	350.00 (375.00)
Share Application Money Refunded	— (—)	— (—)	0.00 (225.00)	0 (225.00)
Share Purchase (Shares Allotted against share application money given)	— (—)	— (—)	350.00 (150.00)	350.00 (150.00)
Fixed Deposit Accepted	— (—)	0 0	0 (0.00)	0 (0.00)
Fixed Deposit Repaid	0 (3.00)	40.00 (20.89)	0 (0.00)	40.00 (23.89)
Loan given (including Interest accured)	— (—)	— (—)	0 (47.47)	0 (47.47)

Note to the Financial Statements as at 31st March, 2016



Loan received	1409.00 (76.50)	1,314.00 (0.00)	0 (0.00)	1,409.00 (76.50)
Loan Repaid	950.00 (95.00)	225.00 (0)	0 (0.00)	1,175.00 (95.00)
Loan Given Refunded	0 (0.00)	0 (0.00)	270.05 (120)	270.05 (120.00)
OUTSTANDING BALANCES				
<u>Payables</u>				
Loan	746.50 (287.50)	1095.00 (6.00)	0 (0.00)	1841.50 (293.50)
Deposits	0.00 0	47.00 (87.00)	0 0	47.00 (87.00)
<u>Receivable</u>				
Loan/Interest	- (-)	- (-)	11.84 (270.05)	11.84 (270.05)
Trade Receivable	- (-)	- (-)	0 0	0 0

35. There are no Micro, Small and Medium Enterprises to whom the Company owes dues, which are outstanding for more than 45 days as at 31.03.2016. This information as required to be disclosed under Micro, Small and Medium Enterprise Development Act, 2006 has been determined to the extent such parties have been identified on the basis of information available with the Company. This has been relied upon by the Auditors.
36. During the year the company has sold its entire shareholding of 19,80,910 equity shares in Big Apple Real Estate Private Limited for a sale consideration of Rs. 18,34,52,600/-. The purchase price of these equity shares is Rs. 6,32,76,125/-. The profit on sale of such equity shares of Rs. 12,01,76,475/- has been disclosed as exceptional item in the Statement of Profit & Loss.
37. a) **Defined Contribution Plan**
- Company's contribution to Government Administered Provident Fund / Family Fund during the year is Rs. 32.46 Lacs (Rs. 29.82 Lacs).
 - Company's contribution towards Employees State Insurance Fund is Rs. 0.62 Lacs (Rs. 0.67 Lacs).

b) Defined Benefit Plan

i) Gratuity (As per actuarial valuation as on 31.03.2016)

2015-16
Administered by LIC (Fully Funded)
(Rs. in Lacs)

I Change in Obligation during the year ended 31.03.2016		
Present Value of Obligation as at 01.04.2015	135.46	124.45
Interest Cost	9.18	10.02
Current Service Cost	16.53	14.79
Settlement (Cost)/Credit	—	—
Actuarial (-) gain / loss on obligation	-1.67	12.41
Benefits paid	-35.48	-26.21
Present value of defined benefit obligation as at 31.03.2016	124.02	135.46
II Change in Assets during the year ended 31.03.2016		
Plan Assets as at 01.04.2015	84.38	82.19
Expected Return on Plan Assets	7.07	6.97
Contribution by Employer	24.00	21.09
Actual Benefit Paid	-35.48	-26.21
Actuarial Gain / (Losses)	0.02	0.34
Plan Assets as at 31.03.2016	79.99	84.38
III Net Assets / Liabilities recognised in the Balance Sheet as at 31.03.2016		
Present value of defined benefit obligation as at 31.03.2016	124.02	135.46
Plan Assets as at 31.03.2016	79.99	84.38
Fund Status - Surplus / (-) Deficit	-44.03	-51.08
Net Assets / (-) Liability as at 31.03.2016	-44.03	-51.08
IV Expenses recognised in the Statement of Profit & Loss for the year ended on 31.03.2016		
Current Service Cost	16.53	14.79
Interest Cost	9.18	10.02
Past Service Cost Vested Benefit	—	—
Expected Return on Plan Assets	-7.07	-6.97
Net Actuarial Gain (-) / Loss	-1.69	12.07
Expenses Recognised	16.95	29.91

V The Major Categories of Plan Assets as a percentage of total Plan

Government of India Securities	N.A.	N.A.
Corporate Bonds	N.A.	N.A.
Special Deposit Scheme	N.A.	N.A.
Equity Shares of Listed Companies	N.A.	N.A.
Property	N.A.	N.A.
Insurer Managed Fund	100%	100%
Others	N.A.	N.A.
Total	100%	100%

VI Method of Valuation

Projected Unit Credit Method

VII Actuarial Assumption

Discount Rate	7.75%	7.80%
Expected Return on Assets	7.75%	9.00%
Salary Escalation	8.00%	8.00%
Withdrawal Rate	5.00%	5.00%
Mortality Rates	IAL Mortality (2006-08)	100% of IAL-2

ii) As per Actuarial Valuation Report Liability towards Leave Encashment as on 31st March, 2016 is Rs. 28.58 Lacs (Rs. 30.84 Lacs). Excess liability of Rs. 2.26 has been reversed.

38. Advance with Revenue Authorities [Refer Note No. 13(3)] includes Income Tax & Fringe Benefit Tax (Net of provisions) of Rs. 190.53 lacs (Rs. 124.30 lacs) in respect of which reconciliation with the assessment / appellate order is in progress for some assessment years. The aforesaid amount is subject to adjustment on the basis of the aforesaid reconciliation.
39. The Sales Tax and Value Added Tax assessments / appeals under the provisions of respective State Acts and the Central Sales Tax under the provision of the Central Sales Tax Act, 1957 for certain past years are pending. Pending completion of such assessments / appeals, amount of Rs.241.73 lacs (Rs. 255.15 lacs) determined as refundable from the departments has been treated as unsecured and considered good under Balance with Revenue Authorities [Refer Note No. 13(3)]. However, liability, if any, would be ascertained either at the time of filing of returns/ revised returns, wherever required, for the relevant assessment years or on finalization of assessments / appeals by the concerned authorities.
40. In the F Y 2008-09, the Company has revalued its entire lands situated at Mohanlalganj Lucknow & Village Bishara, Dadri, Gautam Buddha Nagar. The aforesaid lands has been revalued at fair market value by external valuers on the basis of the enquiries made by the valuers of the prevailing market price of similar properties

in the vicinity and giving weightage to the peculiar situation of the aforesaid lands. Revalued amount of lands at Mohanlalganj, Lucknow & Village Bishara, Dadri, Gautam Budh Nagar aggregates to Rs. 5143.18 lacs which has been recognized in the financial statement by increasing the existing value of the land by Rs. 4926.01 lacs and crediting the increase in the net book value to the owner's interest under the head revaluation reserve.

41. The State Government of Rajasthan has withdrawn benefit available to the Company under Rajasthan Value Added Tax Act 2003 on sale of A C Sheet containing Fly Ash more than 25% by weight. A writ petition of the Company against this withdrawal of benefit before Hon'ble Rajasthan Highcourt, Jaipur Bench, Jaipur has been decided against the Company. Civil Appeals of the Company against the order of the Hon'ble Rajasthan High Court, Jaipur Bench, Jaipur are pending before Hon'ble Supreme Court. However, on conservative basis demands raised against the Company has been charged to revenue in the years in which the same were paid by the Company.
42. (a) Selling price, discounts, commission and breakage compensation is determined by negotiation with customers. Such negotiation done telephonically / in meeting is evidenced by approval of the management of the Company. The company has, during the year, accounted for the discount, commission, breakages on this basis. Since payments from customers are received in lump-sum and the balance confirmation sent by the company are generally not responded by the customers, the balances in the accounts of customers are subject to the reconciliation, confirmation and consequent adjustment, if any.
- (b) Balances of Trade Payables, Trade Receivables, other current & long term liabilities, loans and advances granted by the Company, State Bank of India, Butibori, Nagpur and State Bank of Bikaner & Jaipur, Gandhi Bagh, Nagpur are subject to reconciliation, confirmation and consequent adjustments, if any.
43. The Company has availed and utilized Rs. 278.70 lacs of cervat credit of service tax paid on outward freight for payment of excise duty on finished goods sold by the Company since the levy of excise duty on the Company w.e.f. 01.03.2006. However, in view of uncertainty on utilisation of such input credit due to conflicting judgments on the matter by various courts/ tribunals, pendency of Company's own appeal before appellate authorities and show-cause notice issued by the department against the Company, the management has, decided not to claim any further cervat credit in respect of service tax paid on outward freight. The management does not consider necessary to make provision of Rs. 278.70 lacs already claimed by the Company since it is confident of a favourable decision in its own appeal.

44. The Company had filed a writ petition in the Allahabad High Court denying its liability for entry tax under the Uttar Pradesh Tax On Entry Of Goods Into Local Areas Act, 2007. On the direction of the Hon'ble High Court, 50% of entry tax of Rs. 179.71 lacs for the period from November, 2007 to December, 2011 was deposited and bank guarantee was furnished for the remaining amount. Since Special Leave Petition of another party on this issue is pending in the Hon'ble Supreme Court, the High Court mandated that decision of the Supreme Court shall determine the liability, if any in this regard. However as a matter of prudence the Company has charged to the Statement of Profit & Loss the actual amount of Rs.93.98 lacs paid. The balance liability, if any, shall be provided on the decision of Hon'ble Supreme Court.
45. (a) The Company's leasing arrangements are in respect of Operating Leases for premises (Residential, Office etc.) taken by the Company and Dadri Unit leased out by the Company for 10 years w.e.f. 1st February, 2014. The leasing arrangement for premises taken by the Company are not Non-Cancellable and are usually renewable by mutual consent on agreed terms. The aggregate lease rentals payable are charged as rent. However, the Company treats lease agreement for leasing out Dadri Unit of the Company as Non-Cancellable. Lease amount receivable by the Company is recognised as income. The aggregate of future minimum lease payments in respect of Non-Cancellable leasing arrangement required to be disclosed as per AS-19 as under :
- | | |
|--|------------------|
| i. Not later than one year | Rs. 500.26 Lacs |
| ii. Later than one year and not later than five years | Rs. 2263.99 Lacs |
| iii. Later than Five Years (for balance period up to 31.01.2024) | Rs. 1890.61 Lacs |

- (b) Disclosure of Assets, (also included in the Tangible Assets as per Note - 11) given on lease, in accordance with requirement of Accounting Standard - 19 on Leases. Is given below :

Rs. in Lacs

Description	Gross Carrying Amount	**Depreciation in Recognised in the Statement of Profit & Loss A/C	Accumulated Depreciation As on 31st March, 2016	Net Carrying Amount
	(Rs.)	(Rs.)	(Rs.)	(Rs.)
Land	365.46	—	—	365.46
Buildings	1235.31	38.41	386.64	848.67
Plant & Equipments	2397.97	192.14	1142.24	1255.73
Office Equipments	6.73	0.27	6.10	0.63
Furniture & Fixture	10.57	2.17	9.89	0.68
Vehicles	15.16	0.87	11.55	3.61
Current Year Total	4031.20	233.86	1556.42	2474.78
Previous Year Total	4031.20	342.86	1430.59	2600.61

46. The Company has made capital expenditure over two years for modernisation / modification and to enhance operational efficiencies of its plants at Mohanlalganj. Whereas Rs. 541.51 lacs was incurred and capitalised in previous financial year 2014-15, Rs 281.93 lacs was incurred and capitalised in current financial year 2015-16 resulting in total additions of Rs. 823.44 lacs.
47. On withdrawal of notification for tax exemption on usage of fly ash in production of finished goods, demand of Rs. 79.70 lacs and Rs. 180.60 lacs for F.Y. 2004-05 and F.Y. 2005-06 respectively was raised by Trade Tax department, U.P. Company's writ petition in Hon'ble Allahabad High Court, Lucknow Bench against such withdrawal of exemption has been decided in favour of the company. On confirmation of refund receivable for Financial Year 2005-06 by the Additional Commissioner (Appeals), it has been recognized as other income in the F Y 2010-11. Since the company was in the process of establishing its claim for Financial Year 2004-05 hence, as a matter of prudence, the recognition of income for A.Y. 2004-05 had not been done earlier. However in the F Y 2012-13, Trade Tax Department had also filed a special leave petition before the Hon'ble Supreme Court against the order of the Hon'ble Allahabad court, Lucknow Bench, which has also been decided in favour of the company during the F Y 2013-14. The Management of the company after

discussion with the trade tax consultants, is of the opinion that the claim for F Y 2004-05 can also be lodged. Consequently, the company has during the financial year 2013-14 year accounted for Rs.79.70 lacs as Other Non-operating income by showing the same in Balance with Revenue Authorities under Long Term Loans & Advances. The Management is hopeful that this amount would be recovered from the Trade Tax department soon.

48. The company had during earlier years accepted/ invited deposits under the relevant provisions of the Companies Act, 1956. Consequent to the applicability of provisions of section 74 of the Companies Act, 2013 fixed deposits held by the company were required to be repaid latest by 31st March, 2015. However, Explanation to Rule 19 of Companies (Acceptance of deposit) Rules, 2014 provides that provisions of section 74 of the Companies Act, 2013 shall be deemed to have been complied with if the company continues to repay such deposits and interest due thereon on due dates for the remaining period of such deposit in accordance with the terms and conditions and period of such deposits. In view of the aforesaid provisions, the management is of the opinion that company has complied with the provisions of the Companies Act, 2013 and rules framed there under relating to acceptance of deposits from public. The management is of the opinion that Explanation to Rule 19 is applicable to all companies and not only eligible to companies as mentioned in the rule. As such, the company is not required to seek further time from Tribunal to repay deposits as earlier envisaged. Other amounts qualifying as deposits are as a result of any advance received for supply of goods or provision of services and which has not been appropriated against supply of goods or provision of services within a period of three hundred and sixty five days from the date of acceptance of such advance, in respect of which the necessary information is under compilation.
49. The company has adequate internal financial controls over financial reporting for ensuring the orderly and efficient conduct of its business including adherence to company's policies, safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records and the timely preparation of reliable financial information, as required by the Companies Act, 2013. However, such internal controls are being followed as a part of company's routine functioning and are yet to be formally documented. The company is in the process of documenting its processes which ensure adequate internal financial controls so as to be able to demonstrate the existence and effective implementation of such control.
50. The company has recognised interest income of Rs. 11.85 lacs on loan granted in an earlier year to an erstwhile related Party M/s Big Apple Real Estate Private Limited covered u/s 189 of the Companies Act, 2013. The loan repayable on demand has been recovered. However, interest on loan for financial year 2015-16 till the date of its repayment in July, 2015 is yet to be recovered. The company is hopeful of its recovery.
51. Deposit Payment (Refer Note no. 13(2)) includes interest-free security deposit of Rs. 250 lacs given by the company to M/s Brij Bhushan Enterprises for facilitating regular supply of Raw Material Cement.

Note to the Financial Statements as at 31st March, 2016



52. Unsecured Loan of Rs. 200 Lacs granted by the company during the year to Pasondia Cables Private Limited has been converted into Share Application Money as on 31.03.2016 since the company has decided to invest in equity shares of the said company.

53. Particulars of Loan, Guarantees and Investments under section 186.

SL No.	Details of Borrower	Loan Given During the year	Unsecured Loan Received back during the year	Total amount Outstanding at the end of F.Y.	Purpose for which the loan is to be utilized by the recipient
1	Big Apple Real Estate Private Limited	27004751 (Opening balance) Interest: 1184570	27004751	1184570	For Business Operation Purposes
2	Castmet Packagings Private Limited	11036011 (Opening balance) Interest: 1589186	—	12625196	For Business Operation Purposes
3	Pasondia Cables Pvt. Ltd.	20000000 (Loan Given During the Year) Interest: 837634	Loan Amount of Rs. 20000000 has been Converted into Share Application money which is pending for allotment of shares in Pasondia Cables Pvt. Ltd. as on 31 March, 2016	153870	For Business Operation Purposes

54. Previous year figures have been regrouped / reclassified to make it comparable with current year's figures.

55. Figures in brackets relate to the previous year.