

# U.P. Asbestos Ltd.

Mahmoodabad Estate Building, Hazratganj, Lucknow-226001 (India)

Phone : (0522) 2622905-6, 2612841, 2200538 CIN : L26942UP1973PLC003743

Website : www.upasbestos.com • email : upasbestos@upasbestos.com

To,

The Members,

Your Directors have pleasure in presenting their 44<sup>th</sup> Annual Report on the business and operations of the Company and the accounts for the Financial Year ended March 31<sup>st</sup>, 2018.

1. Financial summary or highlights / Performance of the Company

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

(Rs. In Lakhs)

Particulars	2017-2018	2016-2017
Revenue From operations	15283.42	14498.46
Other Income	692.78	706.85
Profit/Loss Before Interest, Depreciation and Exceptional Items	1564.49	1503.52
Finance Charges	686.09	813.38
Profit/Loss before Depreciation and Tax	878.40	690.14
Provision for Depreciation	412.49	403.09
Exceptional Item/Extraordinary Items	0	0
<b>Profit Before Tax/ Loss</b>	<b>465.90</b>	<b>287.05</b>
<b>Profit After Tax/ Net Loss</b>	<b>327.85</b>	<b>478.14</b>

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. 15283.41 Lakhs as compared to Rs. 14498.46 Lakhs in last year the company's revenue increased by 32.80% over the last year; the company incurred a Profit before tax of Rs. 465.90 Lakhs as compared to Loss before tax of Rs. 287.05 Lakhs in last year, Profit after tax has been Rs. 327.85 Lacs compared to a profit after tax of Rs. 478.14 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, 17 with the company has been timely paid off. However unclaimed/disputed deposits amounting to Rs. 3,50,000/- and interest thereon are lying with the Company as on 31.03.2018. A Return in DPT-3 is filed with concerned ROC regarding the same.

6. DIRECTORS AND KEY MANAGERIAL PERSONNEL

During the year the company witnessed a change in management on resignation of Mr. Anchal Rastogi from the post of the Chief Financial Officer w.e.f. 31.07.2017 and appointment of Mr. Gaurav Arora in his place to hold office of the Chief Financial Officer w.e.f. 16.08.2017.

**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, 2018, 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, 2018 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, 2018. 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.

**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 :**

Regulation 10 [19(4)] and 20 (4) of LODR Regulation 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 Board and its committees was constituted in the the following manner :-

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

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 Sharma Prakash & Associates are appointed 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 5 qualified opinions and the response of your directors with respect to it is as follows :-

1. We draw attention to note 41 of notes to Ind AS Financial Statements in respect of non receipt of balance confirmation from customers due to which we are unable to comment on short provision, if any, of bad and doubtful debts, discounts, commission and breakage compensation in the books of account and note 42 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.

*Am*

2. Attention is invited to note 46 of Notes to Ind AS Financial Statements where in 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.
3. Attention is invited to note 33 of notes to Ind AS Financial Statements whereby the management has stated that the assets of the company are not impaired in terms of Indian Accounting Standard (Ind AS)-36 notified under the Companies (Indian Accounting Standards) Rules, 2015. 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 (Ind AS)-36 notified under the Companies (Indian Accounting Standards) Rules, 2015.
4. Attention is invited to note 49 of Notes to Ind AS 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.
5. 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.
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.  
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.
3. Response to Point 3.  
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.
4. Response to Point 4.  
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.
5. Response to Point 5.  
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. Aditya Agarwal & Associates, Practicing Company Secretary had been appointed as the Secretarial Auditors of the Company for the financial year ending on 31.03.2018. The Auditor's report for the financial year ending on 31-03-2018 is attached herewith as Annexure -IX.

**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 2018-2019. 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. 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.

**19. 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.

**20. 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.

**21. PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS UNDER SECTION 186**

The company has made loans and investment within the prescribed limit of section 186 of the Companies Act, 2013 and rules made thereunder and also elaborated in **Note 51** of the Balance Sheet The Loans made are detailed as under :-

S L	Details of Borrower	Amount	Purpose of loan/investme nt for the recipient	Date of BR	Date of SR (if reqd)	ROI (%)
1.	Casmet Packagings Pvt Ltd.	11036010	Business Operation	20.05.2013	NA	16
2.	Pasondia Cables Private Limited	20000000	Business Operation	30.06.2016	NA	19
3.	Shri Ghata Mehendipur Balaji LLP	25000000	Business Operation	25.07.2017	NA	12

**22. 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**.

**23. 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**. ACFO certification is attached herewith as **Annexure X**.

**24. VIGIL MECHANISM**

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

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 Ltd. w.e.f. 08.02.2016. The Company has made payment of all dues to the Stock Exchanges.

29. **ACKNOWLEDGEMENTS**

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

Place : Lucknow

Date : 29.05.2018

For U.P. Asbestos Limited

  
(Dharam Mohan)  
Chairman  
(DIN : 00161800)



# U.P. Asbestos Ltd.

Mahmoodabad Estate Building, Hazratganj, Lucknow-226001 (India)  
Phone : (0522) 2622905-6, 2612841, 2200538 CIN : L26942UP1973PLC003743  
Website : www.upasbestos.com • email : upasbestos@upasbestos.com

**Annexure I**

**FORM NO. MGT 9**

**EXTRACT OF ANNUAL RETURN**

**As on financial year ended on 31.03.2018**

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

## I. REGISTRATION & OTHER DETAILS :

1.	CIN	L26942UP1973PLC003743
2.	Registration Date	July 18, 1973
3.	Name of the Company	U P Asbestos Limited
4.	Category/Sub-category of the Company	Public Company/Limited by shares
5.	Address of the Registered office & contact details	P O Mohanlalganj, Lucknow – 226 301, Uttar Pradesh, India. Phone No.: +91-522-2622905 Email: upasbestos@upasbestos.com Website: www.upasbestos.com
6.	Whether listed company	Yes, on MSEI Limited
7.	Name, Address & contact details of the Registrar & Transfer Agent, if any.	KARVY COMPUTERSHARE (P) LTD. Karvy Selenium Tower B Plot No. 31 & 32, Gachibowli, 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	18.858
2	Asbestos Sheet	23953	75.093

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

S.No.	NAME AND ADDRESS OF THE COMPANY	CIN/GLN	HOLDING/SUBSIDIARY / ASSOCIATE	% of shares	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-2017]				No. of Shares held at the end of the year[As on 31-March-2018]				% 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	1282845	-	1282845	14.09	1282845	-	1282845	14.09	-
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>6510774</b>	<b>-</b>	<b>6510774</b>	<b>71.50</b>	<b>6510774</b>	<b>-</b>	<b>6510774</b>	<b>71.50</b>	<b>-</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	-	-	-	-	-	-	-	-	
	-	-	-	-	-	-	-	-	
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>	
2. Non-Institutions									
a) Bodies Corp.									
i) Indian	591898	1300400	1892298	20.78	591898	1300400	1892298	20.78	-
ii) Overseas	-	-	-	-	-	-	-	-	
b) Individuals									
i) Individual shareholders holding nominal share capital up to Rs. 2 lakh	342171	218550	560721	6.16	222250	338371	560621	6.16	-

*for*



ii) Individual shareholders holding nominal share capital in excess of Rs 2 lakh	140750	100	140850	1.55	140750	100	140850	1.55	-
c) Others (specify)	-	-	-	-	-	-	-	-	-
NRI	2650	-	2650	.03	2650	-	2650	.03	-
<b>Sub-total (B)(2):-</b>	<b>957548</b>	<b>1638871</b>	<b>2596419</b>	<b>28.50</b>	<b>957548</b>	<b>1638871</b>	<b>2596419</b>	<b>28.50</b>	<b>-</b>
<b>Total Public Shareholding (B)=(B)(1)+ (B)(2)</b>									
C. Shares held by Custodian for GDRs & ADRs	-	-	-	-	-	-	-	-	-
<b>Grand Total (A+B+C)</b>	<b>7468322</b>	<b>1638871</b>	<b>9107193</b>	<b>100.00</b>	<b>7468322</b>	<b>1638871</b>	<b>9107193</b>	<b>100.00</b>	<b>-</b>

**B) Shareholding of Promoter**

Sl. No.	Shareholder's Name	Shareholding at the beginning of the year 1 <sup>st</sup> April, 2017			Shareholding at the end of the year 31 <sup>st</sup> March, 2018			% 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	133598	1.47	0.42	133598	1.47	0.42	-
2	Manju Tayal	97098	1.07	0.00	97098	1.07	0.00	-
3	Priyank Tayal	528700	5.81	1.79	528700	5.81	1.79	-
4	Avanti Mohta	454800	4.99	0.00	454800	4.99	0.00	-
5	Amitabh Tayal (HUF)	68649	0.75	0.00	68649	0.75	0.00	-
6	Mohan Manglam Trust	170850	1.88	0.00	170850	1.88	0.00	-
7	Ganga Corporation Pvt. Ltd.	110150	1.21	0.00	110150	1.21	0.00	-
8	Doon Industrial Fund Ltd	37500	0.41	0.00	37500	0.41	0.00	-
9	Everest Roofings Pvt Ltd	429471	4.72	0.00	429471	4.72	0.00	-
10	The Rohtak & Hissar Districts Electric Supply Company Ltd	883350	9.70	0.00	883350	9.70	0.00	-
11	Mashino Textile Pvt. Ltd.	1539100	16.90	0.00	1539100	16.90	0.00	-
12	Uniglobe Glycols Limited	2057508	22.59	0.00	2057508	22.59	0.00	-
	<b>Total</b>	<b>6510874</b>	<b>71.50</b>	<b>2.21</b>	<b>6510874</b>	<b>71.50</b>	<b>2.21</b>	<b>-</b>

*h*

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

SN	Particulars	Shareholding at the beginning of the year		Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
	Promoters At the beginning of the year (01.04.2017)	NO CHANGE			
	Changes During the year				
	At the end of the year (31.03.2018)				

**D) Shareholding Pattern of Top Ten Shareholders  
(Other than Director, Promotor and Holders of GDR's and ADR's)**

SN	Name of Shareholder's	Shareholding at the beginning of the year 01.04.2017		Shareholding at the end of the year 31.03.2018	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1.	Jaiprakash Associates Ltd. Opening balance	840000	9.22	840000	9.22
	No change				
	Closing balance	840000	9.22	840000	9.22
2.	R&H Power Co. (P) Ltd. Opening balance	589998	6.48	589998	6.48
	No change				
	Closing balance	589998	6.48	589998	6.48
3.	Camsoft India (P) Ltd. Opening balance	59400	0.65	59400	0.65
	No change				
	Closing balance	59400	0.65	59400	0.65
4	Emkey Commercial Co. Ltd. Opening balance	49500	0.54	49500	0.54
	No change				
	Closing balance	49500	0.54	49500	0.54
5	B.T. Technet Ltd. Opening balance	34100	0.37	34100	0.37
	No change				
	Closing balance	34100	0.37	34100	0.37
6	Hitech Computech Pvt. Ltd. Opening balance	37400	0.41	37400	0.41
	No change				
	Closing balance	37400	0.41	37400	0.41
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	Manti Kalpesh Agarwal Opening balance	0	0	42150	0.46
	No change				
	Closing balance	0	0	42150	0.46



**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, 2017		Cumulative Shareholding at the end of the year 31 <sup>st</sup> March, 2018	
		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	133598	1.47	133598	1.47
3	Priyank Tayal	528700	5.81	528700	5.81
4.	Rakesh Seth	100	.00	100	.00
5.	Mala Agarwal	-	-	-	-
6.	Ritika Tandon	-	-	-	-
7.	Gaurav Arora	-	-	-	-

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

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
<b>Indebtedness at the beginning of the financial year</b>				
i) Principal Amount	38,58,35,528.47	37,72,22,000.37	3,50,000.00	76,34,07,528.84
ii) Interest due but not paid				
iii) Interest accrued but not due	24,156.00	7,70,066.00	2,75,132.00	10,69,354.00
Total (i+ii+iii)	38,58,59,684.47	37,79,92,066.37	6,25,132.00	76,44,76,882.84
<b>Change in Indebtedness during the financial year</b>				
* Addition	8,74,24,598.46			8,74,24,598.46
* Reduction		14,02,73,481.61		14,02,73,481.61
Net Change	8,74,24,598.46	(14,02,73,481.61)		(5,28,48,883.15)
<b>Indebtedness at the end of the financial year</b>				
i) Principal Amount	47,32,71,581.93	23,73,43,364.76	3,50,000.00	71,09,64,946.69
ii) Interest due but not paid				
iii) Interest accrued but not due	12,701.00	3,75,220.00	2,75,132.00	6,63,053.00
Total (i+ii+iii)	47,32,84,282.93	23,77,18,584.76	6,25,132.00	71,16,27,999.69

\*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	2580000	1920000	4500000
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	157861	104394	262255
	(c) Profits in lieu of salary under section 17(3) Income- tax Act, 1961	-	-	
2	<b>Stock Option</b>			
3	<b>Sweat Equity</b>			

4	Commission specify...	513531	-	513531
5	Others, please specify (Employers Contribution to PF)	21600	-	21600
	<b>Total (A)</b>	<b>3272992</b>	<b>2024394</b>	<b>5297386</b>

B. Remuneration to other directors: NIL

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

SN	Particulars of Remuneration	Key Managerial Personnel			
		Ritika Tandon CS	Anchal Rastogi CFO From 01.04.2017 to 31.07.2017	Gaurav Arora CFO From 16.08.2017 to 31.03.2018	Total
1	Gross salary				
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	436143	372600	628840	1437583
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	-	7200	-	7200
	(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	58176	42866	74400	175442
	<b>Total</b>	<b>494319</b>	<b>422666</b>	<b>703240</b>	<b>1620225</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, 2018.

For U.P. Asbestos Limited



(Dharam Mohan)  
Chairman  
(DIN : 00161800)

Place : Lucknow  
Date : 29.05.2018



# U.P. Asbestos Ltd.

Mahmoodabad Estate Building, Hazratganj, Lucknow-226001 (India)

Phone : (0522) 2622905-6, 2612841, 2200538 CIN : L26942UP1973PLC003743

Website : www.upasbestos.com • email : upasbestos@upasbestos.com

Annexure- II

## 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 , 25<sup>th</sup> May, 2017, 11<sup>th</sup> August, 2017, 14<sup>th</sup> November, 2017, 13<sup>th</sup> February, 2018 and 23<sup>rd</sup> March, 2018. 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:

Name of the Director	Category of Director	Attendance at last AGM	No. of Board meetings attended	No. of other Directorships in Public Ltd. Companies	No. of meetings eligible to attend	Other Board's Committees	
						Chairman	Member
Shri Dharam Mohan	*NED	Yes	05	NIL	05	NIL	NIL
Shri Rakesh Seth	NED	No	05	NIL	05	NIL	NIL
Smt. Mala Agarwal	NED	No	05	NIL	05	NIL	NIL
Shri Priyank Tayal	*ED	Yes	05	NIL	05	NIL	NIL
Shri Amitabh Taya I	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 :-

Name of the Director	Position	No. of Meetings		No. of Meetings entitled to attend
		Held	Attended	
Shri Dharam Mohan	Chairman	8	8	8
Smt. Mala Agarwal	Member	8	7	8
Shri Rakesh Seth	Member	8	6	8
Ms. Ritika Tandon	Secretary to the Committee			8

**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 :

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
Ms. Ritika Tandon	Secretary to the Committee			4

**Details of investors' complaints received and redressed**

The total numbers of complaints redressed to the satisfaction of the investors during the year ended at 31<sup>st</sup> March 2018 were 16.

**Role of Stakeholders' Relationship Committee**

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

**Powers of Stakeholders' Relationship Committee**

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

**SHARE TRANSFER COMMITTEE**

The Board has re-constituted the Share Transfer Committee comprising of following persons to enable it to accord its approval on the request for transfer of physical shares of the company lodged from time to time. The members of the committee as on 31.03.2018 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
Ms. Ritika Tandon	Secretary to the Committee			4

**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 31.03.2018 :

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

### RISK MANAGEMENT COMMITTEE

The committee comprising of following persons as on 31.03.2018 :

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

44<sup>th</sup> Annual General Meeting would be held on 29<sup>th</sup> September, 2018.

Details of last three Annual General Meetings are as follows –

Financial Year	Date	Time	Venue	No. Special Resolutions considered
2014-15	30.09.2015	10.00 A.M.	Mohanlalganj, Lucknow-226301	00
2015-16	30.09.2016	10.00 A.M.	Mohanlalganj, Lucknow-226301	01
2016-17	29.09.2017	11.00 A.M.	Mohanlalganj, Lucknow-226301	02

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.

Financial year of company starts from 1<sup>st</sup> April of a year and ends on 31<sup>st</sup> March of the subsequent year.



## 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 of SEBI (LODR) Regulations, 2015 on the website of the company ([www.upasbestos.com](http://www.upasbestos.com))

## GENERAL SHAREHOLDER INFORMATION

### Annual General Meeting

Date : 29<sup>th</sup> September, 2018 (Saturday)

Time : 11:00 AM

Venue : P.O. Mohanlalganj – 226301  
District – Lucknow

Dates of Book Closures from 22.09.2018 to 29.09.2018 both days inclusive

DISTRIBUTION SCHEDULE AS ON 31/03/2018					
Sl.	Category	Cases	% of Cases	Amount	% Amount
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
	Total	1220	100.00	91071930.00	100.00

Listing on Stock Exchanges	Metropolitan Stock Exchange of India Ltd.
ISIN No.	INE181C01016
Share Transfer Agent	KARVY COMPUTERSHARE (P) LTD. Karvy Selenium Tower B, Plot No. 31 -32 Gachibowli Financial District, Nanakramguda Hyderabad – 500032
Share Transfer System	1. Equity Shares in physical form are processed by the share transfer agents of the Company. Transfer of Dematerialized shares can be affected by following the procedure prescribed for the purpose by two national depositories namely NSDL and CDSL with whom the Company has entered into an agreement. 2. Pursuant Regulation 40(9) of SEBI (LODR) Regulations, 2015, a Practicing Company Secretary has been issuing on half yearly basis Certifying that all transfers have been affected within the prescribed period.

### Other Disclosure :

The Company has adopted various policies as applicable under SEBI (LODR), 2015 guidelines available on the website of the company ([www.upasbestos.com](http://www.upasbestos.com))

### Dematerialization of Shares

The trading of Company's equity shares falls 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 31<sup>st</sup> March 2018, the position of NSDL & CDSL was as under –

	No. of Shares	(%)
<b>A. DEMAT</b>		
NSDL	7234181	79.43
CDSL	234141	2.57
<b>B. PHYSICAL</b>	1638871	18.00
<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,

#### 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 Budh Nagar (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  
cs@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 : 29.05.2018

For U.P. Asbestos Limited

  
(Dharam Mohan)  
Chairman  
(DIN: 00161800)



# U.P. Asbestos Ltd.

Mahmoodabad Estate Building, Hazratganj, Lucknow-226001 (India)

Phone : (0522) 2622905-6, 2612841, 2200538 CIN : L26942UP1973PLC003743

Website : www.upasbestos.com • email : upasbestos@upasbestos.com

Annexure III

## 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 45 years in India. Cement Asbestos Products continue to be in demand because of the efforts made in making in roads 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 4 million metric tonnes of cement asbestos sheet throughout the Country.

The International Monetary Fund (IMF) described the Indian economy as the "bright spot" in the global landscape. Indian economy showed a visible growth compared to last year. The GDP projected overall growth of 7 % in 2016-2017 however is a slow growth. According to the IMF, India's growth is expected to rebound 7.3% in 2018-19 and to 7.5 in 2019-2020 owing to the strong increase in private consumptions.

### **Opportunities,**

In 2016, demonetisation had affected the economy and while the country was recovering the government announced RERA and GST implementation in 2017 in succession increasing uncertainty and consumer hesitation leading the country towards slow growth in 2017-2018.

However, the Indian market in construction and building is expected to grow stealthily and the real estate market size is expected to grow sevenfold by 2028. The rural and urban India has a shortage of housing facility and approximately 65 million Indians live in houses without pucca roofs. The government of India has targeted to provide housing to all by 2022 catalysing the building products Industry.

AC Roofing Sheets are being used in large scale for roofing purposes, cattle sheds, godowns, etc. besides commercial use of this product. The Indian population consists of 60% of rural sector and with increased focus of government to develop the infrastructure and housing facility in the rural sector the cement asbestos sector is likely to grow.

The 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 and durable. 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 is available in the proximity of our plants. Our industry performance is directly linked to performance of rural/semi-urban economies. The year 2016-2017 & 2017-2018 noticed slow growth owing to the good monsoon but implementation of new policies and market uncertainty as compared to 2015-2016 where the industry witnessed a significant slowdown in rural demand due to poor monsoon. 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 company has a developmental approach and is upgrading technology with automated plant and incorporating Solar Energy project. The company has enhanced its business of operations and ventured in various other products as paints, cables, profile sheets which in the significant financial year witnessed slow start owing to huge Brand competition but the company is optimistic of increased sales in near future.

### **Strength, Threats, Risks and Concerns**

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 2018, 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 140435.34 M.T. Total sales during the year were 139151.80 MT.

hr



**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 45 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.15283.42 lacs and Profit of Rs.327.85 lacs as against Sales Turnover (Net) of Rs.14423.41 lacs and profit of Rs.478.14 Lacs respectively in the previous year.

**Human Resources / Industrial Relations**

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

For U.P. Asbestos Limited



(Dharam Mohan)

Chairman

(DIN: 00161800)

Place : Lucknow

Date : 29.05.2018



# U.P. Asbestos Ltd.

Mahmoodabad Estate Building, Hazratganj, Lucknow-226001 (India)  
Phone : (0522) 2622905-6, 2612841, 2200538 CIN : L26942UP1973PLC003743  
Website : www.upasbestos.com • email : upasbestos@upasbestos.com

Annexure-V

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

The Members of  
U.P. Asbestos Limited

This is to certify that as provided under Regulation 17(5) of SEBI (LODR) Regulations, 2015, the Board Members and the Senior Management personnel have affirmed to the compliance with the Code of Conduct and Ethics for the twelve months' period ended on March 31, 2018.

For U.P. Asbestos Limited

  
(Amitabh Tayal)  
Managing Director  
(DIN: 00556569)

Place : Lucknow  
Date : 29.05.2018

# U.P. Asbestos Ltd.

Mahmoodabad Estate Building, Hazratganj, Lucknow-226001 (India)  
Phone : (0522) 2622905-6, 2612841, 2200538 CIN : L26942UP1973PLC003743  
Website : www.upasbestos.com • email : upasbestos@upasbestos.com

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 2017-2018	% increase in Remuneration in the Financial Year 2017-2018	Ratio of remuneration of Director/KMP to median remuneration of employees
1.	Amitabh Tayal (Managing Director)	2024394	(0.55)	15.55
2.	Priyank Tayal (Whole Time Director)	3272992	33.51	25.15
3.	Anchal Rastogi (Chief Financial Officer) (01.04.17-31.07.17)	422666	(66.26)	3.24
4.	Ritika Tandon (Company Secretary)	494319	24.46	3.79
5.	Gaurav Arora (Chief Financial Officer) (16.08.17-31.03.18)	703240	-	54.04

- b. The median remuneration of employees of the Company during the financial year ending on 31.03.2018 was: 130124.  
c. The percentage increase in the median remuneration of employees in the Financial Year ending on 31.03.2018:  
d. Number of permanent employees on the rolls of the Company as on March 31, 2018 : 232 (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. 2017-2018 was 21.31% whereas the increase in the managerial remuneration for the same financial year was 3.34%  
f. The key parameters for any variable component of remuneration availed by the directors: N/A  
g. The ratio of the remuneration of the highest paid director to that of the employees who are not directors but receive remuneration in excess of the highest paid director during the year : N/A  
h. It is hereby affirmed that the remuneration is as per the 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 31.03.2018

Following disclosures are required in respect of following employees :

Top ten employees in terms of salary withdrawn :

- 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 : None
- 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 eighty lakhs fifty thousand rupees per month : None

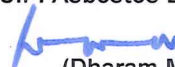


3. if employed throughout the financial year or part thereof, was in receipt of remuneration in that year, which in the aggregate, or as the case may be, at a rate which, in the aggregate, is in excess of that drawn by the Managing Director or Whole-time Director or manager and holds by himself or along with his spouse and dependent children, not less than two percent of the equity shares of the Company : **None**

Place : Lucknow

Date : 29.05.2018

For U.P. Asbestos Limited



(Dharam Mohan)

Chairman

(DIN: 00161800)

# U.P. Asbestos Ltd.

Mahmoodabad Estate Building, Hazratganj, Lucknow-226001 (India)  
Phone : (0522) 2622905-6, 2612841, 2200538 CIN : L26942UP1973PLC003743  
Website : www.upasbestos.com • email : upasbestos@upasbestos.com

Annexure-VII

## 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.**

**\*NOTE :**

1. ***A detailed description of the Related Party Transactions entered during the year are disclosed as Note 34 of the Financial Statements.***
2. ***Transaction of payment of remuneration is as per the terms approved by shareholders. The advances to made employees reflects advances salary entered as per the terms of their condition of service as applicable to all employees.***

For U.P. Asbestos Limited



(Dharam Mohan)

Chairman

(DIN: 00161800)

Place : Lucknow

Date : 29.05.2018





# U.P. Asbestos Ltd.

Mahmoodabad Estate Building, Hazratganj, Lucknow-226001 (India)  
Phone : (0522) 2622905-6, 2612841, 2200538 CIN : L26942UP1973PLC003743  
Website : www.upasbestos.com • email : upasbestos@upasbestos.com

Annexure-VIII

FORM A : Conservation of Energy  
(See rule 2)

## A. Power and fuel consumption

	Current Year 2017-2018	Previous Year 2016-2017
<b>1. Electricity</b>		
(a) Purchased		
Unit	3848780	-
Total Amount	32599166.66	-
Rate/unit	Rs. 8.47	-
(b) Own Generation		
(i) Through Diesel Generator		
Unit	859499	2399086
Unit per Ltr. of Diesel Oil	3.20 Unit/Ltr	3.20 Unit/Ltr
Cost/unit	Rs.18.99	Rs.15.62
(ii) Through steam turbine/generator		
Units	1919195	3516250
Units per ltr. of fuel oil/gas		
Cost/unit	Rs.8.75	Rs.8.75
<b>2. Coal (specify quality and where used)</b>		
Quantity (tones)		
Total cost		
Average rate		
<b>3. Furnace oil</b>		
Quantity (k ltrs.)		
Total amount		
Average rate		
<b>4. Others/internal generation (please give details)</b>		
Quantity		
Total cost		
Rate/unit		

## FORM B : Foreign Exchange Earnings / Outgo :-

The company has made expenditure in Foreign Exchange amounting to Rs. 8.55 Lacs overseas travelling and Rs.19.59 Lacs interest on Buyers Credit.

For U.P. Asbestos Limited



(Dharam Mohan)

Chairman

(DIN: 00161800)

Place : Lucknow

Date : 29.05.2018

# U.P. Asbestos Ltd.

Mahmoodabad Estate Building, Hazratganj, Lucknow-226001 (India)  
Phone : (0522) 2622905-6, 2612841, 2200538 CIN : L26942UP1973PLC003743  
Website : www.upasbestos.com • email : upasbestos@upasbestos.com

Annexure-X

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, 2018 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  
DIN: 00556569

  
Gaurav Arora  
Chief Financial Officer

Place : Lucknow  
Date : 29.05.2018