

## DIRECTORS' REPORT



To,

The Members,

Your Directors have pleasure in presenting their 43<sup>rd</sup> Annual Report on the business and operations of the Company and the accounts for the Financial Year ended March 31<sup>st</sup>, 2017.

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.

(Rs. In Lakhs)

Particulars	2016-2017	2015-2016
Revenue From Operations	14423.41	10860.46
Profit / Loss Before Interest, Depreciation and Exceptional Items	1545.48	-388.17
Finance Charges	855.34	879.79
Profit / Loss before Depreciation and Tax	690.14	-1267.96
Provision for Depreciation	403.09	408.12
Exceptional Item / Extra Ordinary Item	0	1201.76
Profit Before Tax / Loss	287.05	-474.32
Profit After Tax / Net Loss	478.14	-538.62

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. 14498.46 Lakhs as compared to Rs. 10860.46 Lakhs in last year the company's revenue increased by 32.80% compared to last year; the company incurred a Profit before tax of Rs. 287.05 Lakhs as compared to Loss before tax of Rs. 474.32 Lakhs in last year, Profit after tax has been Rs.478.14 Lacs compared to a Loss after tax of Rs. 538.62 Lacs 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**

To conserve the resources the Board recommends no dividend during the year under report.

4. **RESERVES**

No amount is proposed to be transferred to the reserves during the year under report.

5. **DEPOSITS**

The company has not accepted any deposits from the public during the year under review

however the deposits existing on 1<sup>st</sup> April, 16 with the company has been timely paid off. A Return in DPT-3 is filed with ROC regarding the same. However unclaimed / disputed deposits amounting upto Rs. 3.5 Lacs and interest thereon are lying with the company as on 31.03.2017.

**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. Swati Manocha resigned from the office of Company Secretary w.e.f. 30.05.2016 and Ms. Ritika Tandon was appointed in her place w.e.f. 11.06.2016 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, 2017, 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, 2017 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 on 31<sup>st</sup> March, 2017. 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

**12. 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**

**13. 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.

**14. 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 :-

**DIRECTORS' REPORT (Contd.)**

Sl.	Name of Committee	Members		Changes
1.	Audit Committee	Shri Dharam Mohan	Chairman	
		Shri Rakesh Seth	Member / NED	
		Smt Mala Agarwal	Member / NED	
		Smt Swati Manocha	Secretary to the Committee	Resigned on 30.05.2016
		Ms. Ritika Tandon	Secretary to the Committee	Appointed on 11.06.2016
2.	Nomination and Remuneration Committee	Shri Dharam Mohan	Chairman	
		Shri Rakesh Seth	Member / NED	
		Smt Mala Agarwal	Member / NED	
		Smt Swati Manocha	Secretary to the Committee	Resigned on 30.05.2016
		Ms. Ritika Tandon	Secretary to the Committee	Appointed on 11.06.2016
3.	Stakeholders' Relationship Committee	Shri Dharam Mohan	Chairman	
		Shri Amitabh Tayal	Member / ED	
		Smt Mala Agarwal	Member / NED	
		Smt Swati Manocha	Secretary to the Committee	Resigned on 30.05.2016
		Ms. Ritika Tandon	Secretary to the Committee	Appointed on 11.06.2016
4.	Share Transfer Committee	Shri Amitabh Tayal	Chairman	
		Smt. Mala Agarwal	Member / NED	
		Smt Swati Manocha	Secretary to the Committee	Resigned on 30.05.2016
		Ms. Ritika Tandon	Secretary to the Committee	Appointed on 11.06.2016
5.	Internal Audit Committee	Shri Dharam Mohan	Chairman	
		Shri Priyank Tayal	Member/ ED	
		Smt. Shailly Tayal	Member	
		Shri Anchal Rastogi	Member	
		Smt Swati Manocha	Secretary to the Committee	Resigned on 30.05.2016
		Ms. Ritika Tandon	Secretary to the Committee	Appointed on 11.06.2016
6.	Risk Management Committee	Shri Dharam Mohan	Chairman	
		Shri Priyank Tayal	Member/ ED	
		Shri Amitabh Tayal	Member/ ED	
		Smt Swati Manocha	Secretary to the Committee	Resigned on 30.05.2016
		Ms. Ritika Tandon	Secretary to the Committee	Appointed on 11.06.2016

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

**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 Lucknow are retiring at the ensuing Annual General Meeting and M/s Sharma Prakash & Associates are proposed to be appointed in place of the retiring Auditor as the Statutory Auditor of the company for a term of 5 years.

The Auditors' in their Report to the members as attached herewith have given Six qualified opinions and the response of your directors with respect to it is as follows :-

1. Response to Point (1)  
Adjustments on account of any selling price, discounts, commission and breakage compensation is negotiated with the customers and effect of the same is taken after finalisation. The balances are confirmed telephonically. Necessary evidences regarding balance confirmation is in process to be obtained.
2. Response to Point (2)  
There are no reportable businesses or geographical segments in respect of manufacturing & sale of asbestos cement sheet and trading of asbestos fibre, so these have not been treated as separate reportable segments.
3. Response to Point (3)  
The Company is hopeful of recovery of Rs.79.70 lacs 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 has assessed the recoverable amount of the company's assets on the basis of several factors for which no direct evidence can be provided. The Company shall soon get a valuation of the assets of the company done to demonstrate the same.
5. Response to Point (5)  
The loan amount was recovered in July' 2015 but interest income of Rs. 11.85 lacs is yet to be recovered. Management is hopeful for recovery of this amount.
6. Response to Point (6)  
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 had been appointed as the Secretarial Auditors of the Company for the financial year ending on 31.03.2017. 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 2017-2018. 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 and may be accessed on the company website at the link: <http://www.upasbestos.com>

**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 <http://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**

No 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.

## DIRECTORS' REPORT (Contd.)



**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 there under. The Loans made are detailed as under:-

SL	Details of Borrower	Amount	Purpose of Loan / Investment for the recipient	Date of BR	Date of SR (if reqd)	ROI (%)
1.	Castmet Packagings Pvt. Ltd.	1,10,36,000 (approx.)	For Business Operation	20.05.2013	N.A.	16
2.	Pasondia Cables Pvt. Ltd.	2,00,00,000	For Business Operation	30.06.2016	N.A.	19
3.	Big Apple (Interest accrued by the company)	11,84,570	For Business Operation	20.05.2013	N.A.	16

**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 X**

**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 9<sup>th</sup> December, 2013. Under the 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 and UP Stock Exchange, the company got its shares listed with Metropolitan Stock Exchange of India 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.

Place : Lucknow

for : U.P. Asbestos Limited

Date : 11-08-2017

(Dharam Mohan)  
Chairman  
(DIN : 00161800)



**ANNEXURE TO DIRECTORS' REPORT****Annexure I****FORM NO. MGT 9  
EXTRACT OF ANNUAL RETURN**

As on financial year ended on 31.03.2017

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 of office & contact details	P O Mohanlalganj, Lucknow - 226 301, Uttar Pradesh, India. Phone No.: +91 -522-2622905 Email: upasbestos@upasbestos.com Website : <a href="http://www.upasbestos.com">www.upasbestos.com</a>
6.	Wheth er 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 Selenium Tower B Plot No. 31 & 32, Financial District, Nanakramguda, Hyderabad - 500032 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	78.29
2	Asbestos Sheet	23953	18.32

**ANNEXURE TO DIRECTORS' REPORT (Contd.)**



**III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES -**

S. No.	NAME AND ADDRESS OF THE COMPANY	CIN/GLN	HOLDING/SUBSIDIARY / ASSOCIATE	% of shares held	Applicable Section
NIL					

**III. 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 01-April-2016]				No. of Shares held at the end of the year[As on 31-March-2017]				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
<b>A. Promoters</b>									
(1) Indian									
a) Individual/HUF	1282945	-	1282945	14.09	1282845	-	1282845	14.08	0.01 (Dec.)
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	-
<b>Total shareholding of Promoter (A)</b>	<b>6510874</b>	<b>-</b>	<b>6510874</b>	<b>71.50</b>	<b>6510774</b>	<b>-</b>	<b>6510774</b>	<b>71.49</b>	<b>0.01 (Dec.)</b>
<b>B. Public Shareholding</b>									
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)	-	-	-	-	-	-	-	-	-
<b>Sub-total (B)(1):-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
2. Non-Institutions									
a) Bodies Corp.									
i) Indian	590398	1300400	1890798	20.76	591898	1300400	1892298	20.78	0.02(Inc.)

**ANNEXURE TO DIRECTORS' REPORT (Contd.)**



ii) Overseas	-	-	-	-	-	-	-	-	-
b) Individuals									
i) Individual shareholders holding nominal share capital up to Rs. 2 lakh	261200	344571	605771	6.65	218550	342171	560721	6.16	0.49(Dec.)
ii) Individual shareholders holding nominal share capital in excess of Rs 2 lakh	98600	-	98600	1.08	140750	-	140750	1.54	0.46(Inc.)
c) Others (specify)									
NRI	1150	-	1150	0.01	2650	-	2650	0.03	0.02 (Inc.)
<b>Sub-total (B)(2):-</b>	<b>951348</b>	<b>1644971</b>	<b>2596319</b>	<b>28.50</b>	<b>953848</b>	<b>1642571</b>	<b>2596419</b>	<b>28.51</b>	<b>0.01 (Inc)</b>
<b>Total Public Shareholding (B)=(B)(1)+(B)(2)</b>	<b>951348</b>	<b>1644971</b>	<b>2596319</b>	<b>28.50</b>	<b>953848</b>	<b>1642571</b>	<b>2596419</b>	<b>28.51</b>	<b>0.01 (Inc)</b>
C. Shares held by Custodian for GDRs & ADRs	-	-	-	-	-	-	-	-	-
<b>Grand Total (A+B+C)</b>	<b>7462222</b>	<b>1644971</b>	<b>9107193</b>	<b>100.00</b>	<b>7464622</b>	<b>1642571</b>	<b>9107193</b>	<b>100.00</b>	<b>0.00</b>

**B) Shareholding of Promoter-**

Sl.	Shareholder's Name	Shareholding at the beginning of the year 1 <sup>st</sup> April, 2016			Shareholding at the end of the year 31 <sup>st</sup> March, 2017			% change in shareholding 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	% of Shares Pledged / encumbered to total shares	
1	Amitabh Tayal	133698	1.47	0.42	133598	1.46	0.42	0.01 (Dec.)
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	-

**ANNEXURE TO DIRECTORS' REPORT (Contd.)**


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	-
	<b>Total</b>	<b>6510874</b>	<b>71.50</b>	<b>2.21</b>	<b>6309408</b>	<b>69.28</b>	<b>2.20</b>	<b>0.43 (Dec)</b>

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

SN.	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 (01-04-2016)	133698	1.47	133698	1.47
	Decrease in Promoters Shareholding by transfer of shares during the year	100	0.01	100	0.01
	At the end of the year (31-03-2017)	133598	1.46	133598	1.46
	Other Promoters At the beginning of the year (01-04-2016)	(100) Shares			
	Changes during the year				
	At the end of the year (31-03-2017)				

**D) Shareholding Pattern of top ten Shareholders**

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

SN.	Name of Shareholder's	Shareholding at the beginning of the year 01.04.2016		Cumulative Shareholding at the end of the year 31.03.2017	
		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

**ANNEXURE TO DIRECTORS' REPORT (Contd.)**


4	Emkey Commercial Co. Ltd.				
	Opening balance	49500	0.54	49500	0.54
	No change				
	Closing balance	49500	0.54	49500	0.54
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 1 <sup>st</sup> April, 2016		Cumulative Shareholding at the end of the year 31 <sup>st</sup> March, 2017	
		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	133698	1.47	133598	1.46
3	Priyank Tayal	528700	5.81	528700	5.81
4.	Rakesh Seth	-	-	-	-
5.	Mala Agarwal	-	-	-	-
6.	Ritika Tandon	-	-	-	-
7.	Anchal Rastogi	-	-	-	-

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

**ANNEXURE TO DIRECTORS' REPORT (Contd.)**


	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
<b>Indebtedness at the beginning of the financial year</b>				
i) Principal Amount	460353699.48	381942488.70	14359000.00	856655188.18
ii) Interest due but not paid				
iii) Interest accrued but not due	916114.00	982165.00	1425632.00	3323911.00
<b>Total (i+ii+iii)</b>	<b>461269813.48</b>	<b>382924653.70</b>	<b>15784632.00</b>	<b>859979099.18</b>
<b>Change in Indebtedness during the financial year</b>				
* Addition	50600000.00	477143563.00	-	527743563.00
* Reduction	125118171.01	481864051.33	14009000.00	620991222.34
<b>Net Change</b>	<b>(74518171.01)</b>	<b>(4720488.33)</b>	<b>(14009000.00)</b>	<b>(93247659.34)</b>
<b>Indebtedness at the end of the financial year</b>				
i) Principal Amount	385835528.47	377222000.37	350000.00	763407528.84
ii) Interest due but not paid				
iii) Interest accrued but not due	24156.00	770066.00	275132*	1069354.00
<b>Total (i+ii+iii)</b>	<b>385859684.47</b>	<b>377992066.37</b>	<b>625132.00</b>	<b>764476882.84</b>

\*Interest due on unclaimed deposit lying with the company

**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/WTD/ Manager		Total Amount
		Priyank Tayal WTD	Amitabh Tayal MD	
1	<b>Gross Salary</b>			
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	2280000	1920000	4200000
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	149885	115692	265577
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961			
2	Stock Option			
3	Sweat Equity			
4	Commission specify...			
5	Others, please specify	21600		21600
	<b>Total (A)</b>	<b>2451485</b>	<b>2035692</b>	<b>4487177</b>
	<b>Ceiling as per the Act</b>	<b>4200000</b>	<b>4200000</b>	<b>8400000</b>

**ANNEXURE TO DIRECTORS' REPORT (Contd.)**



**B. Remuneration to other directors : NIL**

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

SN.	Particulars of Remuneration	Key Managerial Personnel			
		Swati Manocha Cs From 01.04.2016 to 31.05.2016	Ritika Tandon Cs From 11.06.2016 to 31.03.2017	Anchal Rastogi CFO	Total
1	Gross Salary				
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	51000	284819	1124700	<b>1460519</b>
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961				
	(c) Profits in lieu of salary under section 17(3) Income - tax Act, 1961				
2	Stock Option				
3	Sweat Equity				
4	Commission				
	- as % of profit				
	others, specify...				
5	Others, please specify	5600	29601	128600	<b>163801</b>
	<b>Total</b>	<b>56600</b>	<b>314420</b>	<b>1253300</b>	<b>1624320</b>

**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 on 31<sup>st</sup> March, 2017.

Place : Lucknow

for : U.P. Asbestos Limited

Date : 11-08-2017

(Dharam Mohan)  
Chairman  
(DIN : 00161800)

**COMPANY'S PHILOSOPHY ON CORPORATE GOVERNANCE**

The Company firmly believes in practicing good and effective Corporate Governance and endeavors 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.

**Director's Attendance Record, Directorship held and Status**

During the year under review, 05 Board meetings were held and conducted on , 26<sup>th</sup> April, 2016 , 27<sup>th</sup> May, 2016, 11<sup>th</sup> August, 2016, 11<sup>th</sup> November, 2016, 06<sup>th</sup> February, 2017. 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 Directors hips 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 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 Tayal (DIN 00161800)	Chairman & Non-executive Independent Director	No Relationship Inter se
Shri Rakesh Seth (DIN03533529)	Non-executive Independent Director	No Relationship Inter se
Smt. Mala Agarwal (DIN 07134639)	Non-executive Independent Director	No Relationship Inter se
Shri Priyank Tayal (DIN00556534)	Whole-time Director	Son of Shri Amitabh Tayal, who is a Managing Director of the Company
Shri Amitabh Tayal (DIN00556569)	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. The particulars of the meeting attended by the members and changes in composition during the year are as follows:-

## 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	11	11	11
Smt. Mala Agarwal	Member	11	11	11
Shri Rakesh Seth	Member	11	11	11
Smt. Swati Manocha	Secretary of the Committee (1 <sup>st</sup> Quarter)			1
Ms. Ritika Tandon	Secretary to the Committee (2 <sup>nd</sup> , 3 <sup>rd</sup> and 4 <sup>th</sup> Quarter)			10

### 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.

### INDEPENDENT DIRECTORS MEETINGS

The Composition of the Board is in conformity with point no. VII. of Schedule IV of Companies Act, 2013. The independent directors of the company shall hold at least one meeting in a year, without the attendance of non-independent directors and members of management. All the independent directors of the company were present at such meeting.

Name of the Director	Position	No. of Meetings		No. of Meetings entitled to attend
		Held	Attended	
Shri Dharam Mohan	Chairman	01	01	1
Shri Rakesh Seth	Member	01	01	1
Smt. Mala Agarwal	Member	01	01	1

### 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:

## 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
Shri Rakesh Seth	Member	04	04	4
Smt. Mala Agarwal	Member	04	04	4
Smt. Swati Manocha	Secretary of the Committee (1 <sup>st</sup> Quarter)			1
Ms. Ritika Tandon	Secretary to the Committee (2 <sup>nd</sup> , 3 <sup>rd</sup> and 4 <sup>th</sup> Quarter)			3

### Details of investors' complaints received and redressed

The total numbers of complaints redressed to the satisfaction of the investors during the year ended at 31st March 2017 were 23.

### 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.

### SHARETRANSFER 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 31.03.2017 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
Smt. Mala Agarwal	Member	04	04	4
Smt. Swati Manocha	Secretary of the Committee (1 <sup>st</sup> Quarter)			1
Ms. Ritika Tandon	Secretary to the Committee (2 <sup>nd</sup> , 3 <sup>rd</sup> and 4 <sup>th</sup> Quarter)			3

## ANNEXURE TO DIRECTORS' REPORT (Contd.)



### 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
Ms. Ritika Tandon	Secretary to the Committee

### INTERNAL AUDIT COMMITTEE

The internal audit committee comprising of following persons as on 31.03.2017:

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

### RISK MANAGEMENT COMMITTEE

The committee comprising of following persons as on 31.03.2017 :

Name of the Member	Position
Shri Dharam Mohan	Independent Director & Chairman
Shri Priyank Tayal	Director & Member
Shri Amitabh Tayal	Director & Member
Ms. Ritika Tandon	Secretary to the Committee

### GENERAL BODY MEETINGS

43<sup>rd</sup> Annual General Meeting would be held on 29<sup>th</sup> September, 2017.

Details of last three Annual General Meetings are as follows –

Financial Year	Date	Time	Venue	No. Special Resolutions Considered
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
2015-16	30.09.2016	11.00 A.M.	Mohanlalganj, Lucknow-226301	01

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 the newspaper in compliance of SEBI (LODR) Regulations, 2015.

**GENERAL SHAREHOLDER INFORMATION****Annual General Meeting**

**Date :** 29<sup>th</sup> September, 2017 (Friday)  
**Time :** 11:00 AM  
**Venue :** P.O. Mohanlalganj – 226301  
 District – Lucknow

**Dates of Book Closures from 22.09.2017 to 29.09.2017 both days inclusive.**

<b>Listing on Stock Exchanges</b>	Metropolitan Stock Exchange of India Ltd.
<b>ISIN No.</b>	INE181C01016
<b>Share Transfer Agent</b>	KARVY COMPUTERSHARE (P) LTD. Karvy Selenium Tower B, Plot No. 31 - 32 Gachibowli Financial District, Nanakramguda Hyderabad – 400032
<b>Share Transfer System</b>	<ol style="list-style-type: none"> <li>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.</li> <li>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.</li> </ol>

Distribution Schedule as on 31.03.2017 is follows –

<b>DISTRIBUTION SCHEDULE AS ON 31/03/2017</b>					
<b>Sl.</b>	<b>Category</b>	<b>Cases</b>	<b>% of Cases</b>	<b>Amount</b>	<b>% Amount</b>
1	upto 1 - 5000	927	75.98	1993210.00	2.19
2	5001 - 10000	123	10.09	821000.00	0.90
3	10001 - 20000	89	7.30	1262500.00	1.39
4	20001 - 30000	26	2.13	682000.00	0.75
5	30001 - 40000	8	0.66	270000.00	0.30
6	40001 - 50000	3	0.25	139000.00	0.15
7	50001 - 100000	6	0.49	345000.00	0.38
8	100001 & ABOVE	38	3.11	85559220.00	93.95
	<b>Total</b>	<b>1220</b>	<b>100.00</b>	<b>91071930.00</b>	<b>100.00</b>

#### 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 2017, the position of NSDL & CDSL was as under –

	<b>No. of Shares</b>	<b>(%)</b>
<b>A. DEMAT</b>		
NSDL	7236581	79.46
CDSL	228041	2.50
<b>B. PHYSICAL</b>	1642571	18.04
<b>TOTAL [A+B]</b>	<b>9107193</b>	<b>100.00</b>

#### ADDRESSES :

<b>Registered Office</b>	P.O. Mohanlalganj, Distt. Lucknow (U. P.) – 226 301	Tel. No.: +91 7897885557 - 58
<b>Corporate Office</b>	Mahmoodabad Estate Bldg., 15-Hazratganj, Lucknow – 226001	Tel. No.: 0522 - 2622905 - 6, Fax No.: 0522 - 2616986

---

**ANNEXURE TO DIRECTORS' REPORT (Contd.)**

---

**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**

**Ms. Ritika Tandon**  
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.

Place : Lucknow

Date : 11-08-2017

for : U.P. Asbestos Limited

(Dharam Mohan)  
Chairman  
(DIN : 00161800)

**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**

This industry exists for the last 44 years in India. Cement Asbestos Products continue to be in demand because of the efforts made in making inroads into rural markets for the product, its affordability and other qualities such as corrosion resistance, weather and fire proof nature. Currently there are about 20 entities in the Industry with about 53 manufacturing plants with an annual capacity of approximately 45.00 Lac MT throughout the Country.

The International Monetary Fund (IMF) described the Indian economy as the "bright spot" in the global landscape. India topped the growth outlook for the first time in fiscal year 2015–16, during which the economy grew 7.6%. Growth is expected to have declined slightly to 7.1% for the 2016–17 fiscal year. According to the IMF, India's growth is expected to rebound to 7.2% in the 2017–18 fiscal and 7.7% in 2018–19.

**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, fly ash etc. are our main raw materials. Cement & fly ash are available in the proximity of our plants. Our industry performance is directly linked to performance of rural/semi-urban economies. The year 2016-2017 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 31<sup>st</sup> March 2017, the total installed capacity of the Company was 144000 M.T. per annum. The Company is operating at over 80% capacity utilization and has registered production of 114890 M.T. Total sales during the year were 114316 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 44 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.

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. 14423.41 lacs and Profit of Rs. 478.14 lacs as against Sales Turnover (Net) of Rs. 10850.46 lacs and Loss of Rs. 538.62 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.

Place : Lucknow

for : U.P. Asbestos Limited

Date : 11-08-2017

(Dharam Mohan)  
Chairman  
(DIN : 00161800)

**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)  
PO Mohanlalganj, Lucknow, UP -226301

1. We have examined the compliance of conditions of Corporate Governance by U. P. ASBESTOS LIMITED ("the Company"), for the year ended on March 31, 2017, as stipulated in regulations 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.
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.
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 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, 2017.
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.

Place : Lucknow  
Date : 11-08-2017

For : Amit Gupta & Associates  
Company Secretaries

Amit Gupta  
Proprietor  
Membership No. : F5478  
C.P. No. 4682

**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 on March 31, 2017.

**Place : Lucknow**

**for : U.P. Asbestos Limited**

**Date : 11-08-2017**

**(Dharam Mohan)  
Chairman  
(DIN : 00161800)**

**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 2016 -2017	% increase in Remuneration in the Financial Year 2016 - 2017	Ratio of remuneration of Director/KMP to median remuneration of employees
1.	Amitabh Tayal (Managing Director)	2035692	(0.21)	15.64
2.	Priyank Tayal (Whole Time Director)	2451485	15.54	18.83
3.	Anchal Rastogi (Chief Financial Officer)	1253300	2.49	9.63
4.	Ritika Tandon (Company Secretary)	314420	N.A.	2.41

- b. The median remuneration of employees of the Company during the financial year ending on 31.03.2017 was: **1,30,124** .
- c. The percentage increase in the median remuneration of employees in the Financial Year ending on 31.03.2017: **6.43%**
- d. Number of permanent employees on the rolls of the Company as on March 31, 2017 : **215 (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. 2016-2017 was **3.51%** whereas the increase in the managerial remuneration for the same financial year was **2.41%**
- 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**

---

## ANNEXURE TO DIRECTORS' REPORT (Contd.)

---



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 31.03.2017**

**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**

**Place : Lucknow**

**for : U.P. Asbestos Limited**

**Date : 11-08-2017**

**(Dharam Mohan)  
Chairman  
(DIN : 00161800)**

**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 34 of the Financial Statements.**

Place : Lucknow

for : U.P. Asbestos Limited

Date : 11-08-2017

(Dharam Mohan)  
Chairman  
(DIN : 00161800)

**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 2016 - 2017	Previous Year 2015 - 2016
Unit		
Total Amount		
Rate/unit		
(b) Own Generation		
(i) Through Diesel Generator		
Unit	2399086	1233137
Unit per Ltr. Of Diesel Oil	3.20 Unit/Ltr	3.78 Unit/Ltr
Cost/unit	Rs. 15.62	11.20
(ii) Through steam turbine/generator		
Units	3516250	4207252
Units per ltr. of fuel oil/gas		
Cost/unit	Rs. 8.75	Rs. 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. 24.98 Lakhs on overseas travelling and interest on Buyers Credit.

Place : Lucknow

for : U.P. Asbestos Limited

Date : 11-08-2017

(Dharam Mohan)  
Chairman  
(DIN : 00161800)

**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 31<sup>ST</sup> MARCH, 2017**

**[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 - 226301**

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 on 31<sup>st</sup> March, 2017 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 on 31<sup>st</sup> March, 2017 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 w.e.f. 08.02.2017 (Delhi Stock Exchange Limited, derecognised vide SEBI Order dated 19th November 2014 & U P Stock Exchange, derecognised vide SEBI order dated 14<sup>th</sup> May, 2015).

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

**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 no significant event having bearing on the affairs of the Company.

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

**Place : Lucknow  
Date : 11-08-2017**

**For : Amit Gupta & Associates  
Company Secretaries**

**Amit Gupta  
Proprietor  
Membership No. : F5478  
C.P. No. 4682**

---

**ANNEXURE TO DIRECTORS' REPORT (Contd.)**

---



To,  
The Members,  
U P Asbestos Limited,  
PO MOHANLALGANJ,  
LUCKNOW, UTTAR PRADESH - 226301

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.

Place : Lucknow  
Date : 11-08-2017

For : Amit Gupta & Associates  
Company Secretaries

Amit Gupta  
Proprietor  
Membership No. : F5478  
C.P. No. 4682

**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 on 31<sup>st</sup> March, 2017 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

**Place: Lucknow**

**Date: 11-08-2017**



**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**

**Place : Lucknow**

**Date : 11-08-2017**

**for : U.P. Asbestos Limited**

**(Dharam Mohan)  
Chairman  
(DIN : 00161800)**

**JAIN KAPOOR & CO.  
CHARTERED ACCOUNTANTS**

**3RD FLOOR, SARAN CHAMBERS-I,  
5, PARK ROAD,  
LUCKNOW - 226001.**

**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, 2017, 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 statement 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 free from material misstatement, whether due to fraud or error.

**Auditor's Responsibility**

Our responsibility is to express an opinion on these financial statement 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.

Contd....2

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 assessment, 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.

**Basis for Qualified Opinion**

1. We draw attention to note 41a of notes to financial statement 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 41b 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 profit 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 45 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. Attention is invited to note 33 of notes to financial statements whereby the management has stated that the assets of the company are not impaired in terms of Accounting Standard (AS)-28 notified under the Companies (Accounting Standards) Rules, 2006. In the absence of necessary evidence on the basis of which the management has made an assessment to the effect that the recoverable amount of the asset or the recoverable amount of the cash generating unit to which the asset belongs is higher than its carrying amount, we are unable to comment whether any asset of the company is impaired in terms of AS-28 notified under the Companies (Accounting Standards) Rules, 2006.

Contd....3

5. Attention is invited to note no. 48 of Notes to financial statements with regard to recoverability of interest of Rs. 11.85 lacs from Big Apple Real Estate Private Limited. We are unable to comment on the recoverability of the same.
6. 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 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, 2017, and its profit 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. 241.43 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 38 of Notes to financial statements)
2. We draw attention to note 43 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 42 of Notes to financial statements wherein it has been stated that Cenvat credit of service tax paid on outward freight of Rs. 168.03 lacs has been availed and utilized for payment of excise duty on finished goods sold by the company. Pending outcome of Company's appeal before CESTAT, Allahabad no provision against the same is deemed necessary by the company.
4. We draw attention to note 49 of Notes to financial statement regarding matter contained therein. The same is subject to confirmation from the party.

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.

Contd....4



---

## AUDITORS' REPORT (Contd.)

---



2. As required by section 143 (3) of the Act, we report that :

- (a) 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 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, 2017 and taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2017 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 statement - 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.
  - iv. The management has represented to us that the company has made requisite disclosures in the financial statements as to its holdings as well as dealings in Specified Bank Notes during the period from 8th November, 2016 to 30th December, 2016 in accordance with the books of accounts maintained by the company. Based on management representations, we report that the disclosures made are in accordance with books of account maintained by the Company-Refer Notes 51 to the financial statements.

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

**Place : Lucknow  
Date : 25.05.2017**

**Radhika Tandon  
Partner  
(Membership No. 400478)**

Contd....5

---

**ANNEXURE 'A' TO INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS OF U.P. ASBESTOS LIMITED FOR THE YEAR ENDED 31.03.2017.** (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, during the year the company has devised a program for physical verification of fixed assets in a phased manner so that all the fixed assets are verified once every three years. In our opinion the frequency of verification 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 books 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, during the year the Company has not granted any loans, secured or unsecured, to companies, firms, limited liability partnership or other parties covered in the register required to be maintained under section 189 of the Act. Attention is invited to note no. 48 of Notes to financial statement wherein it has been stated that interest of Rs. 11.85 lacs 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 sections 185 and 186 of the Act.

5. In our opinion and according to the information and explanations given to us, the Company has not accepted deposits during the year within the meaning of section 73 to section 76 or any other relevant provisions of the Act and the Rules framed thereunder. In respect of fixed deposits of Rs. 3.50 lacs taken by the company 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 it has been represented to us that the same are either lying unclaimed or the claim by the relatives of the deceased depositors is under examination of the company. The management is of the opinion that the deposit from dealers (including unclaimed deposits) shall not qualify as deposits within the meaning of section 73 to section 76 or any other relevant provisions of the Act and the Rules framed thereunder. (Refer Note 46 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 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.

Contd....2

**AUDITORS' REPORT (Contd.)**

- 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	
	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	

Contd....3

# 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
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
	Entry Tax	1.76	2009-10	Tribunal, Lucknow
Income Tax Act, 1961	Income Tax	241.99	2002-03 (A.Y.)	Allahabad High Court (Deptt. appeal)
Central Excise Act, 1944	Excise Duty	22.21	02-06-1998	Allahabad High Court (Deptt. Appeal)
	Cenvat Credit Penalty	168.03 168.03 8.66	2005-06 to 2009-10 April, 2008 to September, 2008	CESTAT, Allahabad CESTAT, Allahabad (Department Appeal)
BST Act, 1959	Sales Tax alongwith interest & Penalty	0.41 1.49	2001-02 2003-04	Jt. Commissioner of Sales Tax (Appeal), Nagpur
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 5.74 2.40 23.49 20.30 6.13	2008-09 2009-10 2010-11 2011-12 2012-13 2013-14	Addl. Commissioner (Appeal) Lucknow Tribunal, Lucknow Addl. Commissioner (Appeal) Lucknow Addl. Commissioner (Appeal) Luknow Addl. Commissioner (Appeal) Lucknow Addl. Commissioner (Appeal) Lucknow
Uttaranchal Vat Act, 2005	Uttaranchal Vat	1.88 15.62 14.29 15.38	2001-02 2002-03 2003-04 2004-05	Jt. Commissioner (A) CT Dehradun -do- -do- -do-
The Finance Act, 1994	Penalty (Service Tax)	12.74	January, 2005 to February, 2006	CESTAT, Mumbai

Contd....4

---

## AUDITORS' REPORT (Contd.)

---



8. According to the information and explanations furnished to us, the company has not defaulted in repayment of dues of financial institutions and banks. The company has not taken any loan from the government and has not issued any debentures.
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 has been applied for the purpose for which the loans were obtained. The company has not raised moneys by way of initial public offer or further public offer (including debt Instruments).
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 Reg. No. 000705C)**

**Radhika Tandon  
Partner  
(Membership No. 400478)**

**Place : Lucknow  
Date : 25.05.2017**

---

**ANNEXURE 'B' TO INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS OF U.P. ASBESTOS LIMITED FOR THE YEAR ENDED 31.03.2017.** (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 Section 143 of the Act** We have audited the internal financial controls over financial reporting of U.P. Asbestos Limited ("the company") as on March 31, 2017 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 responsibility 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 requirement 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 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 statement, 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 controls 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;

---

## AUDITORS' REPORT (Contd.)

---



- (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statement 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 evaluations 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 47 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, 2017.

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 Auditor's Report.

**for Jain Kapoor & Co.,  
Chartered Accountants  
(Firm's Reg. No. 000705C)**

**Radhika Tandon  
Partner  
(Membership No. 400478)**

**Place : Lucknow  
Date : 25.05.2017**

**BALANCE SHEET as at 31st March, 2017**



(Rs. in Lacs)

PARTICULARS	NOTE NO.	As at 31st March 2017	As at 31st March 2016
<b>I. EQUITY &amp; LIABILITIES</b>			
<b>(1) Shareholder's Funds</b>			
(a) Share Capital	2	911.71	911.71
(b) Reserves & Surplus	3	<u>8,284.30</u>	<u>7,809.67</u>
		<b>9,196.01</b>	<b>8,721.38</b>
<b>(2) Non-Current Liabilities</b>			
(a) Long Term Borrowings	4	2,790.78	3,033.47
(b) Deferred Tax Liabilities (Net)	5	218.56	404.15
(c) Other Long Term Liabilities	6	40.00	40.00
(d) Long Term Provisions	7	<u>71.90</u>	<u>70.44</u>
		<b>3,121.24</b>	<b>3,548.06</b>
<b>(3) Current Liabilities</b>			
(a) Short Term Borrowings	8	4,256.38	4,560.39
(b) Trade Payables		424.86	505.56
(c) Other Current Liabilities	9	1,102.23	1,385.69
(d) Short Term Provisions	10	<u>27.86</u>	<u>26.28</u>
		<b>5,811.33</b>	<b>6,477.92</b>
<b>TOTAL</b>		<b><u>18,128.58</u></b>	<b><u>18,747.36</u></b>
<b>II. ASSETS</b>			
<b>(1) Non-Current Assets</b>			
<b>(a) Fixed Assets</b>			
(i) Tangible Assets	11	9,078.08	9,280.69
(ii) Capital Work-in-Progress		-	170.93
(b) Non-Current Investment	12	0.22	0.22
(c) Long Term Loans & Advances	13	1,276.28	1,150.82
(d) Other Non-Current Assets	14	<u>223.05</u>	<u>212.02</u>
		<b>10,577.63</b>	<b>10,814.68</b>
<b>(2) Current Assets</b>			
(a) Inventories	15	2,664.36	4,142.39
(b) Trade Receivables	16	3,641.77	2,434.61
(c) Cash and Bank Balances	17	363.10	416.04
(d) Short Term Loans & Advances	18	816.27	704.96
(e) Other Current Assets	19	<u>65.45</u>	<u>234.68</u>
		<b>7,550.95</b>	<b>7,932.68</b>
<b>TOTAL</b>		<b><u>18,128.58</u></b>	<b><u>18,747.36</u></b>

Significant Accounting Policies and notes to the financial statements 1 to 53  
 In terms of our report of even date  
 For JAIN KAPOOR & CO.  
 CHARTERED ACCOUNTANTS  
 (Firm Reg. No. : 000705C)

Radhika Tandon  
 Partner

M. No. 400478  
 Date - 25-05-2017  
 Place - Lucknow

Anchal Rastogi  
 Chief Financial Officer

Ritika Tandon  
 Company Secretary

Amitabh Tayal  
 Managing Director

Priyank Tayal  
 Director



# Statement of PROFIT & LOSS for the year ended 31st March, 2017



(Rs. in Lacs)

PARTICULARS	NOTE NO.	For the Year Ended 31st March 2017		For the Year Ended 31st March 2016	
		Rs.	Rs.	Rs.	Rs.
I. REVENUE FROM OPERATIONS (GROSS)	20	14,498.46		10,894.85	
Less : Excise Duty		<u>75.05</u>	14,423.41	<u>34.39</u>	10,860.46
II. OTHER INCOME	21		<u>731.68</u>		<u>575.05</u>
III. TOTAL REVENUE (I+II)			<u>15,155.09</u>		<u>11,435.51</u>
IV. EXPENSES					
(1) Cost of Material Consumed	22		7,290.12		6,909.14
(2) Purchase of Stock-in-Trade			2,760.41		2,509.30
(3) Changes in Inventories	23		728.25		61.80
(4) Employee Benefits Expense	24		637.81		634.35
(5) Finance Cost	25		855.34		879.79
(6) Depreciation & Amortisation Expense	26		403.09		408.12
(7) Other Expenses	27		<u>2,193.02</u>		<u>1,709.09</u>
Total Expenses			<u>14,868.04</u>		<u>13,111.59</u>
V. Profit before Exceptional item(III - IV)			287.05		(1,676.08)
VI. Exceptional item (Refer Note No. 36)			-		1,201.76
VII. Profit before Tax(V + VI)			287.05		(474.32)
VIII. Tax Expenses					
(1) Earlier Year			(5.50)		0.09
(2) Current Year			-		-
(3) Deferred (Asset)/Liability			<u>(185.59)</u>		<u>64.21</u>
IX. Profit / (Loss) for the year(VII - VIII)			<u>478.14</u>		<u>(538.62)</u>
X. Earning per share					
Basic and Diluted (in Rs.)			5.25		(5.91)

Significant Accounting Policies and notes to the financial statements  
 In terms of our report of even date  
 For JAIN KAPOOR & CO.  
 CHARTERED ACCOUNTANTS  
 (Firm Reg. No. : 000705C)

Radhika Tondon  
 Partner  
 M. No. 400478  
 Date - 25-05-2017  
 Place - Lucknow

Anchal Rastogi  
 Chief Financial Officer

Ritika Tandon  
 Company Secretary

Amitabh Tayal  
 Managing Director

Priyank Tayal  
 Director

**CASH FLOW STATEMENT for the year ended 31st March, 2017**  
(Pursuant to Listing Agreement with Stock Exchange)



	2016-17		2015-16	
	Rs.	Rs.	Rs.	Rs.
<b>A. CASH FLOW FROM OPERATING ACTIVITIES :</b>				
<b>NET PROFIT BEFORE TAX AND AFTER EXCEPTIONAL ITEMS AS PER STATEMENT OF PROFIT &amp; LOSS</b>		<b>287.05</b>		<b>(474.32)</b>
Adjustment for :				
Depreciation and amortisation expense (Net of Excess Depreciation written back)	403.09		300.10	
Finance Cost	855.34		879.79	
Bad Debts Written off	-		93.01	
Foreign Exchange (+)Loss/(-)Gain	(24.83)		(2.82)	
(Profit)/Loss on Sale of Fixed Assets (Net)	(0.03)		(0.45)	
Interest Earned	(146.12)		(94.45)	
Dividend Earned	(0.04)	1,087.41	(0.04)	1,175.14
<b>OPERATING PROFIT BEFORE WORKING CAPITAL CHANGES</b>		<b>1,374.46</b>		<b>700.82</b>
Adjustment for :				
Increase (-)/Decrease in Trade and other Receivables	(1,391.83)		1,014.05	
Increase (-)/Decrease in Inventories	1,478.03		(180.69)	
Increase/Decrease (-) in Trade Payables, current liabilities and provisions	21.90	108.10	(513.98)	319.37
<b>CASH GENERATED FROM OPERATIONS</b>		<b>1,482.56</b>		<b>1,020.19</b>
Direct Tax Refund (Net of Tax Paid)		111.59		(70.85)
<b>NET CASH FROM OPERATING ACTIVITIES &amp; EXCEPTIONAL ITEM</b>		<b>1,594.15</b>		<b>949.34</b>
Adjustment for Exceptional item (Profit on sale of equity shares)		-		(1,201.76)
<b>NET CASH FROM OPERATING ACTIVITIES</b>		<b>1,594.15</b>		<b>(252.42)</b>
<b>B. CASH FLOW FROM INVESTING ACTIVITIES :</b>				
Purchase of Fixed Assets		(33.16)		(554.62)
Proceeds from sale of Fixed Assets		0.14		3.53
Proceeds from sale of investments in equity shares		-		1,834.53
Purchase of Shares		-		(482.76)
Interest Received		146.12		94.45
Dividend Received		0.04		0.04
<b>NET CASH FLOW FROM INVESTING ACTIVITIES</b>		<b>113.14</b>		<b>895.17</b>
<b>C. CASH FLOW FROM FINANCING ACTIVITIES</b>				
Proceeds from Long Term Borrowing and other borrowings (net of repayment)		(929.72)		237.46
Finance Cost		(855.34)		(879.79)
Foreign Exchange (-) Loss / (+) Gain		24.83		2.82
<b>NET CASH USED IN FINANCING ACTIVITIES</b>		<b>(1,760.23)</b>		<b>(639.51)</b>
<b>NET INCREASE IN CASH AND CASH EQUIVALENTS (A+B+C)</b>		<b>(52.94)</b>		<b>3.24</b>
<b>CASH AND BANK BALANCE AS AT BEGINNING OF THE YEAR</b>		<b>416.04</b>		<b>412.80</b>
<b>CASH AND BANK BALANCE AS AT END OF THE YEAR</b>		<b>363.10</b>		<b>416.04</b>

**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 Costs, including borrowing costs, wherever applicable, are capitalized until such asset are ready for it 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 Companies Act, 2013 which are as follows :

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.

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 and as 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 Actuarial Valuation made as on 31st March 2017 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 2017.

**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, 2017



(Rs. in Lacs)

### NOTE NO. 2 : SHARE CAPITAL

AS AT 31ST MARCH 2017

AS AT 31ST MARCH 2016

#### 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	25.00	25.00
(b)	1,50,00,000 (previous year 1,50,00,000 Equity Share of Rs. 10/- each)	1,500.00	1,500.00
		<u>1,525.00</u>	<u>1,525.00</u>

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

(a)	91,07,193 (previous year 91,07,193) Equity Share of Rs. 10/- each fully paid up in cash	910.72	910.72
(b)	<b>Forfeited Share</b> Amount originally received as allotment money and calls on account of 33300 equity shares	0.99	0.99
		<u>911.71</u>	<u>911.71</u>

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	5,065.47	5,068.94
	Less : Amount Transferred to Statement of Profit and Loss (refer note no. 26)	3.50	3.47
(b)	Share Premium	756.47	756.47
(c)	Investment Allowance Reserve	7.64	7.64
(d)	General Reserve	12.09	12.10
(e)	Surplus in statement of Profit & Loss		
	(i) Opening Balance as per last Balance Sheet	1,967.99	2,506.61
	(ii) Add : Profit / (Loss) Transferred from Statement of Profit and Loss	478.14	(538.62)
		<u>2,446.13</u>	<u>1,967.99</u>
		8,284.30	7,809.67

(Rs. in Lacs)

**NOTE NO. 4 : LONG TERM BORROWINGS**

PARTICULARS (1)	As at 31ST MARCH 2017 (2)		As at 31ST MARCH 2016 (3)	
	CURRENT [Refer Note No. 9(1)]	NON- CURRENT	CURRENT [Refer Note No. 9(1)]	NON- CURRENT
<b>1. Secured Loan</b>				
(a) <b>Term Loan from Banks &amp; Financial Institution</b>				
(i) <b>HDFC Bank :</b> (Secured by hypothecation of vehicle purchased) [Refer Terms of Repayment (ii) to (viii) ]	11.37	7.73	14.14	19.10
(ii) <b>ICICI Bank Limited</b> (Secured by hypothecation of vehicle purchased) (Refer Terms of Repayment (i))	1.96	2.53	-	-
(iii) <b>Union Bank of India</b> [Secured by way of first charge on entire fixed assets (both present and future) of the company and personal guarantee Managing Director and a Director of the Company and pledge of 201366 shares of the company by the Managing Director (38,566 Share) and a Director of the Company (1,62,800 Shares)]. (Refer Terms of Repayment (x) to (xiv))	261.91	659.61	408.80	590.53
(b) <b>Term Loan from Others</b>				
(i) <b>UPFC :</b> (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 (ix)]	207.00	626.65	317.38	833.65
<b>2. Unsecured Loan</b>				
<b>Loan from Banks</b>				
<b>ICICI Bank</b> (Secured by equitable mortgage on the immovable property of Managing Director and personal gurantee of Managing Director of the Company) (Refer Terms of Repayment (viii))	101.18	448.86	88.77	550.19
<b>Loan from Others</b>				
(a) <b>Loan from Related Parties :</b>				
From Companies	-	-	-	280.00
From Others	-	1,045.40	-	760.00
(b) <b>Fixed Deposits from Others (including interest Accured and Due)</b> (Refer Terms of Repayment (xv) and Note No. 46)	6.25	-	96.59	-
(c) <b>Fixed Deposits from Related Parties</b> (Refer Terms of Repayment (xv))	-	-	47.00	-
	<u>589.67</u>	<u>2,790.78</u>	<u>972.68</u>	<u>3,033.47</u>

## Note to the Financial Statements as at 31st March, 2017



### Terms & Repayment :

- i. **ICICI Bank Rs. 4.49 Lacs (NIL)**  
Terms of Repayment - Rate of Interest @ 10.01% p.a. and Repayable in 36 EMI of Rs. 19,365/- and last EMI due on 10th May 2019.
- ii. **HDFC Bank Rs. 7.29 Lacs (Rs. 9.24 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.
- iii. **HDFC Bank Rs. 1.11 Lacs (Rs. 2.10 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.
- iv. **HDFC Bank Rs. 0.70 Lacs (Rs. 2.66 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.
- v. **HDFC Bank Rs. 3.78 Lacs (Rs. 9.74 Lacs)**  
Terms of Repayment - Rate of interest @ 10.5% p.a. Repayable in 60 EMI of Rs. 55900/- and last EMI due on 7th October 2017.
- vi. **HDFC Bank Rs. 3.26 Lacs (Rs. 4.97 Lacs)**  
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.
- vii. **HDFC Bank Rs. 2.96 Lacs (Rs. 4.52 Lacs)**  
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.
- viii. **ICICI Bank Rs. 550.04 Lacs (Rs. 638.96 Lacs)**  
Terms of Repayment - Rate of interest 12.50% p.a. Repayable in 119 EMI of Rs. 13,68,916/- and last EMI due on 1st Aug. 2021.
- ix. **UPFC Rs. 833.65 Lacs (Rs. 1151.03 Lacs)**  
Terms of Repayment - Rate of interest NIL - Bullet repayment of Rs. 317.38 Lacs in 2016-17, Rs. 207 Lacs in FY 2017-18, Rs. 227.72 Lacs in FY 2019-20 & Rs. 398.93 Lacs in FY 2020-21
- x. **Union Bank of India NIL (Rs. - 154.75 Lacs)**  
Terms of Repayment - Rate of interest 14% p.a. - Repayable in 16 quarterly installments out of which 3 quarterly installments of Rs. 19 Lacs each in FY 2013-14, 4 quarterly installments of Rs. 19 Lacs each in FY 2014-15, 1 quarterly installments of Rs. 19 Lacs and 3 quarterly installments of Rs. 28 Lacs each in FY 2015-16 1 quarterly installment of Rs. 27.75 Lacs and 1 quarterly installment of Rs. 32.94 Lacs in FY 2016-17, Balance amount of loan of Rs. 94.05 Lacs has been transferred for raising New Loan of Rs. 500 Lacs as on 31 Aug. 2016.
- xi. **Union Bank of India NIL (Rs. 193 Lacs)**  
Terms of Repayment - Rate of interest 14% p.a. - Repayable in 19 quarterly installments out of which 3 quarterly installments of Rs. 19 Lacs each in FY 2013-14. 4 quarterly installments of Rs. 20 Lacs each in FY 2014-15. 4 quarterly installments of Rs. 20 Lacs each in FY 2015-16, 1 quarterly installment of Rs. 26 Lacs and 1 quarterly installment of Rs. 24.75 Lacs in FY 2016-17, Balance amount of loan of Rs. 142.25 Lacs has been transferred for raising New Loan of Rs. 500 Lacs as on 31 Aug. 2016.
- xii. **Union Bank of India Rs. 124.87 Lacs (Rs. 227.76 Lacs)**  
Terms of Repayments - Rate of interest 13.55% p.a - Repayable in 60 monthly installments of Rs. 8.33 Lacs each starting from 01.08.2013
- xiii. **Union Bank of India - Rs. 345.25 Lacs (Rs. 423.82 Lacs)**  
Terms of Repayments - Rate of interest 13.80% p.a - Repayable in 84 monthly installments of Rs. 6.54 Lacs each starting from March 2015
- xiv. **Union Bank of India - Rs. 451.39 Lacs (NIL)**  
Terms of Repayments - Rate of interest 13.85% p.a - Repayable in 72 monthly installments of Rs. 6.94 Lacs each starting from Sept. 2016
- xv. Fixed deposits represent deposit accepted from public in earlier years under the relevant provision of the Companies Act, 1956.

---

**Note to the Financial Statements as at 31st March, 2017****NOTE NO. 5 : DEFERRED TAX LIABILITY (NET)**

(Rs. in Lacs)

<b>PARTICULARS</b>	<b>As at 31.03.2017</b>	<b>As at 31.03.2016</b>
a) Related to Fixed Assets	607.12	634.07
b) Other	(388.56)	(229.92)
<b>TOTAL</b>	<u>218.56</u>	<u>404.15</u>

(Rs. in Lacs)

**NOTE NO. 6 : OTHER LONG TERM LIABILITIES**

<b>PARTICULARS</b>	<b>As at 31.03.2017</b>	<b>As at 31.03.2016</b>
1. Security Deposit	40.00	40.00
	<u>40.00</u>	<u>40.00</u>

**NOTE NO. 7 : LONG TERM PROVISIONS**

<b>PARTICULARS</b>	<b>As at 31.03.2017</b>	<b>As at 31.03.2016</b>
1. Provisions for Employees Benefit		
(a) Gratuity	41.30	44.02
(b) Leave Encashment	30.60	26.42
	<u>71.90</u>	<u>70.44</u>



**Note to the Financial Statements as at 31st March, 2017**



**NOTE NO. 8 SHORT TERM BORROWINGS**

PARTICULARS	As at 31.03.2017		As at 31.03.2016	
<b>1. Secured Loan</b>				
<b>Working Capital Loan from Banks</b>				
(a) Union Bank of India (Secured by hypothecation of stores, work-in-progress, stocks, goods-in-transit, & book-debts and collaterally as second charge on pari-passu with UPFC by equitable mortgage of company's immovable properties consisting of land, building, plants & machinery and other fixed assets both present & future and personal guarantee of managing director, & a director of the company and pledge of 201366 shares of the company by the managing director & a directors of the company )	<u>2,079.61</u>	2,079.61	<u>2,419.93</u>	2,419.93
<b>2. Unsecured Loan</b>				
(a) Over Draft Limit From ICICI Bank (Secured by equitable mortgage on the immovable property of Managing Director and personal guarantee of Managing Director & a Director of the Company)		53.34		88.17
(b) Buyer Credit from Banks (in foreign currency)		767.13		935.79
(c) Loan from Companies		350.00		315.00
(d) Loan from Related Parties		-		-
From Companies		554.30		466.50
From Directors		<u>452.00</u>		<u>335.00</u>
		<u>4,256.38</u>		<u>4,560.39</u>

**NOTE NO. 9 OTHER CURRENT LIABILITIES**

PARTICULARS	As at 31.03.2017		As at 31.03.2016	
1. Current Maturity of Long Term Debts (refer not no. 4)		589.67		972.68
2. Interest Accrued but not due on Borrowings		7.94		33.24
3. Credit balances of Customers		314.57		195.37
4. Amount due to employees		42.31		43.79
5. Statutory dues / duties, taxes payable		72.58		61.10
6. Deposit from Dealers & Contractors		75.16		79.51
		<u>1,102.23</u>		<u>1,385.69</u>

**NOTE NO. 10 SHORT TERM PROVISIONS**

PARTICULARS	As at 31.03.2017		As at 31.03.2016	
Provisions for Employees Benefit				
(a) Bonus		25.57		24.11
(b) Leave Encashment		<u>2.29</u>		<u>2.17</u>
		27.86		26.28

**NOTE 11 : TANGIBLE ASSETS**

DESCRIPTION OF ASSETS	GROSS BLOCK			COST AS ON 31/03/2017	DEPRECIATION			BLOCK	NET BLOCK	
	COST AS ON 01/04/2016	ADDITIONS MADE DURING THE YEAR	DEDUCTIONS MADE DURING THE YEAR		CHARGED UPTO 31/03/2016	CHARGED DURING THE YEAR AS PER SCH. II	ADJUSTMENT		CHARGED UPTO 31/03/2017 AS PER SCH. II	AS ON 31/03/2017 AS PER SCH. II
Land	5,143.18	-	-	5,143.18	-	-	-	-	5,143.18	5,143.18
Building	2,332.94	-	-	2,332.94	948.17	73.13	-	1,021.30	1,311.64	1,384.77
Plant & Machinery	5,976.04	194.92	-	6,170.96	3,309.15	319.46	0.11	3,628.50	2,542.46	2,666.89
Furniture & Fixture	17.58	-	-	17.58	16.59	0.15	-	16.74	0.84	0.99
Office Equipment	62.87	0.67	-	63.54	56.49	1.87	(0.11)	58.47	5.07	6.38
Vehicles	141.20	8.50	0.45	149.25	62.72	11.98	0.34	74.36	74.89	78.48
<b>Current Year Total</b>	<b>13,673.81</b>	<b>204.09</b>	<b>0.45</b>	<b>13,877.45</b>	<b>4,393.12</b>	<b>406.59</b>	<b>0.34</b>	<b>4,799.37</b>	<b>9,078.08</b>	<b>9,280.69</b>
<b>Prev. Year Total</b>	<b>13,314.26</b>	<b>383.70</b>	<b>24.15</b>	<b>13,673.81</b>	<b>4,110.64</b>	<b>411.56</b>	<b>129.08</b>	<b>4,393.12</b>	<b>9,280.69</b>	<b>9,203.62</b>

**NOTE 12 : NON CURRENT INVESTMENTS**

PARTICULARS NAME OF COMPANIES	As at 31.03.2017		As at 31.03.2016	
	No. of Shares	Rs.	No. of Shares	Rs.
<b>1. Trade Investment (Quoted)</b> (valued at cost)				
M/s Uniplas India Ltd.	100.00	0.03	100.00	0.03
M/s Prakash Industries Ltd.	225.00	0.07	225.00	0.07
M/s Hyderabad Industries Ltd.	200.00	0.06	200.00	0.06
M/s Eternit Everest Ltd.	50.00	0.02	50.00	0.02
M/s Roofit Industries Ltd.	200.00	0.03	200.00	0.03
M/s Visaka Industries Ltd.	50.00	0.01	50.00	0.01
<b>Total Trade Investment (Quoted)</b>		<b>0.22</b>		<b>0.22</b>
<b>2. Other Investment (Unquoted)</b>				
Big Apple Real Estate Private Limited		-	1,96,773.00	150.00
<b>Total Other Investment (Unquoted)</b>				<b>150.00</b>
<b>Aggregate of Investments</b>	<b>Book Value</b>	<b>Market Value</b>	<b>Book Value</b>	<b>Market Value</b>
Total Trade Investment (Quoted)	0.22	1.88	0.22	1.13
Total Other Investment (Unquoted)	-	-	150.00	-
<b>Total</b>	<b>0.22</b>	<b>1.88</b>	<b>150.22</b>	<b>1.13</b>

**NOTE 13 : LONG TERM LOANS AND ADVANCES**

PARTICULARS NAME OF COMPANIES	As at 31.03.2017	As at 31.03.2016
1. Capital Advances (Unsecured & Considered Good) (Advance given for conversion of land into freehold)	272.51	-
2. Deposits Payments (Unsecured & Considered Good)	241.72	327.30
3. Balances with Revenue Authorities (Unsecured & Considered Good)	743.88	805.35
4. Advances Recoverable in Cash or Kind or for value to be received (Unsecured & Considered Good)	18.17	18.17
	<u>1,276.28</u>	<u>1,150.82</u>

**NOTE 14 : OTHER NON-CURRENT ASSETS**

PARTICULARS	As at 31.03.2017	As at 31.03.2016
Deposit with Banks held as Margin Money against bank guarantee	223.05	212.02
	<u>223.05</u>	<u>212.02</u>

**NOTE 15 : INVENTORIES**

PARTICULARS	As at 31.03.2017	As at 31.03.2016
1. Raw Materials	993.50	1,759.25
2. Finished Goods	1,535.72	2,265.68
3. Trading goods	1.71	-
4. Stores & Spares	133.43	117.46
	<u>2,664.36</u>	<u>4,142.39</u>

**Mode of Valuation**

Raw Material, Stores and Spares parts and 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 and provisions of the Act.

**NOTE 16 : TRADE RECEIVABLES**

PARTICULARS (1)	As at 31.03.2017 (2)		As at 31.03.2016 (3)	
1. Trade Receivable Outstanding for a period exceeding six months				
a. Secured & Considered Good	5.97		45.15	
b. Unsecured & Considered Good	856.34		653.51	
c. Doubtful	-		-	
	862.31	862.31	698.66	698.66
Less : Allowance for Bad & Doubtful Debts				
2. Other Trade Receivables				
a. Secured & Considered Good	23.91		19.53	
b. Unsecured & Considered Good	2,755.55	2,779.46	1,716.42	1,735.95
		<u>3,641.77</u>		<u>2,434.61</u>

**NOTE 17 : CASH & BANK BALANCES**

PARTICULARS (1)	As at 31.03.2017 (2)		As at 31.03.2016 (3)	
1. Balance with Banks		40.44		55.68
2. Cash in Hand		2.91		6.03
3. Earmarked Balances with Banks		10.14		45.02
4. Deposit with Banks held as Margin Money		282.75		282.75
5. Other Deposit with Banks for period of less than 12 months		26.86		26.56
		<u>363.10</u>		<u>416.04</u>

**NOTE NO. 18 : SHORT TERM LOANS AND ADVANCES**

PARTICULARS (1)	As at 31.03.2017 (2)		As at 31.03.2016 (3)	
1. Advances to Employees				
a) Unsecured & considered good	13.64		18.24	
b) Doubtful	1.02		1.02	
	<u>14.66</u>		<u>19.26</u>	
Less : Allowance for Bad & Doubtful Debts	1.02	13.64	1.02	18.24
2. Advance with Suppliers/Service providers				
a) Unsecured & considered good	444.73		511.31	
b) Doubtful	0.84		0.84	
	<u>445.57</u>		<u>512.15</u>	
Less : Allowance for Bad & Doubtful Debts	0.84	444.73	0.84	511.31

## Note to the Financial Statements as at 31st March, 2017



3. Balance with Revenue Authority Unsecured & considered good	64.65	52.74
4. Loan to Others Unsecured & considered good	265.36	110.36
5. Other Advances Unsecured & considered good#	27.89	12.31
# Other Advances include prepaid expense	<u>816.27</u>	<u>704.96</u>

### NOTE NO. 19 : OTHER CURRENTS ASSETES

PARTICULARS (1)	As at 31.03.2017 (2)	As at 31.03.2016 (3)
1. Interest accrued but not due on deposit with banks	4.69	5.40
2. Interest accrued & due on Loan to related parties (Referred No. note no.48)	11.85	11.85
3. Interest accrued & due on loan to others	48.91	17.43
4. Shared application money pending allotment for purchase of equity shares	-	200.00
	<u>65.45</u>	<u>234.68</u>

### NOTE NO. 20 : REVENUE FROM OPERATIONS

PARTICULARS (1)	As at 31.03.2017 (2)	As at 31.03.2016 (3)
1. Sale of products	14,476.33	10,885.73
2. Other operating income (net of expenses)	22.13	9.12
	<u>14,498.46</u>	<u>10,894.85</u>

### NOTE NO. 21 : OTHER INCOME

PARTICULARS (1)	As at 31.03.2017 (2)	As at 31.03.2016 (3)
1. Interest Income	146.12	94.45
2. Dividend Income	0.04	0.04
3. Applicable Net gain on foreign currency transaction	24.83	2.82
4. Other non-operating incomes	60.41	0.85
5. Lease Rent	500.25	476.44
6. Profit on sale of fixed assets	0.03	0.45
	<u>731.68</u>	<u>575.05</u>

**NOTE NO. 22 : COST OF RAW MATERIAL CONSUMED**

(Rs. in Lacs)

PARTICULARS (1)	As at 31.03.2017 (2)	As at 31.03.2016 (3)
1. Cement	2,549.69	1,989.41
2. Asbestos Fibre	3,838.94	4,341.89
3. Slag	529.82	518.90
4. Steel Coil	316.28	-
5. Others	55.39	58.94
	<u>7,290.12</u>	<u>6,909.14</u>

**NOTE NO. 23 : CHANGES OF INVENTORIES**

(Rs. in Lacs)

PARTICULARS (1)	As at 31.03.2017 (2)	As at 31.03.2016 (3)
1. Stock in hand at the beginning of the year Finished goods	2,265.68	2,327.48
Stock in hand at the beginning of the year Trading goods	-	-
2. Less : Stock in hand at the end of the year Finished Goods	1,535.72	2,265.68
Less : Stock in hand at the end of the year Trading Goods	1.71	-
Decrease / (increase) in Stock	<u>728.25</u>	<u>61.80</u>

**NOTE NO. 24 : EMPLOYEES BENEFIT EXPENSES**

(Rs. in Lacs)

PARTICULARS (1)	As at 31.03.2017 (2)	As at 31.03.2016 (3)
1. Salaries & Wages	575.95	541.52
2. Contribution to Provident & Other Funds	32.47	33.08
3. Staff Welfare Expenses	29.08	11.62
4. Contractual Labour	0.31	48.13
	<u>637.81</u>	<u>634.35</u>

**Note to the Financial Statements as at 31st March, 2017**



**NOTE NO. 25 : FINANCE COST**

PARTICULARS (1)	As at 31.03.2017 (2)	As at 31.03.2016 (3)
1. Interest Expenses	787.67	792.09
2. Other Borrowing Costs	19.64	27.86
3. Applicable Net (gain) / Loss on foreign currency transaction & translation	48.03	59.84
	<u>855.34</u>	<u>879.79</u>

**NOTE NO. 26 : DEPRECIATION AND**

**AMORTISATION EXPENSE**

PARTICULARS (1)	As at 31.03.2017 (2)	As at 31.03.2016 (3)
Depreciation	406.59	411.59
Less : Transferred from Revaluation Reserve (Refer Note No. 3 (a))	3.50	3.47
<b>Total</b>	<u>403.09</u>	<u>408.12</u>

**NOTE NO. 27 : OTHER EXPENSES**

PARTICULARS (1)	As at 31.03.2017 (2)	As at 31.03.2016 (3)
1. Consumption of stores & spare parts	418.87	345.70
2. Power & Fuel	659.85	577.82
3. Rent	0.18	0.18
4. Repairs to Building	27.63	38.16
5. Repairs to Machineries	43.44	48.92
6. Insurance	26.24	17.79
7. Rates & Taxes	5.53	9.13
8. Breakage	296.89	18.30
9. Miscellaneous expenses	283.36	255.61
10. Transport, Packing & Forwarding exp.	410.69	354.60
11. Payments to Auditors		
i) As Auditor	1.43	1.43
ii) For Other Services	2.03	2.10
iii) For Reimbursement of expenses	0.05	0.05
12. Bed debts / Irrecoverable claims written off	0.24	97.28
13. Expenses / (-) Income Relating to Previous Year (Net)	16.59	(57.98)
	<u>2,193.02</u>	<u>1,709.09</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 31.03.2017		As at 31.03.2016	
	Value	%	Value	%
	(2)		(3)	
1. Raw Material				
i) Imported	4,046.51	55.51	4,341.89	62.84
ii) Indigenous	3,243.61	44.49	2,567.26	37.16
2. Indigenous Spare parts & Components	418.87	100.00	345.70	100.00

**NOTE NO. 29 : EXPENDITURE IN FOREIGN CURRENCY**

PARTICULARS (1)	As at 31.03.2017 (2)	As at 31.03.2016 (3)
1. Overseas Travelling	4.40	3.96
2. Interest on Buyers Credit	20.58	21.66

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

PARTICULARS (1)	As at 31.03.2017 (2)	As at 31.03.2016 (3)
1. Raw Material	3,410.89	3,797.56
3. Stock in Trade	2,041.94	2,492.67

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

PARTICULARS (1)	As at 31.03.2017 (2)	As at 31.03.2016 (3)
1. Contingent Liabilities		
a) Claim against the Company not acknowledge as Debts		
i) Sales Tax	1,968.58	3,222.46
ii) Income Tax	-	159.55
iii) Service/Excise/Custom	376.64	539.13
iv) Entry Tax	89.42	88.90
v) Others	1.53	1.53
b) Guarantees	281.38	284.27
c) Departmental Appeal in Tax Matters		
i) Income Tax	241.99	373.98
ii) Service & Excise Tax	30.87	48.46
2. Commitments		
a) Custom Duty on Raw Material	47.40	45.75
b) Excise Duty on Finished Goods	1.15	9.27



**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 manufacturing & trading in steel coils, and trading in paints and cables as a separate reportable business segment. As such, necessary disclosure required for reportable segment in accordance with AS-17 on Segment Reporting is given below :

(Rs. in Lacs)

Particulars	Manufacturing & Trading in ABSESTOS PRODUCTS		LEASING		Manufacturing & Trading (Other Products)		TOTAL	
	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year
Revenue	13,809.84	10,864.63	500.25	476.43	698.88	-	15,008.98	11,341.06
Segment Result	720.73	(1,329.03)	281.91	350.59	(74.03)	-	928.60	(978.44)
Interest Expenses							787.67	792.09
Interest Income							146.12	94.45
Profit Before Tax and Exceptional Item							287.05	(1,676.08)
Tax Expenses							(191.09)	64.30
Exceptional Item (Profit on sale of Investments in Equity Shares							-	1,201.76
Net Profit for the Year)							478.14	(538.62)
Assets	15,624.25	15,573.11	1,997.32	2,630.25	507.02	544.00	18,128.59	18,747.36
Liabilities	8,866.03	9,985.99	40.00	40.00	26.55	-	8,932.58	10,025.99
Depreciation	184.74	174.26	218.35	233.86	-	-	403.09	408.12
Capital Work-in-Progress	-	170.93	-	-	-	-	-	170.93

33. The Company assesses at each balance sheet date whether there is any indication that an asset may be impaired, if any such indication exists, the Company estimates the recoverable amount of the assets. The management is of the opinion that the recoverable amount of Company's assets or than the recoverable amount of the cash generating unit to which the asset belongs as on 31.03.2017 is higher than the carrying amount. As such, the assets of the Company are not impaired in terms of accounting standard-28 notified under the Companies (Accounting Standards) 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.  
UPAL Hotels (P) Ltd.  
MTX Hotels (P) Ltd.  
Doon Industrial Fund Limited  
United Malls (P) Ltd.  
Ecogreen Developers (P) Ltd.  
MTX Retail Private Limited  
Uniglobe Glycols Limited

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

Ganget c Developers (P) Ltd. (effective till 19.08.2015)  
Ganget c Hotels Private Limited (effective till 19.08.2015)  
UPAL Developers (P) LTd. (effective till 19.08.2015)  
Blackwood Developers Private Limited (effective till 19.08.2015)  
Big Apple Real Estate Pvt. Ltd. (effective till 19.08.2015)  
Sangam Infrabuild Corporation Private Limited (effective till 19.08.2015)

**iii.) KEY MANAGEMENT PERSONNEL, RELATIVES and OTHER EXECUTIVE OFFICERS**

Mr. Amitabh Tayal - Managing Director  
Mr. Priyank Tayal - Director  
Mrs. Shailly Tayal - Wife of Mr. Priyank Tayal  
Mr. Anchal Rastogi - Chief Financial Officer  
Ms. Ritika Tandon - 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, 2017



Transactions with Related Parties and Outstanding balances as on 31-03-2017

(Rs. In Lacs)

Transactions	Covered by Control / Significant Influence Criteria	Key management personnel, their relatives and Other Executive Officers	Enterprises Significantly Influenced by Key Management Personnel	Total
	Rs.	Rs.	Rs.	Rs.
<b>EXPENSES</b>				
Interest Paid	63.84 (41.54)	118.81 (57.05)	0.00 (-)	182.65 (98.59)
Remuneration Paid	0 (-)	62.95 (58.22)	0 (-)	62.95 (58.22)
<b>INCOME</b>				
Sale of goods	0 (-)	0 (-)	0 (1.09)	0 (1.09)
Interest Received / Receivable	0 (-)	0 (-)	0 (11.85)	0 (11.85)
<b>OTHER TRANSACTION</b>				
Shares Application Money Given	0.00 (-)	0.00 (-)	0 (350)	0.00 (350)
Shares Purchased	- (37.50)			0 (37.50)
Shares Purchased (Shares Alloted against share application money given)	0 (-)	0 (-)	0.00 (350)	0.00 (350)
Fixed Deposit Repaid	0 (-)	47.00 (40)	0 (-)	47.00 (40)
Loan Received	243.30 (1409)	702.40 (1314)	0 (-)	945.70 (2723)
Loan Repaid	435.50 (950)	300.00 (225)	0 (-)	735.50 (1175)
Loan Given Refunded	0 (-)	0 (-)	0 (270.05)	0 (270.05)
<b>OUTSTANDING BALANCES</b>				
<b>Payables</b>				
Loan	554.30 (746.50)	1497.4 (1095)	0 (-)	2051.7 (1841.50)
Deposits	0.00 (-)	0.00 (47)	0 (-)	0.00 (47)
<b>Receivable</b>				
Loan / Interest	0 (-)	0 (-)	11.85 (11.85)	11.85 (11.85)

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 31.03.2017. The information as required to be disclosed under Micro, Small and Medium Enterprises 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. **Exceptional Item :**

"Profit of Rs. 12,01,76,475/- on sale of entire equity share holding of Big Apple Real Estate Private Limited has been disclosed as Exceptional Items. The purchase Price of 19,80,910 equity was Rs. 6,32,76,125/- which was sold for a consideration of Rs. 18,34,52,600/-

37. **a) Defined Contribution Plan**

- i) Company's contribution to Government Administered Provident Fund / Family Fund during the year is Rs. 30.35 Lacs (Rs.32.46 Lacs)
- ii) Company's contribution towards Employees State insurance Fund is Rs. 2.13 Lacs (Rs. 0.62 Lacs)

**b) Defined Benefit Plan**

- I) Gratuity (As per actuarial valuation on 31.03.2017)

	2016-17	2015-16
	<b>Administered by LIC (Fully Funded) Rs. in Lacs</b>	
<b>I. Change in Obligation during the year ended 31.03.2017</b>		
Present value of Obligation as at 01.04.2016	124.02	135.46
Interest Cost	9.08	9.18
Current Service Cost	16.31	16.53
Settlement (Cost / Credit)	0	0
Actuarial (-) gain / loss on obligation	1.37	-1.67
Benefits paid	-13.85	-35.48
Present value of defined benefit obligation as at 31.03.2017	136.93	124.02
<b>II. Change in Assets during the year ended 31.03.2017</b>		
Plan Assets as at 01.04.2016	79.99	84.38
Expected Return on Plan Assets	6.59	7.07
Contribution by Employer	24	24.00
Actual Benefit Paid	-13.85	-35.48
Actuarial Gain / (Losses)	-1.11	0.02
Plan Assets as at 31.03.2017	95.62	79.99

**Note to the Financial Statements as at 31st March, 2017**



**III. Net Assets / Liabilities recognised in the Balance Sheet as at 31.03.2017**

Present value of defined benefit obligation as at 31.03.2017.	136.93	124.02
Plan Assets as at 31.03.2017	95.62	79.99
Fund Status - / (-) Deficit	-41.31	-44.03
Net Assets / (-) Liability as at 31.03.2017	-41.31	-44.03

**IV. Expenses recognised in the Statement of Profit & Loss for the year ended on 31.03.2017**

Current Service Cost	16.31	16.53
Interest Cost	9.08	9.18
Past Service Cost Vested Benefit		
Expected Return on Plan Assets	-6.59	-7.07
Net Actuarial Gain (-) / Loss	2.48	-1.69
Expense Recognised	21.28	16.95

**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%	7.75%
Expected Return on Assets	7.75%	7.75%
Salary Escalation	8.00%	8.00%
Withdrawal Rate	5.00%	5.00%
Mortality Rates	IAL Mortality (2006-08) UIL.	IAL Mortality (2006-08) UIL.

II) As per Actuarial Valuation Report Liability towards leave Encashment as on 31st March 2017 is Rs. 32.89 Lacs (Rs. 28.58 Lacs). Liability for Leave Encashment of Rs. 4.31 Lacs has been provided for the year.

38. The Sales Tax and Value Added Tax assessments appeals under the provisions of the, respective state Acts and Central Sales Tax Act, under the provisions of the Central Sales Tax Act, 1957 for certain past years are pending. Pending completion of such assessments / appeals/acceptance of refund claim, amount of Rs. 241.43 lacs (Rs. 241.73 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 filling of returns / revised required, whenever required, for the relevant assessment years or on finalization of assessment / appeals by the concerned authorities.
39. In the F Y 2008-09, the Company has revalued its entire lands situated at Mohanlalganj Lucknow and at 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 free hold lands at Mohanlalganj, Lucknow & Village Bishara, Dadri, Gautam Buddha 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.
40. 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.
41. (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.
- 41 (b) Balances of Trade Payables, Trade Receivables Other current and long term liabilities, loans and advances granted by the company and State Bank of Bikaner & Jaipur, Gandhibagh, Nagpur are subject to reconciliation, confirmation and consequent adjustments, if any.
- 42 In respect of cenvat credit of service tax paid on outward freight of Rs. 168.03 lacs availed and utilized by the company 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, the Company's appeal is pending before the CESTAT, Allahabad No provision against the same is deemed necessary by the Company against the same as the Company is confident of a favorable decision on the matter.
43. 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.

## Note to the Financial Statements as at 31st March, 2017



44. (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 :

a.	Not later than one year	Rs.	525.26 Lacs
b.	Later than one year and not later than five years	Rs.	2377.15 Lacs
c.	Later than Five Years (for balance period upto 31.01.2024)	Rs.	1252.12 Lacs

44 (b) Disclosure of Assets, (also included in the Tangible Assets as per Note - 10) given on lease, in accordance with requirement of Accounting Standard - 19 on Leases is given below :

Description	Rs. in Lacs			
	Gross Carrying Amount (Rs.)	Depreciation Recognised in the Statement of Profit & Loss A/C (Rs.)	Accumulated Depreciation As on 31st March, 2017 (Rs.)	Net Carrying Amount (Rs.)
Land	365.46	0.00	0.00	365.46
Buildings	1235.31	38.41	425.06	810.25
Plant & Equipments	2397.97	178.80	1321.03	1076.94
Office Equipments	6.73	0.15	6.25	0.48
Furniture & Fixture	10.57	0.12	10.01	0.56
Vehicles	15.16	0.87	12.43	2.73
Current Year Total	4031.20	218.35	1774.78	2256.42
Previous Year Total	4031.20	233.86	1556.42	2474.78

45. 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. 2005-2006 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 FY 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 FY 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 FY 2013-14. The Management of the company after discussion with the trade tax consultants, is of the opinion that the claim for FY 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.

**Note to the Financial Statements as at 31st March, 2017**



46. The company has not accepted any deposits during the year within the meaning of section 73 to section 76 or any other relevant provisions of the Act and the Rules framed thereunder. In respect of fixed deposits accepted in earlier years under the relevant provisions of the Companies Act, 1956 the company has repaid the same on the respective due date of each deposit except fixed deposits of Rs. 3.50 lacs (excluding interest accrued and due) which have either remained unclaimed or the claim by the relatives of the deceased depositors is under examination of the company for ensuring that payment is made to eligible person(s) only. The management is of the opinion that deposits (including unclaimed deposits) from dealers to whom company supplies goods shall not qualify as deposits with the meaning of section 73 to section 76 or any other relevant provisions of the Act and the Rules framed thereunder.
47. 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.
48. The company is making efforts for recovery of interest of Rs. 11.85 lacs outstanding since earlier year from its erstwhile related party M/s Big Apple Estate Private Limited, No provision has been made against the same since the management is hopeful of its recovery.
49. Deposit Payment (Refer Note No. 13(2)) includes security deposit of Rs. 150 lacs (Rs. 250 lacs) given by the company to M/s Brij Bhushan Enterprises for facilitating regular supply of Raw Material Cement.
50. Particulars of Loan, Guarantee and Investment under section 186 :

Sl No.	Details of Borrower	Opening Balance as on 01/04/2016	Loan Given During the Year	Unsecured Loan Received back during the year	Total Amount Outstanding at the end of F.Y. 2016-17	Purpose for which the loan is to be utilized by the recipient
1	Big Apple Real Estate Private Limited	NIL Interest : 11,84,570	NIL	NIL	NIL Interest : 11,84,570	For Business Operation Purpose
2	Castmet Packagings Private Limited	Rs. 1,10,36,011 Interest : Rs. 15,89,186	NIL	NIL	Rs. 1,10,36,011 Interest : Rs. 15,89,186	For Business Operation Purpose
3	Pasondia Cables Pvt. Ltd.	NIL Interest Rs. 1,53,870	2,00,00,000.00 Share Application money of Rs. 2 Cr. has been Converted into unsecured loan on 30.06.2016	45,00,000.00	1,55,00,000 Interest : Rs. 9,53,194	For Business Operation Purpose

51. Details of Specified Notes and Other Denomination Notes as Required by Schedule III

Sl No.	Particulars	SBNs	Other Denomination	Total
1	Closing Cash in Hand as on 8 Nove' 2016	12,71,000	8,48,303	21,19,303
2	Add : Permitted Receipts	-	3,27,783	3,27,783
3	Less : Permitted Payments	-	9,51,963	9,51,963,
4	Less : Amount Deposited in Banks	12,71,000	-	12,71,000
5	<b>Closing Cash in Hand as on 30 Dec' 2016</b>	-	<b>2,24,123</b>	<b>2,24,123</b>

52. Previous year figures have been regrouped / reclassified to make it comparable with current year's figures.
53. Figures in brackets relate to the previous year.