

ANNUAL REPORT

&

ACCOUNTS

FOR THE YEAR ENDED 31ST MARCH, 2017

DEEPAK INDUSTRIES LIMITED

P. K. DAGA
Y. K. DAGA

CHAIRMAN-CUM-MANAGING DIRECTOR
VICE-CHAIRMAN-CUM-JOINT MANAGING DIRECTOR

S. CHAKRAVORTI
A. P. AGARWALLA
MEERA DOKANIA

DIRECTORS

V. D. MALL

COMPANY SECRETARY

SINGHI & CO.
Chartered Accountants

AUDITORS

STATE BANK OF INDIA
UCO BANK

BANKERS

Maheshwari Datamatics Pvt.Ltd
Kolkata - 700 001
Phone : 033-2248-2248; 2243-5029
Fax : 033-2248-4787
E-mail : info@mdpl.in
mdpldc@yahoo.com
Website : www.mdpl.in

REGISTRAR & SHARE TRANSFER AGENTS

DEEPAK INDUSTRIES LIMITED
CIN No. L63022WB1954PLC021638

CORPORATE DETAILS

Registered Office :
16, Hare Street, 2nd Floor
Kolkata - 700 001
Phone : 033-2248-2391/2/3
Fax : 033-2248-9382
Website : www.dil-india.com
E-mail : secretary@dil-india.com

DEEPAK INDUSTRIES LIMITED

CIN : L63022WB1954PLC021638

Regd. Office : 16, Hare Street, Kolkata-700 001

Phone No.033-2248-2391/2/3 Fax No. 033-2243-9382

Website: www.dil-india.com Email: secretary@dil-india.com

NOTICE

Notice is hereby given that 62nd Annual General Meeting of the shareholders of the Deepak Industries Limited will be held at 16, Hare Street, 2nd Floor, Kolkata-700 001 on Thursday, the 10th August, 2017 at 1.00 P.M. to transact the following business:-

Ordinary Business:

1. To receive consider and adopt the Audited Balance Sheet of the Company as at 31st March, 2017 and the statement of profit and loss for the year ended on that date together with the reports of the Board of Directors and Auditors of the Company thereon.
2. To appoint a director in place of Shri Pradip Kumar Daga (Holding DIN No.00040692) who retires by rotation and being eligible offers himself for re-appointment.
3. "RESOLVED THAT pursuant to the provisions of Sections 139, 141 and 142 and other applicable provisions, if any, of the Companies Act, 2013 and the Companies (Audit and Auditors) Rules, 2014, (including any statutory modification(s) or re-enactment thereof, for the time being in force), M/s. Lodha & Co., Chartered Accountants (Firm's Registration No. 302049E) be and is hereby appointed as statutory Auditors of the Company to hold office for a term of five consecutive years from the conclusion of this Annual General Meeting till the conclusion of 6th Annual General Meeting of the Company held thereafter, subject to ratification of their appointment by the Members at every Annual General Meeting in each of the subsequent years during the aforesaid term of their appointment at such remuneration as may be mutually agreed between the Board of Directors of the Company and the Statutory Auditors."

Special Business :

4. To consider and if thought fit to pass the following resolution as an ordinary resolution:
"RESOLVED THAT pursuant to section 148(3) and all other provisions of the Companies Act, 2013 and read with rule 14 of the Companies (Audit and Auditors) Rules 2014, the remuneration of the Cost Auditors M/s. SPK Associates, Cost Accountants, Kolkata (Firm's Registration No. 000040) for conducting the audit of the cost records of the company for the year 2016-17 determined by the Board of Directors of the Company at Rs 50,000/-

(apart from service tax including cess as applicable and out of pocket expenses) be and is hereby approved and ratified."

5. To consider and if thought fit to pass the following resolution as an Special resolution:

Resolved that pursuant to the provision of regulation 31A of SEBI(LODR)Regulations, 2015 read with applicable SEBI Laws and Regulations and applicable provisions contained in the Companies Act, 2013 and rules made there under and all other applicable laws and rules, and upon approval of Calcutta Stock Exchange Limited, M/s. Contransys Private Limited and Shri Shantanu Daga, who while holding shares in the Company were classified as Promoters/Promoters group in the shareholding pattern of the Company as per regulation 31 of the SEBI(LODR) Regulations, 2015 and have since disposed their entire holdings in the Company be removed from the promoter/promoters group of the Company for all future times.

Resolved further that Shri Anand Prasad Agarwalla, Director and Shri Vithal Das Mall, Company Secretary of the Company be and are hereby severally authorised to do all necessary acts, things and matter as they may think fit and expedient in the matter and to resolve and settle any difficulty that may arise in the implementation of this resolution.

By Order of the Board

Place: Kolkata
Date : 30th May, 2017

V D MALL
Company Secretary

NOTES

1. **A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY/ PROXIES TO ATTEND AND VOTE INSTEAD OF HIMSELF/HERSELF. SUCH A PROXY/ PROXIES NEED NOT BE A MEMBER OF THE COMPANY.** A person can act as proxy on behalf of members not exceeding fifty (50) and holding in the aggregate not more than ten percent of the total share capital of the Company carrying voting rights. A person holding more than 10% of the total share capital of the company carrying voting rights may appoint a

single person as proxy and such person can not act a proxy for any person or shareholder.

The instrument of Proxy in order to be effective, should be deposited at the Registered Office of the Company, duly completed and signed, not less than 48 hours before the commencement of the meeting. A Proxy form is sent herewith. Proxies submitted on behalf of the companies, societies etc., must be supported by an appropriate resolution/authority, as applicable.

2. The Explanatory Statement pursuant to Section 102 of the Companies Act, 2013, which sets out details relating to Special Business at the meeting, is annexed hereto.
3. The Register of Members and the Share Transfer books of the Company will remain closed from 07/08/2017 to 10/08/2017 (date of AGM) (both days inclusive) for annual closing.
4. Company has appointed M/S Maheshwari Datamatics Private Limited, 23, R N Mukherjee Road, 5th Floor, Kolkata – 700 001, as its Registrar and Transfer Agents (RTA) for both physical and demat segment of equity shares. Members are requested to send all their correspondence at the above address of RTA. For any communication, the shareholders may also send requests to email ids: mdpldc@yahoo.com and secretary@dil-india.com.
5. Members holding shares in the same name under different Ledger Folios are requested to apply for consolidation of such Folios and send relevant share certificates to the above referred Registrar for doing the needful.
6. Members are requested to notify change in address, if any, immediately to the above referred Registrar quoting their Folio numbers.
7. To prevent fraudulent transactions, members are advised to exercise due diligence and notify the Company of any change in address or demise of any member as soon as possible. Members are also advised not to leave their demat account(s) dormant for long. Periodic statement of holdings should be obtained from the concerned Depository Participant and holdings should be verified.
8. In terms of circulars issued by The Securities and Exchange Board of India (SEBI), it is now mandatory to furnish a copy of Permanent Account Number Card (PAN Card) to the company or its Registrars and Transfer Agents in cases of Transfer of shares, Deletion of name, Transmission of shares and Transposition of shares. Shareholders are requested to furnish copy of PAN Card for all the above mentioned transactions.
9. Details under SEBI (LODR) Regulations, 2015 in respect of the Directors seeking appointment/re-appointment at the Annual General Meeting forms integral part of the notice. The Directors have furnished the requisite declarations for their appointment/re-appointment.
10. Electronic copy of the Annual Report for 2016-17 is being sent to all the members whose email IDs are registered with the Company/Depository Participants(s) for communication purposes unless any member has requested for a physical copy of the same. For members who have not registered their email addresses, physical copy of the Annual Report for 2016-2017 is being sent in the permitted mode.
11. In future, Electronic copy of the Notice of the General Meetings of the Company inter alia indicating the process and manner of e-voting along with Attendance Slip and Proxy Form is being sent to all the members whose email IDs are registered with the Company/Depository Participants(s) for communication purposes unless any member has requested for a physical copy of the same. For members who have not registered their email address, physical copies of the Notice of the Annual General Meeting of the Company inter alia indicating the process and manner of e-voting along with Attendance Slip and Proxy Form is being sent in the permitted mode.
12. Members may also note that the Notice of the Annual General Meeting and the Annual Report for 2016-17 will also be available on the Company's website www.dil-india.com for their download. The physical copies of the aforesaid documents will also be available at the Company's Registered Office for inspection during normal business hours on working days. Even after registering for e-communication, members are entitled to receive such communication in physical form, upon making a request for the same, by post free of cost.
13. Documents referred to in the accompanying Notice and the Explanatory Statement shall be open for inspection at the Registered Office of the Company during normal business hours (11.00 am to 5.00 pm) on all working days except Saturdays upto and including the date of the Annual General Meeting of the Company.
14. Institutional Members/Bodies Corporate (i.e, other than individuals, HUF, NRI etc.) are required to send scanned copy (PDF/JPG Format) of the relevant Board Resolution /Attorney letter etc. together with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote through

e-mail at secretary@dil-india.com with a copy marked to helpdesk.evoting@cdslindia.com on or before 09/08/2017 up to 5.00 P.M. without which the vote shall not be treated as valid.

15. The Company has connectivity with both NSDL and CDSL under ISIN No INE485J01016

VOTING THROUGH ELECTRONIC MEANS

Pursuant to Section 108 of the Companies Act, 2013 read with rule 20 of the Companies (Management and Administration) Rules, 2014, as amended by the Companies (Management and Administration) Amendment Rules, 2015, the Company is pleased to provide its members the facility of "remote (e-voting from a place other than the venue at AGM) to exercise their right to vote at the AGM by electronic means. The business may be transacted through e-voting services rendered by Central Depository Services (India) Limited (CDSL)

The facility of voting through ballot /Polling paper shall also be made available at the venue of the AGM. Only those members attending the meeting, who have not already cast their vote through remote e-voting shall be able to exercise their voting rights at the meeting. The members who have already cast their vote through remote e-voting may attend the meeting but shall not be able to cast their vote again at the AGM.

The Company has appointed Shri Pravin Kumar Drolia, Practising Company Secretary (Certificate of Practice No. 1362) as the Scrutinizer to scrutinize for conducting the remote e-voting and the voting process at the AGM in a fair and transparent

manner the e-voting process in a fair and transparent manner.

The instructions for shareholders voting electronically are as under :

- (i) The remote E-voting period begins on 07/08/2017 at 9.00 A.M. and ends on 09/08/2017 at 5.00 P.M. During this period, shareholders of the Company holding shares either in physical form or in dematerialized form, as on the cut-off date (record date) of 03/08/2017, may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting after 5.00 P M on 09/08/2017.
- (ii) The shareholders should log on to the e-voting website www.evotingindia.com.
- (iii) Click on "Shareholders" tab.
- (iv) Now Enter your User ID
 - a. For CDSL : 16 digits beneficiary ID,
 - b. For NSDL : 8 Character DP ID followed by 8 Digits Client ID,
 - c. Members holding shares in Physical Form should enter Folio Number registered with the Company, excluding the special characters.
- (v) Next enter the Image Verification as displayed and Click on Login.
- (vi) If you are holding shares in demat form and had logged on to www.evotingindia.com and voted on an earlier voting of any company, then your existing password is to be used.
- (vii) If you are a first time user follow the steps given below :

	For Members holding shares in Demat Form and Physical Form
PAN	Enter your 10 digit alpha-numeric * PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders) <ul style="list-style-type: none"> • Members who have not updated their PAN with the Company/Depository Participant are requested to use the first two characters of their name and the eight digit sequence number in the PAN field. • In case the sequence number is less than 8 digits enter the applicable number of 0's before the number after the first two characters in CAPITAL letters. Eg. if your name is Ramesh Kumar with sequence number 1 then enter RA00000001 in the PAN field.
DOB	Enter the Date of Birth as recorded in your demat account or in the company records for the said demat account or folio in dd/mm/yyyy format.
Dividend Bank Details	Enter the Dividend Bank Details as recorded in your demat account or in the company records for the said demat account or folio. Please enter the DOB or Dividend Bank Details in order to login. If both details are not recorded with the depository or company please enter the member id/folio number in the Dividend Bank details field .as mentioned in instruction (vii)

- (viii) After entering these details appropriately, click on "SUBMIT" tab.
- (ix) Members holding shares in physical form will then directly reach the Company selection screen. However, members holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- (x) For Members holding shares in physical form, the details can be used only for e voting on the resolutions contained in this Notice.
- (xi) Click on the EVSN for the relevant "Deepak Industries Limited" on which you choose to vote.
- (xii) On the voting page, you will see "RESOLUTION DESCRIPTION" and against the same the option "YES/NO" for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option No implies that you dissent to the Resolution.
- (xiii) Click on the "RESOLUTION FILE LINK" if you wish to view the entire Resolution details.
- (xiv) After selecting the resolution you have decided to vote on, click on "SUBMIT" A confirmation box will be displayed. If you wish to confirm your vote, click on "OK" else to change your vote, click on "CANCEL" and accordingly modify your vote.
- (xv) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.
- (xvi) You can also take out print of the voting done by you by clicking on "Click here to print" option on the Voting page.
- (xvii) If Demat account holder has forgotten the same password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
- (xviii) Shareholders can also cast their vote using CDSL's mobile app m-Voting available for android based mobiles. The m-Voting app can be downloaded from Google Play Store. Apple and Windows phone users can download the app from the App Store and the Windows Phone Store respectively on or after 30th June 2016. Please follow the instructions as prompted by the mobile app while voting on your mobile.
- (xix) Shareholders can also cast their vote using CDSL's mobile app m-Voting available for android based mobiles. The m-Voting app can be downloaded from Google Play Store. Apple and Windows phone users can download the app from the App Store and the Windows Phone Store respectively on or after 30th June 2016. Please follow the instructions as prompted by the mobile app while voting on your mobile.
- (xx) Note for Institutional Shareholders :
- Institutional shareholders (i.e. other than Individuals, HUF,NRI etc.) are required to log on to <https://www.evotingindia.com> and register themselves as Corporates.
 - A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to helpdesk.evoting@cdslindia.com.
 - After receiving the login details they have to create compliance user using the admin login and password. The Compliance user would be able to link the account(s) for which they wish to vote on.
 - The list of accounts should be mailed to helpdesk.evoting@cdslindia.com and on approval of the accounts they would be able to cast their vote.
 - A scanned copy of the Board Resolution and Power of Attorney(POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.
- (xxi) In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions ("FAQs") and e-voting manual available at www.evotingindia.com under help section or write an email to helpdesk.evoting@cdslindia.com.
- (xxii) The Scrutinizer will submit his report on 11/08/2017 before 12.30 P M and the result will be announced on 11/08/2017 before 2.00 P.M. by any Director. The result will be placed on the website of the Company www.dil-india.com and the website of CDSL and communicated to The Calcutta Stock Exchange Limited where the equity shares of the Company are listed.

ANNEXURE TO THE NOTICE**EXPLANATORY STATEMENT PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013.****Relating to item No. 4**

Under the provisions of section 148(3) of the Companies Act, 2013 read with rule 14 of the Cos (Audit & Auditors) rules, 2014 the remuneration of the cost auditors is required to be ratified by the shareholders of the Company and your directors recommend the resolutions for approval of the members by Ordinary resolutions.

None of the Directors and Key Management Personnel of the Company and their relatives is concerned or interested in this resolution financially or otherwise.

Relating to item No.5

M/s. Contransys Private Limited and Shri Shantanu Daga while holding equity shares in the Company were classified as Promoters/Promoters group in the shareholding pattern of the Company and have since disposed their entire shareholding in the Company are proposed to be removed from the promoters and promoters group in the Company for all future times.

As per the regulation 31A of SEBI(LODR), 2015, removal of the name from the promoters and promoters group requires the approval of the shareholders and also approval of the Calcutta Stock Exchange Limited on which the equity shares of the Company is listed. The Board recommend the resolution for approval of the shareholders by special resolution

None of the directors and KMPs and their relatives except Shri Pradip Kumar Daga and Shri Yashwant Kumar Daga, directors including the above erstwhile shareholders of the Company and their relative are deemed to be interested in the resolution financially and otherwise.

By Order of the Board

Place: Kolkata
Date : 30th May, 2017

V D MALL
Company Secretary

Information required to be furnished under SEBI (LODR), 2015 in respect of the Appointment/Re-appointment of the Directors

Name of the Director	Shri Pradip Kumar Daga
Date of Birth	24.04.1937
Date of Appointment	16.12.2008
Qualification	B. Com. , (Hons)
Experience in specific functional areas	Tea, Spinning, Engineering and Solar and Hydro Power
Directorship in other Companies	1) Longview Tea Company Limited 2) Century Textiles & Industries Limited 3) Deepak Gears Ltd 4) Deepak Spinners Limited
Chairmanship / Membership/of Committees of Other Public Companies (Only Audit Committee and Stakeholders Relationship Committee considered)	Longview Tea Company Limited-Member of Audit committee. Century Textiles Industries Ltd-Member of Audit and Stakeholders Relationship Committee
Shareholding in the Company	207700
Relationship with other directors	Father of Shri Yashwant Kumar Daga, VCJMD

BOARD'S REPORT

TO THE MEMBERS

The Directors have pleasure in submitting their Annual report on the business and operations of the Company along with the Audited Statement of Accounts for the year ended 31st March, 2017.

1. FINANCIAL RESULTS

Financial Results of the Company for the year under review year are as follows:—

Particulars	₹ in Lakhs 31st March, 2017
Profit before Finance Cost, depreciation and amortization & Tax	5953.36
Less : Finance Cost	1233.63
Depreciation and Amortization	2173.57
Profit before Tax	2546.36
Current Tax	1021.95
Taxation related to earlier years	—
Deferred Tax	(113.66)
Total Tax	908.29
Profit for the year after tax carried forward to Balance sheet	1638.07
Basic and diluted earnings per share (₹)	32.40

DIVIDEND

In order to preserve resources of the Company the Board of directors of the Company have not proposed any dividend for the year 2016-17.

REVIEW OF OPERATIONS

Revenues with other income for financial year ended 31st March, 2017 stood at ₹ 33892.30 lakhs, profit before finance cost, depreciation and amortization, and tax, ₹5953.36 lakhs, and profit after tax for the year was ₹1638.07 lakhs.

During the year under review, the demand for industrial and agri machinery was generally subdued in view of lower capex by most heavy engineering, steel, power, cement, infra sector and Tractors coupled with the demonetization effect for more than 3 months. The replacement market was also not very encouraging. There has been cut throat competition in industrial gears segment which affected the production and realization substantially eroding profitability in this segment. The Automobile gears segment of the company performed reasonably well despite poor demand. It is expected that the demand in the Automobile gears and tractor segment will revive in the near future for expectation of good monsoon and government initiatives.

Generation from solar power plant was satisfactory.

ISSUE OF CAPITAL

There has been no issue of capital by the Company during the year.

DIRECTORS

During the year, Shri Suresh Chand Mohta, independent director resigned from the directorship of the company and the vacancy caused by his resignation has not been filled. However, the Committees in which he was either a Chairman or member have been reconstituted by the appointment of Smt Meera Dokania, another independent director.

Shri Pradip Kumar Daga, CMD, is liable to retire by rotation and being eligible offers himself for re-appointment. Your Directors recommend his re-appointment.

BOARD EVALUATION

Pursuant to the Provisions of the Companies Act, 2013 the Board has carried out an annual evaluation of its own performance, the directors individually, and that of its committees. At the meeting of the Board all the relevant factors that were material for evaluating the performance were discussed in detail.

The Independent directors of the Company in its separate meeting reviewed the performance of the Non-independent directors, the Board as a whole, and performance of the chairman of the company taking into account the views of the executive directors and non-executive directors and assessed the quality, quantity and timeliness of flow of information between the Company management and the Board that is necessary for the Board to effectively and reasonably perform its duties.

As per the requirement of the Companies Act, 2013 and

regulation 17(10) of SEBI(LODR) Regulations, 2015, the performance evaluation of Independent directors was done by the entire Board of Directors as per the procedure.

BOARD MEETINGS

During the year five Board meetings were held. The details thereof are given in the Corporate Governance Report. The intervening gap between the Meetings was within the period prescribed under the Companies Act, 2013.

AUDITORS AND THEIR REPORT

M/s. Singhi & Co., Chartered Accountants (Firm Registration No. 302049E) , Kolkata , Statutory Auditors retire at the forthcoming Annual General Meeting of the company and they are not eligible for re-appointment under section 139 of the Companies Act, 2013 read with rule 6 of the Companies (Audit and Auditors) Rules, 2014. In their place, the audit committee and Board has recommended the appointment of M/s Lodha & Co., Chartered Accountant (Firm's registration No.302049E) for a term of five years from the conclusion of ensuing Annual General Meeting till the conclusion of the 6th Annual General Meeting held thereafter and they have given a certificate that they are eligible for appointment as Statutory Auditors under section 141 of the Companies Act, 2013 and rules framed thereunder for their being appointed as Statutory Auditors of the Company, if appointed, subject to ratification by the shareholders at every Annual General Meeting during the said period of five years.

M/s. Salarpuria Jajodia & Co., Chartered Accountants (Firm's Registration No. 302111E) who are the Branch Auditors of the Company retire at the forthcoming Annual General Meeting of the Company. The audit of the Branches shall now be done by the said Statutory Auditors.

The Board recommends their appointment in the forthcoming annual general meeting of the Company.

The Auditors' Report to the Shareholders does not contain any reservations, qualification or adverse remarks.

COST AUDITORS AND THEIR REPORT

Pursuant to the directives of the Central Government under the provisions of 148 of the Companies Act, 2013 M/s. SPK Associates, Cost Accountants, (Firm Registration No.000040) Kolkata, has been appointed to conduct the cost audit relating to the eligible products under central excise tariff 8483.manufactured by the Company and solar power generation for the year 2017-18. The Company has received a certificate from the cost auditors to the effect that their appointment is in accordance with the provisions of section 141 of the Companies Act, 2013.

The Company has already filed the Cost Audit report for the financial year 2015-16 on 09/09/2016 within the due date of 11/09/2016 with the Central government and Cost Audit for the year 2016-17 is under progress.

SECRETARIAL AUDIT AND THE APPOINTMENT OF THE SECRETARIAL AUDITORS

The Company has appointed Pravin Kumar Drolia, Practising Company Secretaries (C P No. 1362) to hold the office of the Secretarial Auditors and to conduct the Secretarial Audit for the year 2017-18. Secretarial Audit Report for the year 2016-17 from Binay Kumar Pandey Company Secretary is being annexed with this report as **Annexure-I**. The Secretarial Audit report does not contain any reservation, qualification or adverse remark.

AUDIT COMMITTEE, VIGIL MECHANISM, AND RISK MANAGEMENT

The Audit Committee of the Company has been duly constituted by Board. The Committee presently comprises Shri Anand Prasad Agarwalla, as Chairman, Shri Yashwant Kumar Daga and Smt Meera Dokania as members. Shri Suresh Chand Mohta ceased to be member of the committee upon his resignation from the Board. The Company Secretary is the Secretary of the Committee. During the year, there were no instances where the Board had not accepted the recommendations of the Audit Committee.

The company has duly established a vigil mechanism and the details of the vigil mechanism are also available on the Company's website www.dil-india.com in the Investors Relation section.

The Audit Committee has also been delegated with the responsibility for monitoring and reviewing risk management, assessment and minimization procedures, developing, implementing and monitoring the risk management plan and identifying, reviewing and mitigating all elements of risk which the Company may be exposed to. A risk matrix has been adopted and approved by the Board on the recommendation of the Audit Committee for observation by the executives of the Company. The unit heads certify the adherence of the risk management policy on quarterly basis to the Audit Committee and the Board.

DEPOSITS

The Company has not accepted any Deposit from the members or the general Public during the year. There are no outstanding deposits in terms of Companies (Acceptance of Deposits) Rules, 2014.

DIRECTORS' RESPONSIBILITY STATEMENT

In accordance with the provisions of section 134(5) the Board confirms and submits the Directors' Responsibility Statement :—

- (a) in the preparation of the annual accounts, the applicable accounting standards have been followed along with proper explanation relating to material departures;

- (b) 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 at the end of the financial year and of the profit and loss of the company for that period;
- (c) the directors have taken proper and sufficient care for the 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 fraud and other irregularities;
- (d) the directors have prepared the annual accounts on a going concern basis;
- (e) the directors have laid down internal financial controls to be followed by the company and that such internal financial controls are adequate and were operating effectively; and
- (f) the directors have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

KEY MANAGERIAL PERSONNEL

Shri Maneesh Khanna, Chief Financial Officer, Shri Vithal Das Mall, company Secretary Shri Yashwant Kumar Daga, Vice-Chairman-cum-Joint Managing Director and Shri Pradip Kumar Daga, Chairman-cum-Managing Director are Key Managerial Personnel of the Company. There was no change in the Key Managerial Personnel during the year. However, Shri Pradip Kumar Daga, Chairman-cum-Managing Director who is also Chairman-cum-Managing Director of Deepak Spinners Limited upon drawing his remuneration for the said company ceased to draw any remuneration from the Company with effect from 1st July, 2016.

CORPORATE GOVERNANCE

Your Company is committed to good Corporate Governance Practices and following the guidelines prescribed by the SEBI and Stock Exchanges from time to time, the Company has implemented all of its major stipulations as applicable to the Company. The report on the Corporate Governance for the year 2016-17 and Practicing Company Certificate thereon are annexed as **Annexure-II** to and form part of this Report.

CORPORATE SOCIAL RESPONSIBILITY

The Company has constituted corporate social responsibility committee and the present members of the committee are Shri Pradip Kumar Daga, CMD, Shri Anand Prasad Agarwalla and Shri Sujit Chakravorti, as members. The Company is committed to discharging its social responsibility as a good corporate citizen. However, no programme for the same could be undertaken by the

Company in this respect due to certain clarification on methodological working for the same through Trust and in collaboration with other company etc. The CSR policy has been framed and hosted on the website of the Company www.dil-india.com in the Investors Relation section. Annual report on the CSR activities as per the prescribed format is annexed as **Annexure-III** and forms part of the report.

NOMINATION AND REMUNERATION COMMITTEE

A Nomination and Remuneration Committee has been constituted and presently the members of the Committee are Shri Anand Prasad Agarwalla, as Chairman, Shri Sujit Chakravorti and Smt Meera Dokania as Members. Shri Suresh Chand Mohta ceased to be member of the committee upon his resignation from the Board. The Company's Remuneration Policy is annexed as **Annexure-IV** and forms part of this report.

RELATED PARTY TRANSACTIONS

All transaction entered into with related parties as defined under the Companies Act, 2013 and/SEBI(LODR) Regulations, 2015 during the financial year were in the ordinary course of business and on an arm's length pricing basis and do not attract the provisions of the Section 188 of the Companies Act, 2013. There were no materially significant transactions with the related parties during the financial year which were in conflict with the interest of the Company and hence form AOC-2 is not required. Suitable disclosure as required by the Accounting standard (As 18) has been made in the notes to the Financial Statement.

All Related Party Transactions are placed before the Audit Committee and the Board for approval. Prior omnibus approval of the Audit Committee is obtained for the transactions which are of a foreseen and repetitive nature and also for unforeseen transactions. The transactions entered into pursuant to the omnibus approval so granted are audited and a statement giving details of all related party transactions is placed before the Audit Committee and the Board on a quarterly basis.

The Policy of the Related Party Transactions as approved by the Board is uploaded on the Company's website www.dil-india.com in the Investors Relation section.

None of the Directors and Senior Management Personnel had any pecuniary relationship or transactions vis-à-vis the Company.

Shri Anand Prasad Agarwalla, Independent Director of the company is an advocate and provides legal services required by the Company from time to time. The transactions with the said director and his advocate son for legal services are on arm's length basis and in the ordinary course of business.

SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE

REGULATORS OR COURTS

There are no significant and material orders passed by the Regulators/Courts which would impact the going concern status of the Company and its future operations.

DECLARATION BY INDEPENDENT DIRECTORS

Necessary declarations have been obtained from all the Independent Directors under sub-section (6) of Section 149 of the Companies Act, 2013.

LOANS AND INVESTMENTS

The company has not given any loan and Investments made by the Company is stated in the Financial statement of the company.

INTERNAL FINANCIAL CONTROL

The Company has in place internal financial control systems, commensurate with the size and complexity of its operation to ensure proper recording of financial and operational information and compliance of various internal controls and other regulatory and statutory compliances. The internal auditor monitors and evaluates the efficacy and adequacy of internal control systems in the Company. Based on the report of the internal auditor, respective departments undertake corrective actions in their respective areas and thereby strengthen the controls.

PARTICULARS OF EMPLOYEES

Disclosure pursuant to Rule 5(1) of the Companies (Appointment & Remuneration of Managerial Personnel) Rules, 2014 is annexed as Annexure-V and forms part of this report. There is no employee in the Company drawing remuneration as prescribed under Rule 5(2) of the Companies (Appointment & Remuneration of Managerial Personnel) Rules, 2014.

The Company has not received any complaint under 'Sexual harassment of Women at work place (Prohibition, Prevention and Redressal) Act, 2013 during the year.

MANAGEMENT DISCUSSION AND ANALYSIS

A Management discussion and Analysis as required under the SEBI (LODR) Regulations, 2015 is annexed as **Annexure-VI** and forms part of this Report.

CONSERVATION OF ENERGY, RESEARCH AND DEVELOPMENT, TECHNOLOGY ABSORPTIONS AND FOREIGN EXCHANGE EARNINGS AND OUTGO

The information pertaining to conservation of energy, technology absorption, foreign exchange earnings and outgo, as required under the Companies Act, 2013, read with the Companies (Accounts) Rules 2014 is annexed as **Annexure-VII** and forms part of this Report.

ABSTRACT OF THE ANNUAL RETURN

The Abstract of the Annual Return for the year ended 31/03/2017 is annexed as **Annexure-VIII** with this Report.

CASH FLOW ANALYSIS

In conformity with the provisions of the Companies Act, 2015, the Cash Flow Statement for the year ended 31/03/2017 is annexed with the accounts.

PERSONNEL

The Company continued to have cordial relations with its employees.

ACKNOWLEDGEMENT

Your Directors place on record their appreciation for the overwhelming co-operation and assistance received from Investors, customers, business associates, bankers, vendors, as well as regulatory and governmental authorities. Your Directors also thank the employees at all levels, who, through their dedication, co-operation, support and smart work have enabled the Company to achieve growth.

CAUTIONARY STATEMENT

Statements in the Board Report and Management Discussion & Analysis describing the Company's objectives, expectations or forecasts may be forward-looking within the meaning of the applicable securities laws and regulations. Actual results may differ materially from those expressed in the statement. Important factors that could influence the Company's operations include global and domestic demand and supply conditions affecting selling prices of finished goods, input availability and prices, changes in government regulations, tax laws, economic developments within the country and other factors such as litigation and industrial relations.

For and on behalf of the Board

Pradip Kumar Daga (DIN : 00040692)
Chairman-cum-Managing Director

Yashwant Kumar Daga (DIN : 00040632)
Vice Chairman-cum-Joint Managing Director

Sujit Chakravorti (DIN : 00066344)

Anand Prasad Agarwalla (DIN : 003122652)

Meera Dokania (DIN : 07094376)
Directors

Place : Kolkata

Dated : 30/05/2017

CS BINAY KUMAR PANDEY
Practising Company Secretary

M/s. B K P & ASSOCIATES
Company Secretaries
72/1, Topsia Road South
Kolkata - 700 046

To,
The Members,
Deepak Industries Limited
16, Hare Street,
Kolkata 700 001

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 processes 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. Wherever 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 verification of procedures on test basis.
6. The secretarial Audit report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

For **B K P & ASSOCIATES**
Company Secretaries

(CS Binay Kumar Pandey, ACS)
Membership No. 32458
C.P. No. 12074

Place : Kolkata
Dated : May 30, 2017.

SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED 31ST MARCH, 2017

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

To,
The Members,
Deepak Industries Limited
16, Hare Street,
Kolkata 700 001

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by Deepak Industries Limited. Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory practices and expressing our opinion thereon.

Based on our verification of the Deepak Industries Limited'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 representative during the conduct of secretarial audit, we hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on 31st March, 2017 complied with the statutory provisions listed hereunder and also 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 31st 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 import and export of goods and services;
- (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, 1992;
 - (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;
 - (d) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015;
 - (e) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998;
 - (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;

The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 (SEBI Act) are not applicable to the Company for the financial year ended March 31, 2016.

- a) The Securities and Exchange Board of India (Employee Stock Option and Employee Stock Purchase Scheme) Guidelines, 1999;
- b) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;
- c) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009;

(vi) Other laws as mentioned in the Annexure attached herewith and as may be applicable to the company.

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

- (a) Secretarial Standards issued by the Institute of Company Secretaries of India.
- (b) The Listing Agreements entered into by the Company with the Calcutta Stock Exchange Limited;

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 and Independent Directors. The Company has a woman director on its Board. 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 sent at least seven days in advance 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 are captured and recorded as part of the minutes. We have however not observed any dissenting member's views.

We further report that there are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

We further report that during the audit period the Company has –

- (a) not allotted any share or other securities during the period.
- (b) not altered the provisions of the Memorandum of Association or the Articles of Association.
- (c) not taken any major decision at the last Annual General Meeting held in the year 2016.
- (d) no merger / amalgamation / reconstruction etc.
- (e) no foreign technical collaborations.
- (f) constituted an Internal Complaints Committee in compliance of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013, during the period.

For **B K P & ASSOCIATES**
Company Secretaries

(CS Binay Kumar Pandey, ACS)

Membership No. 32458

C.P. No. 12074

Place : Kolkata

Dated : May 30, 2017.

Annexure**LIST OF OTHER APPLICABLE LAWS**

1. Air (Prevention and Control of Pollution) Act, 1981
2. Apprentices Act, 1961
3. Consumer Protection Act, 1986
4. Indian Contract Act, 1872
5. Employees' Provident Funds and Miscellaneous Provisions Act, 1952
6. Employees' State Insurance Act, 1948
7. Environment Protection Act, 1986
8. Factories Act, 1948
9. Industrial Disputes Act, 1947
10. Industrial Employment (Standing Orders) Act, 1946
11. Industries (Development and Regulation) Act, 1951
12. Maternity Benefit Act, 1961
13. Minimum Wages Act, 1948.
14. Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013
15. Negotiable Instruments Act, 1881
16. Payment of Bonus Act, 1965
17. Payment of Gratuity Act, 1972
18. Payment of Wages Act, 1936
19. Registration Act, 1908
20. Sale of Goods Act, 1930
21. Water (Prevention and Control of Pollution) Act, 1974
22. Workmen's Compensation Act, 1923
23. Income-Tax Act, 1961
24. The Companies Act, 2013
25. The Central Excise Act, 1944
26. The Customs Act, 1962
27. The Motor Vehicles Act, 1988
28. Boiler Act, 1923
29. Shops and Establishment Act, VAT Act, Entry Tax Act, Profession Tax Act, and other Commercial Acts of respective states.

REPORT ON THE CORPORATE GOVERNANCE

FOR THE YEAR ENDED 31ST MARCH, 2017

COMPANY'S PHILOSOPHY ON CODE OF CORPORATE GOVERNANCE

As a corporate policy, your Company believes in transparency and good Corporate Governance practice.

(I) BOARD OF DIRECTORS

COMPOSITION, OUTSIDE DIRECTORSHIPS, AND ATTENDANCE AT THE BOARD MEETING

As on 31/03/2017, the Board of the Company comprises of an Executive Chairman and Executive Vice Chairman and more than fifty percent of the Directors being independent Directors.

Name of Director	Category	Directorship in other Companies*		No of Committees Membership(s)/Chairmanship(s) in Board Committees of other Companies@		No of Shares held in the Company
		As a Director	As a Chairman/ Chairman cum Managing Director*	As a Member	As a Chairman	
Shri Pradip Kumar Daga, Chairman-cum-Managing Director	Promoter Non-Independent and Executive Director	3	1 (Chairman-Cum-Managing Director)	3	Nil	207700
Shri Yashwant Kumar Daga, Vice Chairman-cm-Joint Managing Director	Promoter Non-Independent and Executive Director	11	Nil	6	1	513313
Shri Sujit Chakravorti	Independent Non-Executive Director	3	2 (Chairman)	0	3	Nil
Shri Anand Prasad Agarwalla	Independent Non-Executive Director	Nil	Nil	Nil	Nil	Nil
Shri Suresh Chand Mohta (Resigned on 24/08/2016)	Independent Non-Executive Director	Nil	Nil	Nil	Nil	Nil
Smt Meera Dokania	Independent and Non-Executive Director	Nil	Nil	Nil	Nil	Nil

* Excludes alternate Directorship, Directorship in foreign Companies and Companies formed under section 8 of the Companies Act, 2013.

@ Committee positions only of Audit Committee and Stakeholders Relationship Committee in Listed Public Companies have been considered.

Membership of the directors in various Committees are within the permissible limits of the Listing Agreements.

Shri Yashwant Kumar Daga is son of Shri Pradip Kumar Daga.

BOARD MEETINGS

Dates for the Board meeting are decided well in advance and communicated to the Directors. The Agenda along with the notes are sent at least seven days in advance to the each Board Members.

The Board of Directors met five times during the year respectively on 28/05/2016, 10/08/2016, 14/11/2016, 19/12/2016 and 13/02/2017.

Name of the Director	No. of Board Meeting Attended	Attended last AGM
Shri Pradip Kumar Daga	3	Yes
Shri Yashwant Kumar Daga	5	Yes
Shri Sujit Chakravorti	5	Yes
Shri Anand Prasad Agarwalla	5	Yes
Shri Suresh Chand Mohta (Resigned on 24/08/2016)	2	N A
Smt Meera Dokania	5	Yes

Shareholding of the non-executive Directors in the Company as on 31st March, 2017:-

Name of the Director	No of equity shares held as on 31st March, 2017
Shri Sujit Chakravorti	Nil
Shri Anand Prasad Agarwalla	Nil
Shri Suresh Chand Mohta (Upto 24/08/2016)	Nil
Smt Meera Dokania	Nil

The information as required under Schedule-II of SEBI (LODR), Regulations, 2015 being made available to the Board. The Board periodically reviews compliance Report of all laws applicable to the Company. Steps are taken by the Company to rectify instances of non-compliance , if any.

The Company has adopted Code of Conduct and Ethics for Directors and Senior Management Personnel of the Company. The said code of conduct is available on the website of company in the Investors Relations section. The Company has received confirmations from the Directors as well as Senior Management Personnel regarding Compliance of Code of Conduct and Ethics during the year under review. In addition to this a separate code of conduct for dealing in equity shares in the Company is also in place and has been complied with.

Shri Pradit Kumar Daga, Chairman-cum-Managing Director has given a certificate to the Board of Directors in pursuance of SEBI(LODR) Regulations, 2015.

DECLARATION BY THE CEO UNDER SEBI(LODR) REGULATIONS, 2015 REGARDING ADHERENCE OF THE CODE OF CONDUCT.

In accordance with SEBI(LODR) Regulations 2015, I hereby confirm that all the Directors and the Senior Management personnel of Deepak Industries Limited have affirmed compliance to Code of Conduct and Ethics framed by the Company for the Financial Year ended 31.03.2017.

Kolkata, 30/05/2017.

Pradip Kumar Daga
Chairman-cum-Managing Director

(II) AUDIT COMMITTEE

The Audit Committee comprises of three Directors, namely Shri Anand Prasad Agarwalla, Chairman, Shri Yashwant Kumar Daga, VCJMD and Shri Suresh Chand Mohta (upto 24/08/2016) and Smt Meera Dokania (w.e.f. 29/09/2016), as Members. The Members have adequate knowledge of accounts and financial matters. The Secretary of the Company acts as a Secretary of the Committee.

The terms of reference of the Audit Committee are in conformity with the requirements with the Stock Exchange /SEBI(LODR) Regulations, 2015 and the Companies Act, 2013. The audit committee inter-alia reviews annual and quarterly financial statements, accounting policies, system of internal controls, reports of internal auditors, Related party transactions, recommend the appointment of statutory auditors, internal auditors, appointment of Chief Financial Officer, and ensuring of compliance with stock exchanges and other legal requirements.

The Audit Committee met four times during the year respectively on 28/05/2016, 10/08/2016, 14/11/2016 and 13/02/2017. The attendance of each members of the committee is given below. Statutory and Internal Auditors also try to attend the Meeting on the invitation of the Chairman of the meeting.

Name of the Member	No of Meetings held	No of Meetings attended
Shri A.P. Agarwalla	4	4
Shri Yashwant Kumar Daga	4	4
Shri Suresh Chand Mohta (upto 24/08/2016)	2 (upto the date of his tenure)	2
Smt Meera Dokania (wef 29/09/2016)	2 (from the date of her becoming member)	2

(III) NOMINATION AND REMUNERATION COMMITTEE

The Nomination and Remuneration Committee comprises of three Directors, namely Shri Anand Prasad Agarwalla, Chairman, Shri Sujit Chakravorti, and Shri S C Mohta (upto 24/08/2016) and Smt Meera Dokania (wef 29/09/2016), as Members.

The terms of reference of the Nomination and Remuneration Committee are in conformity with the requirements of SEBI(LODR) Regulations, 2015 and the Companies Act, 2013. The Nomination and Remuneration committee inter-alia formulates the criteria for determining qualification, positive attributes and independence of a director and recommend to the Board a policy, relating to the remuneration for the directors, key managerial personnel and other employees, identify persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down, recommend to the Board their appointment and removal and shall carry evaluation of every director's performance.

The Nomination and Remuneration Committee met two time during the year on 28/05/2016 and 14/11/2016.. The attendance of each members of the committee is given below.

Name of the Member	No of Meetings held	No of Meetings attended
Shri A.P. Agarwalla	2	2
Shri S. Chakravorti	2	2
Shri S.C Mohta (upto 24/08/2016)	1 (upto the date of his tenure)	1
Smt Meera Dokania (wef 29/09/2016)	1 (from the date of her becoming member)	1

The Remuneration policy of the Company is annexed with the Board's report which may please be referred to. Chairman of the Nomination and Remuneration Committee attended the last AGM.

(IV) DETAILS OF REMUNERATION PAID TO DIRECTORS (01/04/2016 to 31/03/2017)

The Executive Chairman-cum-Managing director and Executive Vice-Chairman-cum-Joint Managing Director is paid remuneration approved by the Board and shareholders and other directors are paid sitting fees for attending the meetings of the Board and Committee and also commission approved by the Board of Directors from time to time.

Name of Director						₹
Pradip Kumar Daga, Chairman-cum- Managing Director (upto 30/06/2016)	17,47,200					As Executive Compensation consisting of Salary and perquisites in the nature of employer's contribution to PF
Yashwant Kumar Daga, (Vice-Chairman-cum-Joint Managing Director	64,51,200					

₹.

Name of Director	Sitting Fees					Commission paid during the year (For the Financial year 2015-16)
	Board Meeting	Audit Committee Meeting	Stakeholders relationship committee	Nomination and Remuneration Committee	Corporate Social Responsibility Committee	
Smt Meera Dokania	50,000	4,000	2,000	2,000	-	2,00,000
Shri A.P. Agarwalla	50,000	8,000	2,000	4,000	4,000	2,00,000
Shri S. Chakravorti	50,000	-	2,000	4,000	4,000	2,00,000
Shri S.C Mohta (upto 24/08/2016)	20,000	4,000	-	2,000	-	2,00,000

During the year the Company has paid ₹ 3,500/- as professional fees to Shri Anand Prasad Agarwalla, Advocate, Director of the Company and ₹ nil to his son Shri Niraj Agarwalla, Advocate. The payments to them were at arm's length price and in the ordinary course of business. There were no other than above pecuniary relationships or transactions of the Executive and Non -Executive directors vis-a-vis the Company.

(V) CORPORATE SOCIAL RESPONSIBILITY (CSR) COMMITTEE

The Board of Directors of the Company have constituted a Corporate Social Responsibility (CSR) Committee of the Board comprising three directors Shri Pradip Kumar Daga, Chairman, Shri Anand Prasad Agarwalla, and Shri Sujit Chakravorti. The Committee held two meeting on 28/05/2016 and 13/02/2017 in which all the committee members were present. The Board on the recommendation of the Committee has framed a CSR policy which has been hosted on the company website at www.dil-india.com in the Investors Relation section.

(VI) STAKEHOLDERS RELATIONSHIP COMMITTEE

The committee comprises of three non-executive Directors namely, Shri S.C. Mohta, Chairman (upto 24/08/2016), Smt Meera Dokania (wef 29/09/2016) as Chairperson, Shri Sujit Chakravorti, Shri A.P. Agarwalla as Members and Shri Vithal Das Mall, Secretary of the Company acts as the secretary of the committee. The Compliance officer of the Company is Shri Vithal Das mall, Company Secretary. The committee deals with the shareholder's complaints and grievance etc. As per the Certificates furnished by the Registrar & Share Transfer Agents M/S Maheshwari Datamatics Private Limited, the Company did not receive any Investors complaints during the year ended 31st March, 2017 and there are no pending complaints as on 31st March, 2017.

The committee met one time during the year on 23/03/2017 in which all the Committee members were present.

(VII) MEETING OF THE INDEPENDENT DIRECTORS

One separate meeting of the independent directors was held on 13/02/2017 in which all the independent directors on the date of the meeting were present to review the performance of the non-independent directors and the Board as a whole with the performance of the chairman of the company and also to assess the quality, quantity and timeliness of flow of information between the Company management and the Board as per para VII of schedule IV of the Companies Act, 2013.

(VIII) SHARE TRANSFER SYSTEM

Share transfers documents are registered and certificate returned within prescribed time from the date of receipt if the documents are clear in all respects as per provisions of listing agreement. The transfers are approved by the secretary/Director of the Company in consultation with the Managing Director and/or by the Board.

There was no pending request for share transfer etc. as on 31st March, 2017.

(IX) SUBSIDIARY COMPANIES

The Company does not have any subsidiary, associate and joint venture company.

(X) FAMILIARISATION PROGRAMME

The Board has framed a familiarisation programme to familiarise the independent directors their roles, rights, responsibilities in the Company, nature of industry in which the Company operates, business model of the Company etc through the various programmes.

The Familiarisation programmes has been disclosed on the company's website www.dil-india.com in the Investors Relations section.

(XI) ANNUAL GENERAL MEETINGS

Location, date and time for last three Annual General Meetings were as follows :

Year	Location	Date	Time	No. of Special Resolution Passed
2013-2014	16, Hare Street, Kolkata-70 0 001	25/09/2014	2.00 P.M	3
2014-2015	-do-	29/09/2015	2.00 P M	2
2015-2016	-do-	29/09/2016	2.00 P M	nil

i) Four Special resolutions were passed during last three Annual General Meetings.

Date	Special Resolution Matter
25/09/2014	Resolution under section 180(1)(c) of the Companies Act, 2013 for borrowing an amount not exceeding Rs.300 crores over and above the aggregate of the paid up capital and free reserves of the Company.
25/09/2014	Resolution under section 180(1)(a) of the Companies Act, 2013 for creation of security upto the amount borrowed by the Company.
29/09/2015	To Keep the Register of Members to a place other than at the registered office of the Company under section 94 of Companies Act, 2013.
29/09/2015	Payment of Commission to Non-Executive Directors under section 197 of the Companies Act, 2013.

ii) One special resolution was passed on 29/12/2015 through the postal ballot for buy back of shares of the Company.

iii) No special resolution is proposed to be conducted through postal ballot in the ensuing Annual General Meeting of the Company.

iv) Procedure for postal ballot, if any, is as per the provisions contained in this behalf in the Companies Act, 2013 and rule made there under namely The Companies (management and Administration) Rules, 2014, as amended, was followed.

(XII) DISCLOSURES

i) All related party transactions have been entered into the ordinary course of business and were placed periodically before the audit committee in summary form including transactions for which omnibus approval of the Audit Committee was taken. There were no material individual transactions with related parties which were not in the normal course of business required to be placed before the audit committee and that may have potential conflict with the interest of the Company at large. All individual transactions with related parties or others were on arm's length basis. Details of related party transactions during the year ended the 31st March, 2017 have been set out under an appropriate note in Schedule to the Annual Accounts of the Company for the year ended 31st March, 2017.

ii) All Accounting Standards mandatorily required have been followed without exception in preparation of the financial statements.

iii) Procedure for assessment of risk and its minimisation have been laid down by the Company and reviewed by the Board. These procedures are periodically reassessed to ensure that executive management controls risks through means of a properly defined framework.

iv) The Company has fully complied with all the requirements of regulatory authorities on Capital Markets and consequently, no penalties/ strictures have been imposed against it during the last three years.

v) The Company has adopted a Vigil Mechanism Policy which has been put on the website of the Company www.dil-india.com in the Investors Relations section and no personnel has been denied access to the audit committee. Shri Vithal Das Mall, Company Secretary has been appointed Vigil Officer under the said policy.

- vi) There has been no non-compliance by the Company during the year and no penalties, strictures imposed on the company by Stock Exchange or SEBI or any statutory authority on any matter relating to the capital markets during the last three years.
- vii) Management Discussion and Analysis is a part of Annual Report. Shareholders information section forms part of the Annual Report.
- viii) There were no material financial and commercial transactions by Senior management as defined in SEBI(LODR) Regulations, 2015 where they have any personal interest that may have a potential conflict with the interests of the Company at large requiring disclosure by them to the Board of Directors of the Company and that the same has been confirmed by all the Senior Management.
- ix) Reconciliation of Share Capital Audit is carried out by Practicing Company Secretaries on quarterly basis to reconcile the total admitted paid-up capital with National securities Depository Limited (NSDL) and Central Depository Services Limited (CDSL) with the total issued and paid-up capital. The reconciliation audit confirms that the total issued and paid up capital is in agreement with the total number of shares in physical form and total number of dematerialized shares held with NSDL and CDSL.
- x) The Company has complied with all the mandatory requirement of SEBI (LODR) Regulations, 2015 e.g, Constitution of the Board, Audit Committee, Stakeholders' Relationship Committee, Nomination and Remuneration Committee, and a report on the Compliance report on the Corporate Governance is submitted to the stock Exchange every quarter. The Company has not adopted the non-mandatory requirements of SEBI (LODR) Regulations, 2015.

(XIII) MEANS OF COMMUNICATION

There is no practice to send half-yearly report to each shareholder. Company is regularly publishing all its quarterly, half yearly and yearly results in print media in English and local language in Financial Express/Business Standard and Sukhabar which are widely circulated in West Bengal as well as Nationally.

The Company has a website www.dil-india.com to display the quarterly results and other information as required under the listing agreement. No presentation have been made to Investors Relations/Analysts and stakeholders of the Company.

(XIV) GENERAL SHAREHOLDERS INFORMATION

i) Date, time and venue of forthcoming AGM	Thursday, the 10th august, 2017 at 1.00 P M at 16, Hare Street, Kolkata-700 001
ii) Financial Calendar 2017-2018 (Tentative)	
First unaudited Quarterly Results	Middle of August,2017
Second unaudited Quarterly Results	Middle of November,2017
Third unaudited Quarterly Results	Middle of February, 2018
Audited yearly Results for the year ended 31st March, 2017.	Before end of May, 2018
iii) Annual Book Closure dates	07/08/2017 to 10/08/2017 (both days inclusive)
iv) Payment of Dividend	No dividend is proposed.
v) Listing on Stock Exchanges	The Calcutta Stock Exchange Limited
vi) Annual listing fee	Listing fee has been paid upto and for the year 2017-2018.
vii) ISIN No. of the Company	INE 485J01016
viii) Stock Code in Calcutta Stock Exchange	10014084

(XV) MARKET PRICE DATA

There has been no trading of the Company's share during the year on Calcutta Stock Exchange.

(XVI) REGISTRAR AND TRANSFER AGENT

The Company has appointed M/s. Maheshwari Datamatics Pvt. Ltd., Kolkata, as Registrar and Share Transfer Agent for Company's securities held in physical as well as in electronic mode . The address and contact details of RTA is as below :

Maheshwari Datamatics Pvt.Ltd, 5th floor, 23, R N Mukherjee Road,, Kolkata – 700 001, Phone : 033-2243-5809; 2243-5029, 2248-2248 Fax : 033-2248-4787 E-mail : mdpldc@yahoo.com Website : www.mdpl.in

(XVII) PATTERN OF SHAREHOLDING AND DISTRIBUTION (AS ON 31/03/2017)

Category	No. of Shares Held	% of Total Paid up Capital
Promoters & Promoters Group	3792044	75.00
Financial Institutions & Banks	142188	2.81
Bodies Corporate including clearing Member	1086890	21.50
Resident Individual	34941	0.69
Mutual Funds	NIL	NIL
NRIs/OCBs	NIL	NIL
Insurance Companies	NIL	NIL
TOTAL	5056063	100.00

From	To	No of Shares held	% of total paid-up capital	No of Shareholders	% of Total No of Shareholders
Up to	500	4625	0.0915	33	37.2093
501	1000	9768	0.1932	14	16.2791
1001	2000	17123	0.3387	13	15.1163
2001	3000	9000	0.1780	4	4.6512
3001	4000	3118	0.0617	1	1.1628
5001	10000	19327	0.3823	3	3.4884
Above	10000	4993102	98.7547	19	22.0930
	Total	5056063	100.0000	87	100.0000

(XVIII) DEMATERIALIZATION AND TRADING OF SHARE ON STOCK EXCHANGE

The Company is pleased to inform that shares of the Company are available for dematerialization with NSDL as well as with CDSL. The equity shares of the Company are under compulsory demat trading for all categories of Investors Relations. As on 31st March, 2017, 4670387 comprising 92.37% of the equity capital stood dematerialized.

The Company has not issued any GDRs / ADRs/ Warrants or any Convertible instruments, which may have likely impact on Equity shares of the Company.

(XIX) PLANT LOCATION

- i) 62, Hazra Road, Kolkata-700 019
- ii) 14/7, Mathura Road, Faridabad (Haryana)
- iii) Plot no. 62, Sector -11, Rudrapur Dist Udham Singh Nagar, Uttranchal.
- iv) Village: Rojhani, Dist: Shajapur, MP. (Solar Plant)
- v) Plot. No. 292, Sarve 75 & 80, Belur Industrial Area, Dharward, Karnataka
- vi) Village-Bhagola, Bhagola Delvi Road, Tehsil & district-Palwal-121 102

(XX) ADDRESS FOR CORRESPONDENCE

Deepak Industries Limited, 16, Hare Street, Kolkata-700 001 Phone Nos : 033-2248-2391/2/3, Fax : 033-2248-9382
E-mail : secretary@dil-india.com website : www.dil-india.com

(XXI) NON-MANDATORY REQUIREMENT**1. The Board**

The Company has an executive Chairman

2. Shareholders' Right

Half yearly financial results including summary of the significant events in the last six months are presently, not being sent to shareholders of the Company.

3. Audit Qualification

There are no qualification in the Auditor's report on the financial statements to the Shareholders of the Company.

4. Separate Post for Chairman and CEO

Presently, the Company has a executive Chairman.

5. Reporting of Internal Auditor

Internal Auditors are invited to the meeting of Audit Committee wherein they interact directly with the Committee.

(XXII) CEO AND CFO CERTIFICATION

The Vice Chairman-cum- Joint Managing Director, that is, the Chief Executive Officer (CEO) and CFO gives the annual certification on the financial reporting and internal controls to the Board in terms of SEBI(LODR) Regulations, 2015. The CEO and CFO also give quarterly certification on the financial results while placing the financial results before the Board in terms of SEBI(LODR) Regulations, 2015..

The Board of Directors at their Meeting held on 30th May 2017 adopted the above Report.

CERTIFICATE ON CORPORATE GOVERNANCE

The Members,
Deepak Industries Ltd,
16, Hare Street,
Kolkata 700 001

- 1) We have examined the compliance of the conditions of Corporate Governance by **M/S Deepak Industries Limited** of 16, Hare Street, Kolkata - 700 001 for the year ended on 31st March, 2017, as per regulation 17 to 27 and 34(3) read with schedule –V of the SEBI (Listing Obligation and Disclosure Requirements “LODR”) Regulations, 2015.
- 2) The Compliance of the conditions of Corporate Governance is the responsibility of the Company’s Management. Our examination was carried out in accordance with the Guidance Note on Corporate Governance Certificate issued by the Institute Secretaries of India and was limited to the procedure and implementation thereof, adopted by the Company for ensuring the Compliance of the conditions of the Corporate Governance. It is neither an audit nor an expression of the opinion on the financial statement of the Company.
- 3) In our opinion and to the best of our information and according to explanations given to us, which to the best of our knowledge & belief were necessary for the purpose of issuance of this certificate, we hereby certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above mentioned Listing Regulations to the extent applicable to it.
- 4) We further state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the Management has conducted the affairs of the Company.

For **Drolia & Company**
Company Secretaries

Place : 9, Crooked Lane
Kolkata 700069
Date : 30th May, 2017

Pravin Kumar Drolia
Proprietor
CP 1362
M. No. 2366

FORMAT FOR THE ANNUAL REPORT ON CSR ACTIVITIES TO BE INCLUDED IN THE BOARD'S REPORT

1. A brief outline of the Company's CSR policy, including overview of projects or programs to be undertaken and a reference to the web-link to the CSR Policy and Projects or programs.

The Company has formulated a Corporate Social Responsibility (CSR) Policy stated in the link mentioned below pursuant to Section 135 of the Companies Act, 2013 and Notification dated 27th February, 2014 issued by the Ministry of Corporate Affairs under the said Section. The policy is framed for undertaking activities as may be found beneficial and feasible for betterment of critical social environmental of the weaker sections of the society, preferably locally, near to the factory sites of the Company. This CSR policy relates to the activities to be undertaken by the Company as specified in Schedule VII of the Act and the expenditure thereon and focuses on addressing critical social, environmental and economic needs of marginalised/underprivileged sections of the society. The CSR policy is hoisted on the web link www.dil-india.com under the Investors section of the site.

2. The Composition of the CSR Committee:

The composition of the CSR Committee is as follows:-

Name of the Director	Chairman/Member	Promoter/Independent Director
Shri Pradip Kumar Daga,	Chairman	Promoter CMD of the Company
Shari Anand Prasad Agarwalla	Member	Independent Director
Shri Sujit Chakravorti	Member	Independent Director

3. Average net Profit of the company for last three years: ₹ 2660.64 lakhs
4. Prescribed CSR Expenditure (two per cent of the amount as in item 3 above): ₹ 53.21 lakhs
5. Details of CSR spent during the financial year:
- (a) Total amount to be spent for the financial year; ₹53.21 lakhs
- (b) Amount unspent, if any; ₹ 53.21 lakhs. The aggregate unspent amount for the last year 2015-16 was ₹ 160.70 lakhs and added to this the unspent amount of the current year it aggregates to ₹ 213.91 lakhs The unspent amount will be carried forward/added to be spent in the future years.
- (c) Manner in which the amount spent during the financial year is detailed below: Nil

1	2	3	4	5	6	7	8
Sr. No	CSR Project or activity identified	Sector in which the project is covered	Projects or Programmes (1) Local area or other (2) Specify the State and district where projects or programs was undertaken	Amount out-lay (budget) projects or programwise	Amount spent on the projects or programs Sub-heads (1)Direct expenditure on projects or programs (2)Overheads	Cumulative expenditure upto the reporting period	Amount spent: Direct or through implementing agency
-----Nil-----							

6. In case the company has failed to spend the two percent of the average net profit of the last three financial years or any part thereof, the company shall provide the reasons for not spending the amount in its Board report: Has been provide as such in the said report.
7. A responsibility statement of the CSR Committee that the implementation and monitoring of CSR Policy, is in compliance with CSR objectivities and Policy of the company.

Shri Yashwant Kumar Daga (Chief Executive Officer or Managing Director or Director)	Shri Pradip Kumar Daga (Chairman of CSR Committee)	N.A. (Person specified under clause (d) of sub-section (1) of section 380 of the Act) (wherever applicable)
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NOMINATION AND REMUNERATION POLICY

INTRODUCTION :

In pursuance of the Company's policy to consider human resources as its invaluable assets, to pay equitable remuneration to all Directors, Key Managerial Personnel (KMP) and employees of the Company, to harmonize the aspirations of human resources consistent with the goals of the Company and in terms of the provisions of the Companies Act, 2013 and the listing agreement as amended from time to time this policy on nomination and remuneration of Directors, Key Managerial Personnel and Senior Management has been formulated by the Committee and approved by the Board of Directors.

OBJECTIVE AND PURPOSE OF THE POLICY :

The objective and purpose of this policy are:

- To lay down criteria and terms and conditions with regard to identifying persons who are qualified to become Directors (Executive and Non-Executive) and persons who may be appointed in Senior Management and Key Managerial positions and to determine their remuneration.
- To determine remuneration based on the Company's size and financial position and trends and practices on remuneration prevailing in peer companies, in the industry to which the Company belongs.
- To carry out evaluation of the performance of Directors, as well as Key Managerial and Senior Management Personnel.
- To provide them reward linked directly to their effort, performance, dedication and achievement relating to the Company's operations.
- To retain, motivate and promote talent and to ensure long term sustainability of talented managerial persons and create competitive advantage.

In the context of the aforesaid criteria the following policy has been formulated by the Nomination and Remuneration Committee and adopted by the Board of Directors at its meeting held on 14th August, 2014.

Effective Date :

This policy shall be effective from the date of approval by the Board.

Constitution of the Nomination and Remuneration Committee:

The Board has constituted Nomination and Remuneration Committee on 15th May 2014 in place of Remuneration Committee and Selection Committee.

The Board has the power to reconstitute the Committee consistent with the Company's policy and applicable statutory requirements.

Definitions:

- 'Board' means Board of Directors of the Company.
- 'Directors' means Directors of the Company.
- 'Committee' means Nomination and Remuneration Committee of the Company as constituted or reconstituted by the Board.
- 'Company' means Deepak Industries Limited.
- 'Independent Director' means a director referred to in Section 149 (6) of the Companies Act, 2013.
- 'Key Managerial Personnel (KMP)' means-
 - (i) Executive Chairman and / or Managing Director/ Chief Executive officer
 - (ii) Whole-time Director
 - (iii) Chief Financial Officer;
 - (iv) Company Secretary;
 - (v) Such other officer as may be prescribed under the applicable statutory provisions / regulations.
- 'Senior Management Personnel' means senior personnel of the Company occupying the position of functional heads of the Company. Unless the context otherwise requires, words and expressions used in this policy and not defined herein but defined in the Companies Act, 2013 as may be amended from time to time shall have the meaning respectively assigned to them therein.

Applicability :

The Policy is applicable to -

- Directors (Executive and Non Executive)
- Key Managerial Personnel
- Senior Management Personnel

General :

- This Policy is divided in three parts:
 - (i) Part – A covers the matters to be dealt with and recommended by the Committee to the Board,
 - (ii) Part – B covers the appointment, nomination and removal and
 - (iii) Part – C covers remuneration and perquisites etc.

PART – A

MATTERS TO BE DEALT WITH, PERUSED AND RECOMMENDED TO THE BOARD BY THE NOMINATION AND REMUNERATION COMMITTEE

The Committee shall:

- Formulate the criteria for determining qualifications, positive attributes and independence of a director.

- Identify persons who are qualified to become Director and persons who may be appointed in Key Managerial and Senior Management positions in accordance with the criteria laid down in this policy.
- Carry out the evaluation of performance of Directors, KMP and Senior Management Personnel and recommend to the Board, their appointment and removal.
- Recommend to the Board a policy relating to remuneration for the directors, KMP and other employees and recommend to the Board, amendments to such policy as and when required.

PART – B

POLICY FOR APPOINTMENT AND REMOVAL OF DIRECTOR, KMP AND SENIOR MANAGEMENT

Guiding Principles

- Remuneration policy and arrangements for Directors, KMPs and Senior Management Personnel, shall be determined by the Committee on the basis of Company's financial position, pay and employment conditions prevailing in peer companies or elsewhere in competitive market to ensure that the remuneration and the other terms of employment shall be competitive to ensure that the Company can attract, retain and motivate competent executives.
 - Remuneration packages may be composed of fixed and incentive pay depending on short and long term performance objectives appropriate to the working of the Company.
 - The Committee considers that a successful remuneration policy must ensure that a significant part of the remuneration package is linked to the achievement of corporate performance targets and a strong alignment of interest with stakeholders.
 - **Appointment criteria and qualifications :**
 1. The Committee shall identify and ascertain the integrity, qualification, expertise and experience of the person for appointment as Director, KMP or at Senior Management level and recommend to the Board his / her appointment.
 2. A person should possess adequate qualification, expertise and experience for the position he / she is considered for appointment. The Committee has discretion to decide whether qualification, expertise and experience possessed by a person is sufficient / satisfactory for the concerned position.
 3. The Company may appoint or continue the employment of any person as Whole-time Director who has attained the age of seventy years and the term of the person holding this position may be extended beyond the age of seventy years with the approval of shareholders by passing a special resolution based on the explanatory statement annexed to the notice for such motion indicating the justification for extension of appointment beyond seventy years.
4. Every whole-time Key Managerial Personnel of the Company shall be appointed by means of a resolution of the Board containing the terms and conditions of the appointment including the remuneration. Provided that the appointment of whole time director(s) shall require approval of shareholders as per the provisions of the Companies Act, 2013.
 5. A whole time KMP shall not hold office in more than one company except in its subsidiary company, if any, at the same time. However, such KMP can be a director of any Company with the permission of the Board.
 6. The Managing Director or Manager of the Company may be the Managing Director or Manager of one and not of not more than one other Company and such appointment should be approved by a resolution passed at a meeting of the Board with the consent of all the directors present at the meeting and of which meeting, and of the resolution to be moved thereat, specific notice has been given to all the directors then in India.
- **Term / Tenure :**
 1. **Managing Director/Whole-time Director :**
 - The Company shall appoint or re-appoint any person as its Managing Director or Whole Time Director for a term not exceeding five years at a time. No re-appointment shall be made earlier than one year before the expiry of term.
 2. **Independent Director:**
 - An Independent Director shall hold office for a term up to five consecutive years on the Board of the Company and will be eligible for re-appointment on passing of a special resolution by the Company and disclosure of such appointment in the Board's report.
 - No Independent Director shall hold office for more than two consecutive terms, but such Independent Director shall be eligible for appointment after expiry of three years of ceasing to become an Independent Director. Provided that an Independent Director shall not, during the said period of three years, be appointed in or be associated with the Company in any other capacity, either directly or indirectly. However, if a person who has already served as an Independent Director for 5 years or more in the Company as on 1st October, 2014 or such other date as may be determined by the Committee as per regulatory requirement, he / she shall be eligible for appointment for one more term of 5 years only.

- At the time of appointment of Independent Director it should be ensured that number of Boards on which such Independent Director serves is restricted to seven listed companies as an Independent Director and three listed companies as an Independent Director in case such person is serving as a Whole-time Director of a listed company.

3. Key Managerial Personnel (KMP) -

If the office of any whole time KMP is vacated, the resulting vacancy shall be filled up by the Board at a meeting of the Board within a period of six months from the date of such vacancy.

• Evaluation :

The Committee shall carry out evaluation of performance of every Director, KMP and Senior Management Personnel at regular interval and recommend to the Board appointment / removal.

• Removal :

The Committee may recommend, to the Board with reasons recorded in writing, removal of a Director, KMP or Senior Management Personnel subject to the provisions and compliance of any Act, rules and regulations, their service contract or evaluation of their performance.

• Retirement :

The Director, KMP and Senior Management Personnel shall retire as per the applicable provisions of the Companies Act, 2013 and the prevailing policy of the Company. The Board will have the discretion to retain the Director, KMP, Senior Management Personnel in the same position / remuneration or otherwise even after attaining the retirement age, for the benefit of the Company.

PART – C

POLICY RELATING TO THE REMUNERATION FOR THE WHOLE-TIME DIRECTORS, DIRECTORS, KMP AND SENIOR MANAGEMENT PERSONNEL

1. The remuneration / compensation / commission etc. to the Whole-time Directors and Directors will be determined by the Committee. It shall be fixed as per the slabs and conditions mentioned in the Articles

of Association of the Company, the Companies Act, 2013, the rules made there under and the Listing Agreement with Stock Exchanges as amended from time to time. The Committee shall recommend the remuneration / compensation / commission etc. to be paid the Whole-time Director and Directors to the Board for approval. The remuneration / compensation / commission etc. shall be subject to the prior/post approval of the shareholders of the Company and Central Government, wherever required.

2. Increments to the existing remuneration / compensation structure of Whole time Director and Directors may be recommended by the Committee to the Board which should be within the slabs approved by the Shareholders.
3. The Non- Executive / Independent Directors may receive remuneration by way of sitting fees for attending meetings of Board or Committee thereof. Provided that the amount of such fees shall not exceed such amount as may be prescribed by the Central Government from time to time.
4. Commission to Non-executive Directors may be paid within the monetary limit approved by shareholders, as per the applicable provisions of the Companies Act, 2013.
5. The remuneration / compensation / commission etc. to the KMP and Senior Management Personnel will be determined based on the Company's financial position, trends and practices on remuneration prevailing in peer companies, in the industry to which the company belongs and performance of such KMP and Senior Management Personnel
6. Where any insurance is taken by the Company on behalf of its Whole-time Director, Chief Executive Officer, Chief Financial Officer, the Company Secretary and any other employees for indemnifying them against any liability, the premium paid on such insurance shall not be treated as part of the remuneration payable to any such personnel.
7. An Independent Director shall not be entitled to any stock option of the Company.

The key features of this policy shall be included in the Board's Report.

This policy was adopted in the Board meeting held on 14/08/2014.

Deepak Industries Limited

Disclosure pursuant to rules 5(1) of the Companies (Appointment and Remuneration of managerial Personnel) Rules, 2014

Sr. No.	Requirement of Rule 5(1) for the Financial Year 2016-17	Details
i.	The ratio of remuneration of each director to the median remuneration of the employee of the company for the financial year.	Shri Pradip Kumar Daga: 29.63 Shri Yashwant Kumar Daga: 27.16 Other Directors-N A (as they do not receive monthly remuneration)
ii.	The Percentage increase in remuneration of each director, Chief Financial Officer, Chief Executive Officer, Company Secretary or manager, if any, in the financial year	Director Shri Pradip Kumar Daga, CMD and KMP- 8.33% Shri Yashwant Kumar Daga, VCJMD- 9.09% Other Directors- N.A (as they do not receive monthly remuneration) Key Managerial Personnel Shri Maneesh Khanna, CFO- 34.13% Shri Vithal Das Mall, Company Secretary- Nil Manager : Not applicable as the company does not have a Manager.
iii.	The Percentage increase in the median remuneration of employee in the financial year.	05.42%
iv.	The Number of permanent employee on the roll of the Company.	926 as on 31/03/2017
v.	Average percentile increase already made in the salaries of employees other than the Managerial Personnel in the last Financial year and its comparison with percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration.	Average salary increase of non-managerial employees is 10.33% Average salary increase in managerial personnel is about 8.70%. There are no exceptional circumstances in increase in managerial remuneration.
vi.	Affirmation that the remuneration is as per the remuneration policy of the Company.	Remuneration paid during the year ended 31/03/2017 is as per the Remuneration Policy of the Company.

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

This report forms the part of Board Report for the year ended 31st March, 2017.

OVERALL REVIEW AND INDUSTRY STRUCTURE AND DEVELOPMENT

There has been some improvement in the global and Indian economy. Indian economy has grown at about 7% in the year 2016-17 but there has been turbulence due the demonetisation of higher denomination notes of the Indian currency which affected the India economy during the three months period of the demonetisation. The introduction of the GST and also reforms in the financial sector to reduce the NPA of the banks will have far reaching affect in the near future, However, sectoral contribution to the Indian economy has not been uniform. The metal, power, road, construction, infra, rail, information technology, irrigation etc have not shown encouraging growth. The government spending have also been at low ebb.

BUSINESS SEGMENTS

The Industrial gear segment being largely dependent on establishment of infra sector projects, expansion of core industries such as power, metal, infra etc suffered badly in the current year.

The automobile industry continues to face poor demand given the lack of profitability in Industry and agriculture. Current year expectation of good monsoons will provide some relief to and demand for the tractors is expected to be higher than normal.

OPPORTUNITY AND THREATS

The government spending programs are expected to be implemented soon which will provide the necessary support to the market for revival. Your company's investments in manufacturing capacity made in the recent years will provide the platform for deriving maximum benefits at the time of economic revival.

Generation of solar power station is satisfactory. However, the purchase of RECs, is not reviving..

FINANCIAL PERFORMANCE

This has already been discussed in the Board Report and further segment performance can be looked in the segment information part of the notes to the accounts.

OUT LOOK

It is expected that the core sectors will show improvement and investments in power and infra sectors will receive a fresh momentum. The current policy of allocation of coal blocks to the power sector will have encouraging response.

RISK AND CONCERNS

The company has made sufficient investment in both the segments and requires skilled man power to operate the latest technology machines. Increased power cost, higher transaction cost, high cost of labour are hindering the progress. Competition from peers continues to be intensifying.

INTERNAL CONTROL SYSTEM AND ADEQUACY.

The Company has adequate internal control systems and procedures commensurate with the size and nature of business ensuring that the assets and resources are used reasonably and are adequately protected and all the internal policies and statutory guidelines are complied with.

HUMAN RESOURCES AND INDUSTRIAL RELATION

The industrial relations continue to be cordial as the Company continues to lay emphasis on employee's development at all levels. There are 926 employees in the Company as on 31.03.2017.

CAUTIONARY STATEMENT

Statements in the Management Discussion and Analysis describing the Company's objectives, projections, estimates, and expectations may be "forward looking statements" within the meaning of applicable securities laws and regulations. Actual results could differ materially from those expressed or implied. Important factors that could make a difference to the Company's operations include economic conditions affecting demand/supply and price conditions in the domestic and overseas markets in which the Company operates, changes in the Governments regulations, tax laws and other incidental factors. The Company assumes no responsibility in respect of forward looking statements that may be revised or modified in the future on the basis of subsequent developments, information of events.

A. INFORMATION AS REQUIRED UNDER RULE 8(3) OF THE COMPANIES (ACCOUNTS) RULES, 2014 ON CONSERVATION OF ENERGY

Step Taken or Impact on Conservation of Energy during the year 2016-17

The company continues to give high priority to conservation of energy to conserve and optimize energy wherever practicable by economizing on fuel and power on a continuous basis by renovation/up/gradation in high consumption areas like lighting, Air Conditioning, heat treatment, supply power factor through additional condensers. The new machines installed and put to use are highly energy efficient

We append energy conservation measures implemented at our unit during the above period :

1. Retrofitted two WS 1 Gear Shaping machine with Single Axis CNC.
2. On Gear shaper machine (1713) Installation of coolant motor 0.2KW against 2.2KW motor.
3. On milling machine (1403) installation of hydraulic pump motor 1.0 KW against 2.2 KW motor.
4. Continued maintaining the power factor at unity by providing Mamal Make Capacitor against Epcos makes capacitor on Substation.
5. Replaced dirty transparent sheets of machine shops with new one. We have increased no of transparent sheets (approx 1.5 times) too. Its stopped illuminations' of HPMV lamps in day shift. Almost 5 hrs per day energy savings achieves.
6. Replaced Energy efficient water mono block pump for washing machine, Induction Hardening and cooling tower of Heat treatment shop in May & October, 2016.
7. Energy efficient PNG fired Pre Heating furnace for Heat Treatment section has been installed and expected to commission in May, 2016.
8. To improve Electrical Power Factor additional Capacitor Bank of 50KVAR have been connected to the 1600A base bar. As a result power factor of a plant varies between 95% to 98%
9. Small compressors for some individual machines have been removed and air supply is continuously provided from centralized 150 CFM Atlas Copco GA22 Screw Compressor resulting into substantial energy and cost savings. Presently 1 new 45KW compressure is installed replacing 2 Nos. 30KW compressor to meet the compressed air demand resulting into energy and cost saving.
 - i) The Steps taken by the company for utilizing alternate sources of energy
The Company is in process to install solar power plant of 100KW capacity with authorized dealer/agencies. Expected to start vendor selection and technical feasibility.
 - ii) The Capital Investment on energy Conservation Equipment.
Company had spent has a budgeted plan of Rs. 100 lakhs for energy saving projects.

B) Technology absorption

i) The Efforts Made Towards Technology Absorption :

Company had introduced following technology in last few years for the product quality improvement, Faster production Development, Cost reduction

- 1) Straitening of Shafts
- 2) Shot Peening
- 3) Hard Tuning
- 4) Gear Teeth Grinding
- 5) Marking
- 6) CNC Teeth Chamfering(with Auto Part Load/Unload)
- 7) Quality Checking Equipment
- 8) CNC HOB Resharpener

ii) Benefit derived

- 1) Automation in Process
- 2) Elimination of operator skill dependency
- 3) Multiple machining operations in one setup
- 4) Utilizing Latest cutting TML technology for cycle time improvement
- 5) Quality Assurance

iii) Imported Cases

2016-17

- Roughness Tester Make: Mahr ,Model-Marsurf Xr1
- AMS-CNC Vertical Machining Center
- Gear Chamfering & Deburring m/c
- Precision Slant Bed CNC Chucker Model
- Machine/Technology Description
- Gear Grinding Machine, Viper 500W(HOFLER)
- Horizontal machining Centre (BFW)

2015-16

- Machine Turning Centre, Make Toshiba, Japan
- 200 xrf Analyzer & Accessories, Make Bruker, USA
- External Cylindrical Grinding Machine, Make MICROMATIC
- Double Ended Facing & Centering Machine, Make HMT
- Heavy Duty CNC Gear Hobbing Machine, Make HMT
- Carl Zeiss Micro Scope Model : Axio Imager M2M
- CNC Generating & Profile Grinding Machine Model : Lcs/300, Make: Liebherr
- Hv3100 Automatic Hardness Tester Wilsion Make
- Motorized Upright Metallurgical Microscope

2014-15

- CNC Universal Cyl. Grinding Machine/Ecogrinder
- CNC Gear Hobbing Machine Model: Pe300 Make : Pfauter
- CNC Gear Hobbing Machine Make Gleason Model : 125 Gh
- CNC Turning Centre, Make : Hardinge
- CNC Gear Hobbing Machine Pfauter Model Pe150
- Gear Hobbing Machine Mode I: Pe 150 Make: Pfauter
- CNC Gear Hobbing Machine Make : Pfauter, Model: 250c
- Hardness Tester Make : Reicherter, MODEL: Briskup 300h
- Gear hobbing machine model : 782 Make: Gleason
- CNC Gear Hobbing Machine Make: Gleason Phoenix Model: 125 gh
- CNC Gleason Gear Shaping
- Pit Type Gas Carburising Furnace
- Bemco Hydraulic Press

- a) Whether the technology been fully utilized : Yes
- b) If not fully absorbed : NA
- c) Expenditure incurred on R & D (In house only, not on imported case in Last FY)

The research and development is being carried out in house by qualified professional for development, technology up gradation.

(C) Foreign Exchange earning and outgo

The Company is making an all out effort of the products and expects improved performance in export in the coming year.

(D) The Foreign Exchange earned in terms of actual inflows during the year and the foreign exchange outgo during the year in terms of actual figures

Earnings & Expenditures in Foreign Currency :		₹ In lakhs
a)	Earnings	
	F.O.B. Value of Export	546.73
	Tooling Advances (Other Income)	44.39
b)	Expenditure	
	Travelling	4.57
	Repairs & Maintenance	25.10
	Others	4.71
	Raw Materials (CIF)	33.28
	Stores and Spares Parts (CIF)	179.96
	Capital Goods (CIF)	689.68

FORM NO. MGT - 9

EXTRACT OF ANNUAL RETURN

As on the financial year ended on 31st March, 2017

[Pursuant to section 92(3) of the Companies Act, 2013 and rule 12(1) of the Companies
(Management and Administration) Rules, 2014]

I. REGISTRATION AND OTHER DETAILS :

- (i) CIN : L63022WB1954PLC021638
(ii) Registration Date : 08TH MAY, 1954
(iii) Name of the Company : DEEPAK INDUSTRIES LIMITED
(iv) Category/Sub-Category of the Company : COMPANY LIMITED BY SHARES
(v) Address of the Registered Office : 16, HARE STREET, KOLKATA-700 001
(vi) Whether listed Company (Yes/No) : YES
(vii) Name, Address and Contact details of Registrar and Transfer Agent, if any : MAHESHWARI DATAMATICS PVT LTD
23, R.N.MUKHERJEE ROAD, 5th FLOOR
KOLKATA-700001
PHONE : 033-2248-2248, 2231-6389
FAX : 033-2248-9787

EMAIL : info@mdpl.in; mdpldc@yahoo.com

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

All the business activities contributing 10% or more of the total turnover of the Company shall be stated :

Sl. No.	Name and Description of main products/services	NIC Code of the Product/service	% to total turnover of the company
1.	Industrial Gears	3563	79.74
2.	Automobile Gears	3563	18.37

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES –

Sl. No.	Name and Address of the Company	CIN/GLN	Holding/ Subsidiary/ Associate	% of Shres held	Applicable section
NIL					

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

(i) Category-wise Share Holding

Category of shareholders	No of Shares held at the beginning of the year [As on 01/Apr/2016]				No of Shares held at the end of the year [As on 31/Mar/2017]				% of change during the year
	Demat	Physical	Total	% of total shares	Demat	Physical	total	% of total shares	
A. Promoters									
(1) Indian									
a. Individuals/HUF	3256483	0	3256483	64.4075	3201708	0	3201708	63.3241	-1.6820
b. Central Govt	-	-	-	-	-	-	-	-	-
c. State Govt(s)	-	-	-	-	-	-	-	-	-
d. Bodies Corp.	643256	0	643256	12.7225	590336	0	590336	11.6758	-8.2269
e. Banks/FIs	-	-	-	-	-	-	-	-	-
f. Any others	-	-	-	-	-	-	-	-	-
Sub- total (A) (1)	3899739	0	3899739	77.1300	3792044	0	3792044	74.9999	-2.7616
(2) Foreign									
a. NRIs-Individuals	-	-	-	-	-	-	-	-	-
b. others individuals	-	-	-	-	-	-	-	-	-
c. Bodies Corp.	-	-	-	-	-	-	-	-	-
d. Banks/FIs	-	-	-	-	-	-	-	-	-
e. Any others	-	-	-	-	-	-	-	-	-
Sub-total (A) (2)	-	-	-	-	-	-	-	-	-
Total shareholding of promoter (A)= (A)(1)+(A)(2)	3899739	0	3899739	77.1300	3792044	0	3792044	74.9999	-2.7616
B. Public Shareholding									
1. Institutions									
a. Mutual funds	-	-	-	-	-	-	-	-	-
b. Banks/FIs	142188	0	142188	2.8122	142188	0	142188	2.8122	0.0000
c. Central Govt.	-	-	-	-	-	-	-	-	-
d. State Govt(s)	-	-	-	-	-	-	-	-	-
e. Venture Capital Fund	-	-	-	-	-	-	-	-	-
f. Insurance Companies	-	-	-	-	-	-	-	-	-
g. FIs	-	-	-	-	-	-	-	-	-
h. Foreign venture capital fund	-	-	-	-	-	-	-	-	-
i. Others(Specify)	-	-	-	-	-	-	-	-	-
Alternate Investment Funds	-	-	-	-	-	-	-	-	-
Foreign Portfolio Investors	-	-	-	-	-	-	-	-	-
Provident Funds / Pension Funds	-	-	-	-	-	-	-	-	-
Qualified Foreign Investor	-	-	-	-	-	-	-	-	-
Sub-total (B)(1):-	142188	0	142188	2.8122	142188	0	142188	2.8122	0.0000

Category of shareholders	No of Shares held at the beginning of the year [As on 01/Apr/2016]				No of Shares held at the end of the year [As on 31/Mar/2017]				% of change during the year
	Demat	Physical	Total	% of total shares	Demat	Physical	total	% of total shares	
2. Non-Institutions									
a. Bodies corp									
i. Indian	618360	364325	982685	19.4358	722565	364325	1086890	21.4968	10.6041
ii. Overseas	-	-	-	-	-	-	-	-	-
b. Individuals									
i) Individuals shareholding nominal share capital upto Rs. 1 lakh	8100	21351	29451	0.5825	13590	21351	34941	0.6911	18.6411
ii) Individual shareholding nominal capital in excess of ₹1 lakh	0	0	0	0.0000	0	0	0	0.0000	0.0000
c) Others (Specify)	-	-	-	-	-	-	-	-	-
Non Resident Indians	-	-	-	-	-	-	-	-	-
Qualified Foreign Investor	-	-	-	-	-	-	-	-	-
Custodian of Enemy Property	-	-	-	-	-	-	-	-	-
Foreign Nationals	-	-	-	-	-	-	-	-	-
Clearing Members	2000	0	2000	0.0396	0	0	0	0.0000	-100.0000
Trusts	-	-	-	-	-	-	-	-	-
Foreign Bodies-D R	-	-	-	-	-	-	-	-	-
Foreign Portfolio Investors	-	-	-	-	-	-	-	-	-
NBFCs registered with RBI	-	-	-	-	-	-	-	-	-
Employee Trusts	-	-	-	-	-	-	-	-	-
Domestic Corporate Un-claimed Shares Account	-	-	-	-	-	-	-	-	-
Sub-total(B)(2):-	628460	385676	1014136	20.0579	736155	385676	1121831	22.1879	10.6194
Total Public shareholding(B)=(B)(1)+(B)(2)	770648	385676	1156324	22.8701	878343	385676	1264019	25.0001	9.3136
C. Shares held by Custodian for GDRs & ADRs	-	-	-	-	-	-	-	-	-
Grand total (A+B+C)	4670387	385676	5056063	100.0001	4670387	385676	5056063	100.0000	0.0000

(ii) Shareholding of Promoters

Sl. No.	Shareholder's Name	Shareholding at the beginning of the year [As on 01/Apr/2016]			Shareholding at the end of the year [As on 31/Mar/2017]			% change in share holding during the year
		No. of Shares	% of total Shares of the Company	% of Shares Pledged/ encumbered to total shares	No. of Shares	% of total Shares of the Company	% of Shares Pledged/ encumbered to total shares	
1	ASHA DEVI DAGA	870806	17.2230	0.0000	870806	17.2230	0.0000	0.0000
2	NANDINI DAGA	774625	15.3207	0.0000	1026625	20.3048	0.0000	32.5319
3	Shantanu Daga	560000	11.0758	0.0000	56000	1.1076	0.0000	-90.0000
4	YASHWANT KUMAR DAGA	316088	6.2517	0.0000	513313	10.1524	0.0000	62.3956
5	YASHWANT KUMAR DAGA	250000	4.9446	0.0000	250000	4.9446	0.0000	0.0000
6	PRADIP KUMAR DAGA	277264	5.4838	0.0000	277264	5.4838	0.0000	0.0000
7	PRADIP KUMAR DAGA	187860	3.7155	0.0000	207700	4.1079	0.0000	10.5611
8	PRADIP KUMAR DAGA	19840	0.3924	0.0000	0	0.0000	0.0000	-100.0000
9	COPLAMA PRODUCTS PRIVATE LIMITED	554531	10.9676	0.0000	554531	10.9676	0.0000	0.0000
10	LONGVIEW TEA COMPANY LTD	88725	1.7548	0.0000	35805	0.7082	0.0000	-59.6450
11	CONTRANSYS PRIVATE LIMITED	-	-	-	-	-	-	-
	TOTAL	3899739	77.1300	0.0000	3792044	74.9999	0.0000	-2.1311

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

Sl. No.	For Each of the Top 10 Shareholders	Shareholding at the beginning [01/Apr/16]/end of the year [31/Mar/17]		Cumulative Shareholding during the year [01/Apr/16 to 31/Mar/17]	
		No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
1	ASHA DEVI DAGA				
	01/04/2016	870806	17.2230		
	30/12/2016 - Transfer	19840	0.3924	890646	17.6154
	20/01/2017 - Transfer	-19840	0.3924	870806	17.2230
	31/03/2017	870806	17.2230	870806	17.2230
2	NANDINI DAGA				
	01/04/2016	774625	15.3207		
	03/02/2017 - Transfer	252000	4.9841	1026625	20.3048
	31/03/2017	1026625	20.3048	1026625	20.3048
3	Shantanu Daga				
	01/04/2016	560000	11.0758		
	03/02/2017 - Transfer	-504000	9.9682	56000	1.1076
	31/03/2017	56000	1.1076	56000	1.1076
4	YASHWANT KUMAR DAGA				
	01/04/2016	316088	6.2517		
	30/12/2016 - Transfer	-54775	1.0834	261313	5.1683
	03/02/2017 - Transfer	252000	4.9841	513313	10.1524
	31/03/2017	513313	10.1524	513313	10.1524

Sl. No.	For Each of the Top 10 Shareholders	Shareholding at the beginning [01/Apr/16]/end of the year [31/Mar/17]		Cumulative Shareholding during the year [01/Apr/16 to 31/Mar/17]	
		No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
5	YASHWANT KUMAR DAGA, HUF				
	01/04/2016	250000	4.9446		
	31/03/2017	250000	4.9446	250000	4.9446
6	PRADIP KUMAR DAGA, HUF				
	01/04/2016	277264	5.4838		
	31/03/2017	277264	5.4838	277264	5.4838
7	PRADIP KUMAR DAGA				
	01/04/2016	187860	3.7155		
	03/02/2017 - Transfer	19840	0.3924	207700	4.1079
	31/03/2017	207700	4.1079	207700	4.1079
8	PRADIP KUMAR DAGA, CKPK HUF				
	01/04/2016	19840	0.3924		
	03/02/2017 - Transfer	-19840	0.3924	0	0.0000
	31/03/2017	0	0.0000	0	0.0000
9	COPLAMA PRODUCTS PRIVATE LIMITED				
	01/04/2016	554531	10.9676		
	31/03/2017	554531	10.9676	554531	10.9676
10	LONGVIEW TEA COMPANY LTD				
	01/04/2016	88725	1.7548		
	20/01/2017 - Transfer	-52920	1.0467	35805	0.7082
	31/03/2017	35805	0.7082	35805	0.7082
11	CONTRANSYS PRIVATE LIMITED				
	01/04/2016	-	-	-	-
	31/03/2017	-	-	-	-

(iv) Shareholding Pattern of top ten Shareholders (Other than Directors, Promoters and Holders of GDRs & ADRs):

Sl. No.	Name	Shareholding at the beginning [01/Apr/16] /end of the year [31/Mar/17]		Cumulative Shareholding during the year [01/Apr/16 to 31/Mar/17]	
		No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
1	JALPAIGURI HOLDINGS PRIVATE LIMITED				
	01/04/2016	618312	12.2291		
	31/03/2017	618312	12.2291	618312	12.2291
2	NAVIN AGRO INDUSTRIES LTD.				
	01/04/2016	200525	3.9660		
	31/03/2017	200525	3.9660	200525	3.9660
3	NAVIN UDYOG PROMOTIONS LTD.				
	01/04/2016	162500	3.2140		
	31/03/2017	162500	3.2140	162500	3.2140

Sl. No.	Name	Shareholding at the beginning [01/Apr/16] /end of the year [31/Mar/17]		Cumulative Shareholding during the year [01/Apr/16 to 31/Mar/17]	
		No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
4	ICICI BANK LTD				
	01/04/2016	142188	2.8122		
	31/03/2017	142188	2.8122	142188	2.8122
5	RAJESH KUMAR RAJGARIA				
	01/04/2016	2323	0.0459		
	31/03/2017	2323	0.0459	2323	0.0459
6	SURESH KUMAR SOMANI				
	01/04/2016	2250	0.0445		
	31/03/2017	2250	0.0445	2250	0.0445
7	RAJENDRA PRASAD CHOUHDARY				
	01/04/2016	2200	0.0435		
	31/03/2017	2200	0.0435	2200	0.0435
8	BMA WEALTH CREATORS LTD				
	01/04/2016	2000	0.0396		
	31/03/2017	2000	0.0396	2000	0.0396
9	HARSHIL SHAW				
	01/04/2016	2000	0.0396		
	31/03/2017	2000	0.0396	2000	0.0396
10	BHANWAR LAL RATHI				
	01/04/2016	2000	0.0396		
	03/06/2016 - Transfer	-2000	0.0396	0	0.0000
	31/03/2017	0	0.0000	0	0.0000
11	KRISHNA KUMAR RATHI				
	01/04/2016	0	0.0000		
	03/06/2016 - Transfer	2000	0.0396	2000	0.0396
	31/03/2017	2000	0.0396	2000	0.0396
12	IDEAL MOTOR FINANCE PRIVATE LIMITED				
	01/04/2016	0	0.0000		
	06/01/2017 - Transfer	8908	0.1762	8908	0.1762
	27/01/2017 - Transfer	448	0.0089	9356	0.1850
	03/02/2017 - Transfer	1792	0.0354	11148	0.2205
	10/02/2017 - Transfer	448	0.0089	11596	0.2293
	31/03/2017	11596	0.2293	11596	0.2293
13	GLOBE STOCKS AND SECURITIES LTD.				
	01/04/2016	0	0.0000		
	06/01/2017 - Transfer	13362	0.2643	13362	0.2643
	31/03/2017	13362	0.2643	13362	0.2643

Sl. No.	Name	Shareholding at the beginning [01/Apr/16] /end of the year [31/Mar/17]		Cumulative Shareholding during the year [01/Apr/16 to 31/Mar/17]	
		No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
14	KARIKISH VYAPAAR PRIVATE LIMITED				
	01/04/2016	0	0.0000		
	06/01/2017 - Transfer	8908	0.1762	8908	0.1762
	27/01/2017 - Transfer	1342	0.0265	10250	0.2027
	31/03/2017	10250	0.2027	10250	0.2027
15	PNC CAPITAL TRUST LTD.				
	01/04/2016	0	0.0000		
	06/01/2017 - Transfer	13362	0.2643	13362	0.2643
	31/03/2017	13362	0.2643	13362	0.2643
16	ASHISH STOCK BROKING PRIVATE LIMITED				
	01/04/2016	0	0.0000		
	06/01/2017 - Transfer	32689	0.6465	32689	0.6465
	13/01/2017 - Transfer	-32689	0.6465	0	0.0000
	31/03/2017	0	0.0000	0	0.0000
17	PRJ FINANCE PVT.LTD.				
	01/04/2016	0	0.0000		
	06/01/2017 - Transfer	13362	0.2643	13362	0.2643
	03/02/2017 - Transfer	2239	0.0443	15601	0.3086
	31/03/2017	15601	0.3086	15601	0.3086
18	RISORGIMENTO INDUSTRIAL COMPANY LIMITED				
	01/04/2016	0	0.0000		
	13/01/2017 - Transfer	13362	0.2643	13362	0.2643
	31/03/2017	13362	0.2643	13362	0.2643

(v) Shareholding of Directors and Key Managerial Personnel :

Sl. No.	For Each of the Directors and KMP	Shareholding at the beginning [01/Apr/16] /end of the year [31/Mar/17]		Cumulative Shareholding during the year [01/Apr/16 to 31/Mar/17]	
		No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
	Directors				
1	PRADIP KUMAR DAGA				
	01/04/2016	187860	3.7155		
	03/02/2017 - Transfer	19840	0.3924	207700	4.1079
	31/03/2017	207700	4.1079	207700	4.1079
2	YASHWANT KUMAR DAGA, HUF				
	01/04/2016	250000	4.9446		
	31/03/2017	250000	4.9446	250000	4.9446

Sl. No.	For Each of the Directors and KMP	Shareholding at the beginning [01/Apr/16] /end of the year [31/Mar/17]		Cumulative Shareholding during the year [01/Apr/16 to 31/Mar/17]	
		No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
3	Other Directors				
	01/04/2016	NIL	NIL		
	31/03/2017	NIL	NIL	NIL	NIL
	Key Managerial Personnel				
1	Vithal Das Mall				
	01/04/2016	100	0		
	31/03/2017	0	0	100	0
	Other Key Managerial personnel				
	01/04/2016	NIL	NIL		
	31/3/2017	NIL	NIL	NIL	NIL

V. INDEBTEDNESS

Indebtedness of the Company including interest outstanding/accrued but not due for payment

(₹ in Lakh)

	Secured Loans excluding deposits	Unsecured Loans	Deposit	Total Indebtedness
Indebtedness at the beginning of the financial year				
(i) Principal Amount	11791.29	138.65	–	11929.94
(ii) Interest due but not paid	64.87	–	–	64.87
(iii) Interest accrued but not due	0.44	–	–	0.44
Total (i + ii + iii)	11856.60	138.65	–	11995.25
Change in Indebtedness during the financial year				
· Addition	1178.74	–	–	1178.74
· Reduction	–	23.11	–	23.11
Net Change	1178.74	23.11	–	1155.63
Indebtedness at the end of the financial year				
(i) Principal Amount	12991.33	115.54	–	13106.87
(ii) Interest due but not paid	43.64	–	–	43.64
(iii) Interest accrued but not due	0.37	–	–	0.37
Total (i + ii + iii)	13035	115.54	–	13150.88

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

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

(₹)

Sl. No.	Particulars of Remuneration	Name of MD/ WTD/Manager		Total Amount
		Pradip Kumar Daga, CMD	Yashwant Kumar Daga, VD/JMD	
1.	Gross Salary			
	(a) Salary as per provisions contained in Section 17(1) of the Income Tax Act, 1961	1560000	5760000	7320000
	(b) Value of perquisites u/s 17(2) Income Tax Act,, 1961	187200	691200	8887400
	(c) Profit in lieu of salary under Section 17(3) Income Tax Act, 1961			
2	Stock Option	NIL	NIL	NIL
3	Sweat Equity	NIL	NIL	NIL
4	Commission	NIL	NIL	NIL
	- As % of profit	-	-	-
	- Others, specify..	-	-	-
5.	Others, please specify	NIL	NIL	NIL
	Total (A)	1747200	6451200	8198400
	Ceiling as per the Act	10% of the net profit of the Company computed as per sec 197 and 198 of the Companies Act, 2013		

B. Remuneration to other Directors :

Sl. No.	Particulars of Remuneration	Name of Directors				Total Amount
		Anand Prasad Agarwalla	Suresh Chand Mohta	Sujit Chakravorti	Meera Dokania	
	Independent Directors					
	• Fee for attending board committee meetings	68000	26000	60000	58000	210000
	• Commission	235484	93548	235484	235484	800000
	• Others, please specify	-	-	-	-	-
	Total (1)	303484	119548	295484	291484	1010000
	Other Non-Executive Directors					
	• Fee for attending board committee meetings	NIL				
	• Commission	NIL				
	• Others, please specify	NIL				
	Total (2)	NIL				
	Total (B)=(1+2)	303484	119548	295484	291484	1010000
	Total Managerial Remuneration	303484	119548	295484	291484	1010000
	Ceiling as per the Act	1% of the net profits of the Company computed under section 197 and 198 of the Companies Act, 2013 excluding Sitting fees within the prescribed ceiling under section 197(5) of the Companies Act, 2013.				

C. Remuneration to Key Managerial Personnel, other than MD/Manager/WTD :

Sl. No.	Particulars of Remuneration	Key Managerial Personnel		Total Amount
		Company Secretary	CFO	
1.	Gross Salary	Vithal Das Mall	Manish Khanna	
	(a) Salary as per provisions contained in Section 17(1) of the Income Tax Act, 1961	5,20,000	7,70,000	12,90,000
	(b) Value of perquisites u/s 17(2) Income Tax Act, 1961	1,30,000	7,77,334	9,07,334
	(c) Profit in lieu of salary under Section 17(3) Income Tax Act, 1961	NIL	NIL	NIL
2	Stock Option	NIL	NIL	NIL
3	Sweat Equity	NIL	NIL	NIL
4	Commission			
	- As % of profit	NIL	NIL	NIL
	- Others, specify...	NIL	NIL	NIL
5	Others, please specify	NIL	NIL	NIL
	Total	6,50,000	15,47,334	21,97,334

VII. PENALTIES / PUNISHMENT / COMPOUNDING OF OFFENCES :

The company has not been convicted of any offences during the year.

	Type	Section of the Companies Act	Brief Description	Details of Penalty/ Punishment / Compounding fees imposed	Authority [RD/ NCLT/COURT]	Appeal made, if any (give Details)
A.	COMPANY					
	Penalty	Nil	Not applicable	Not applicable	Not applicable	Not applicable
	Punishment	Nil	Not applicable	Not applicable	Not applicable	Not applicable
	Compounding	Nil	Not applicable	Not applicable	Not applicable	Not applicable
B.	DIRECTORS					
	Penalty	Nil	Not applicable	Not applicable	Not applicable	Not applicable
	Punishment	Nil	Not applicable	Not applicable	Not applicable	Not applicable
	Compounding	Nil	Not applicable	Not applicable	Not applicable	Not applicable
C.	OTHER OFFICERS IN DEFAULT					
	Penalty	Nil	Not applicable	Not applicable	Not applicable	Not applicable
	Punishment	Nil	Not applicable	Not applicable	Not applicable	Not applicable
	Compounding	Nil	Not applicable	Not applicable	Not applicable	Not applicable

INDEPENDENT AUDITOR'S REPORT

To The Members of
DEEPAK INDUSTRIES LIMITED

Report on the Standalone Financial Statements

We have audited the accompanying standalone financial statements of Deepak Industries 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, in which are incorporated the Returns for the year ended on that date audited by the branch auditors of the Company's branches at New Allenberry Works – Faridabad, Rudrapur, Kolkata, Baghola and Dharwad.

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

Auditor's Responsibility

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

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

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

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

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31st March, 2017, and its profit and its cash flows for the year ended on that date.

Other Matter

We did not audit the financial statements/information of five branches included in the standalone financial statements of the Company whose financial statements/financial information reflect total assets of ₹ 43,427.34 lakh as at 31st March, 2017 and total revenue of ₹ 33,881.11 lakh for the year ended on that date, as considered in the standalone financial

statements. The financial statements/informations of these branches have been audited by the branch auditor whose reports have been furnished to us, and our opinion in so far as it relates to the amounts and disclosures included in respect of these branches, is based solely on the report of such auditor.

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 the paragraph 3 and 4 of the Order, to the extent applicable.
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 reports on the accounts of New Allenberry Works at Faridabad, Rudrapur, Kolkata, Baghola and Dharwad of the Company audited under Section 143(8) of the Act by branch auditors have been sent to us and have been properly dealt by us in preparing this report;
 - d. The Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account;
 - e. In our opinion, the aforesaid standalone financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014;
 - f. On the basis of the written representations received from the directors as on 31st March, 2017 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.
 - g. 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'.
 - h. With respect to the other matters included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us :
 - i. The Company has disclosed the impact of pending litigations on its financial position in its financial statements – Refer Note 2.26, 2.32 and 2.34 to the financial statements;
 - ii. The Company has made provision, as required under the applicable Law or Accounting Standards, for material foreseeable losses, if any;
 - iii. The Company has no unpaid dividend in the books of accounts which needs to be transferred to Investor Education and Protection Fund;
 - iv. The Company did not have any holdings or dealings in Specified Bank Notes during the period from 08.11.2016 to 30.12.2016 – Refer Note no 2.43.

For **SINGHI & CO.**
Chartered Accountants
Firm Registration No.302049E

ADITYA SINGHI
Partner
Membership No.305161

Place : Kolkata
Dated, the 30th day of May, 2017

Annexure 'A' to the Independent Auditors' Report

The Annexure referred to in paragraph 1 with the heading 'Report on other legal and regulatory requirements' of our Report of even date to the members of Deepak Industries Limited on the financial statements of the Company for the year ended 31st March 2017, we report that:

- 1 (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- (b) As explained to us, fixed assets of the Company have been physically verified by the management at reasonable intervals, in a phased verification programme, which, in our opinion, is reasonable, looking to the size of the Company and the nature of its business. According to the information and explanations given to us, no material discrepancies have been noticed on such physical verification.
- (c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the title deeds of immovable properties are held in the name of the Company.
2. As explained to us inventories have been physically verified during the year by the management, which in our opinion is reasonable and discrepancies which were noticed have been properly dealt with in the books of accounts. However, it is not material in nature.
3. According to the information and explanations given to us, the Company has not granted any loan, secured or unsecured to companies, firms, limited liability partnerships or other parties listed in the register maintained under section 189 of the Act. Hence, comments on paragraph 3(iii) of the Order are not applicable to the Company.
4. In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of section 186 of the Act, with respect to the investments made during the year. The Company has neither issued any guarantee, given any loan nor has provided any security on behalf of any party. Further according to the information and explanations given to us, the company has not entered into any transactions as referred to in section 185 of the Act.
5. The Company has not accepted any deposits. Consequently, the directives issued by the Reserve Bank of India and the provisions of sections 73 to 76 or any other relevant provisions of the Companies Act and the rules framed there under, are not applicable to the Company.
6. The Central Government has prescribed maintenance of cost records under section 148 (1) of the Companies Act, for the Company. We have broadly reviewed such accounts and records and are of the opinion that prima facie, the prescribed accounts & records have been made & maintained but no detailed examination of such records and accounts have been carried out by us.
7. According to the information and explanations given to us in respect of statutory and other dues:
 - (a) The Company is generally regular in depositing undisputed dues including Provident Fund, Employees' State Insurance, income tax, sales tax, wealth tax, service tax, duty of customs, duty of excise, value added tax, cess and any other material statutory dues, as applicable with the appropriate authorities.
 - (b) According to the information and explanations given to us, there are no dues of wealth tax, duty of customs, cess and value added tax which have not been deposited with the appropriate authorities on account of any dispute. However, following dues of income tax, sales tax, service tax, duty of excise have not been deposited by the Company on account of disputes (Refer note no. 2.34.):

(₹ in Lakh)

Name of the Statute	Nature of Dues & Year to which these relates	Amount involved	Forum Where dispute is Pending
Central Sales Tax Act, 1956	Central Sales Tax (F.Y 2000-01)	35.46	Revision pending before Kolkata High Court
Central Sales Tax Act, 1956	Central Sales Tax (F.Y 2001-02)	94.52	Pending before Kolkata High Court (State matter settled under SOD Scheme)
Central Sales Tax Act, 1956	Central Sales Tax (F.Y 2002-03)	36.40	Revision pending before Tribunal & High Court
Central Sales Tax Act, 1956	Central Sales Tax (F.Y 2005-06)	56.46	Pending before Kolkata High Court

Name of the Statute	Nature of Dues & Year to which these relates	Amount involved	Forum Where dispute is Pending
Central Sales Tax Act, 1956	Central Sales Tax (FY 2006-07 to 2008-09)	21.87	Revision pending before Revision Board (State matter settled under SOD Scheme)
Central Sales Tax Act, 1956	Central Sales Tax (FY 2010-11 to 2011-12)	35.16	Revision pending before Revision Board
Central Sales Tax Act, 1956	Central Sales Tax (FY.2012-13)	44.42	Appeal pending before Appellate Authority
W.B. Sales Tax Act, 1944	W.B. Sales Tax (FY 2002-03)	27.76	Revision pending before Tribunal & High Court
W.B. Sales Tax Act, 1944	W.B. Sales Tax (FY 2010-11 to 2011-12)	4.71	Revision pending before Revision Board
Central Excise Act, 1944 (Rule 14 of CENVAT Credit Rule)	CENVAT for Service Tax on Rent (F.Y. 2009-10)	4.19	Central Excise & Service Tax Appeals Tribunal (CESTAT), New Delhi
Income Tax Act, 1961	Short allowance of our Claim u/s 80IC and Short allowance of TDS & Other. Asst. Year 2010-11	6.40	Commissioner of Income Tax VI (Appeals)/Kolkata.
Income Tax Act, 1961	Short Allowance of Additional Depreciation Rs.77.57, deduction u/s 80IC Rs.1106, & TDS Rs.0.26 Asst. Year 2013-14	0.26	Commissioner of Income Tax VI (Appeals)/Kolkata..
Income Tax Act, 1961	Short Allowance of TDS Rs 1.25 and interest there on for the Assessment Year 2011-12.	1.31	Commissioner of Income Tax (Appeals)/ Kolkata.
Income Tax Act, 1961	Short Allowance of MAT credit Rs 37.55 and interest of Rs 3.89 for the Assessment Year 2016-17.	41.44	Commissioner of Income Tax (Appeals)/ Kolkata.

8. On the basis of records examined by us and the information and explanations given to us, the Company has not defaulted in repayment of dues to Banks, Financial Institutions and Government.
9. Based on information and explanations given to us and records of the Company examined by us, the Company has not raised moneys by way of initial public offer or further public offer (including debt instruments) and the term loan availed by the Company as on the Balance Sheet date, were applied by the company for the purpose for which loans were obtained.
10. According to the information and explanations given to us, no material fraud by the Company or on the Company by its officers or employees has been noticed or reported during the course of our audit.
11. According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not paid managerial remuneration in excess of the limits prescribed under the provisions of section 197 read with Schedule V to 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 the 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 the 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 them. 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 **SINGHI & CO.**
Chartered Accountants
Firm Registration No.302049E

ADITYA SINGHI
Partner
Membership No.305161

Place : Kolkata

Dated, the 30th day of May, 2017

Annexure 'B' to the Independent Auditors' Report

The Annexure referred to in paragraph 2 (g) under the heading "Report on Other Legal and Regulatory Requirements" of our Independent Auditors' Report of even date in respect to the internal financial control under clause (i) of sub-section 3 of section 143 of the Act of M/s Deepak Industries Limited for the year ended 31 March 2017, we report that:

We have audited the internal financial controls over financial reporting of M/s Deepak Industries Limited ("the Company") as of 31st March 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 control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India ('ICAI'). These responsibilities include 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 Companies Act, 2013 to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

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

Meaning of Internal Financial Controls over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls over Financial Reporting

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

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31 March 2017, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

Other Matter

We did not test the adequacy of Internal Financial Controls of five branches. The test for adequacy and operating effectiveness of Internal Financial Controls of these branches have been audited by the branch auditors whose reports have been furnished to us, and our opinion in so far as it relates to the adequacy of Internal Financial Controls in respect of these branches, is based solely on the report of such auditors.

For **SINGHI & CO.**
Chartered Accountants
Firm Registration No.302049E

ADITYA SINGHI
Partner

Membership No. 305161

Place : Kolkata

Dated, the 30th day of May, 2017

BALANCE SHEET AS AT 31ST MARCH, 2017

(₹ in lakh)

	Note No.	As at 31st March, 2017	As at 31st March, 2016
I. EQUITY AND LIABILITIES			
SHAREHOLDERS' FUNDS			
Share Capital	2.1	505.61	505.61
Reserves and Surplus	2.2	22,090.45	20,452.38
		22,596.06	20,957.99
NON-CURRENT LIABILITIES			
Long-Term Borrowings	2.3	4,174.03	3,978.93
Deferred Tax Liabilities (Net)	2.4	1,072.56	1,186.22
Other Long-Term Liabilities	2.5	442.95	46.53
Long-Term Provisions	2.6	152.69	108.83
		5,842.23	5,320.51
CURRENT LIABILITIES			
Short-Term Borrowings	2.7	8,006.53	6,842.20
Trade Payables	2.8		
Micro, Small and Medium Enterprises (Refer Note 2.28)		0.00	0.00
Others		4,411.82	4,189.75
Other Current Liabilities	2.9	3,369.60	3,819.33
Short-Term Provisions	2.6	171.47	92.34
		15,959.42	14,943.62
TOTAL		44,397.71	41,222.12
II. ASSETS			
NON-CURRENT ASSETS			
Fixed Assets (Property, Plant and Equipment)			
Tangible Assets	2.10	14,339.90	14,545.68
Intangible Assets	2.10	75.62	75.13
Capital Work-In-Progress		157.53	596.82
		14,573.05	15,217.63
Non-Current Investment	2.11	500.00	500.00
Long-Term Loans and Advances	2.12	1,023.25	1,931.10
		16,096.30	17,648.73
CURRENT ASSETS			
Inventories	2.13	6,487.49	6,504.03
Trade Receivables	2.14	7,430.02	7,187.20
Cash and Bank Balances	2.15	12,896.69	8,257.10
Short-Term Loans and Advances	2.12	778.54	1,023.17
Other Current Assets	2.16	708.67	601.89
		28,301.41	23,573.39
TOTAL		44,397.71	41,222.12
Significant Accounting Policies	1		

The Notes are an integral part of the Financial Statements
As per our Report annexed.

For **SINGHI & CO.**

Chartered Accountants

Firm Reg. No. 302049E

ADITYA SINGHI

Partner

Membership No. 305161

161, Sarat Bose Road
Kolkata - 700 026
The 30th day of May, 2017

V. D. MALL
Company Secretary

MANEESH KHANNA
Chief Financial Officer

P. K. DAGA (DIN : 00040692)
Chairman-cum-Managing Director

Y. K. DAGA (DIN : 00040632)
Vice-Chairman-cum Jt. Managing Director

S. CHAKRAVORTI (DIN : 00066344)
A. P. AGARWALLA (DIN : 00312652)
MEERA DOKANIA (DIN : 07094376)
Directors

STATEMENT OF PROFIT & LOSS FOR THE YEAR ENDED 31ST MARCH, 2017

(₹ in lakh)

	Note No.	For the Year ended 31st March, 2017	For the Year ended 31st March, 2016
INCOME			
Revenue from Operations (Gross)	2.17	36,211.04	33,598.89
Less : Excise Duty		3,676.76	3,301.55
Revenue from Operations (Net)		32,534.28	30,297.34
Other Income	2.18	1,358.02	1,430.65
Total Revenue		33,892.30	31,727.99
EXPENSES			
Cost of Materials Consumed	2.19	14,142.75	12,264.57
(Increase) / Decrease in Inventories of Finished Goods and Work-in-Progress	2.20	24.03	1,717.04
Employee Benefits Expense	2.21	4,723.31	4,368.20
Finance Costs	2.22	1,233.63	1,226.06
Other Expenses	2.23	9,048.65	8,098.22
Depreciation and Amortization Expense	2.24	2,173.57	2,108.51
		31,345.94	29,782.60
Profit before Tax		2,546.36	1,945.39
Tax Expense :	2.25		
Current Tax		1,021.95	690.90
Deferred Tax		(113.66)	(368.17)
		908.29	322.73
Profit for the year after tax		1,638.07	1,622.66
Earnings Per Share [nominal value ₹ 10 /-]			
Weighted Average Number of Equity Shares outstanding during the year		50,56,063	50,56,063
Basic and Diluted earning per share [₹]		32.40	32.09
Significant Accounting Policies	1		

The Notes are an integral part of the Financial Statements
As per our Report annexed.

For **SINGHI & CO.**

Chartered Accountants

Firm Reg. No. 302049E

ADITYA SINGHI

Partner

Membership No. 305161

161, Sarat Bose Road

Kolkata - 700 026

The 30th day of May, 2017

V. D. MALL

Company Secretary

MANEESH KHANNA

Chief Financial Officer

P. K. DAGA (DIN : 00040692)

Chairman-cum-Managing Director

Y. K. DAGA (DIN : 00040632)

Vice-Chairman-cum Jt. Managing Director

S. CHAKRAVORTI (DIN : 00066344)

A. P. AGARWALLA (DIN : 00312652)

MEERA DOKANIA (DIN : 07094376)

Directors

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2017

(₹ in lakh)

	For the year ended 31st March, 2017	For the year ended 31st March, 2016
(A) Cash Flow from Operating Activities		
Net Profit/(Loss) before Tax and Extra Ordinary Items	2,546.36	1,945.39
Adjustment for :-		
Depreciation and Amortisation Expenses	2,173.57	2,108.51
(Profit)/ loss on sale of F.Assets	(13.53)	(0.02)
Finance cost	1,233.63	1,226.06
Interest Received	(1,053.89)	(1,212.00)
Reversal of Impairment	(4.55)	0.00
	4,881.59	4,067.94
Movement in Working Capital		
Increase/(Decrease) in Trade Payables	222.07	612.90
Increase/(Decrease) in Other Current Liabilities	151.58	85.73
Increase/(Decrease) in Short Term Provisions	79.13	62.36
Increase/(Decrease) in Long Term Provisions	43.86	5.46
(Increase)/Decrease in Trade Receivable	(242.82)	(1,399.87)
(Increase)/Decrease in Inventories	16.54	(113.89)
(Increase)/Decrease in Long Term Loans and Advances	365.38	229.91
Proceeds from Short Term External Development Charges	(400.29)	0.00
Proceeds from Other Long Term Liabilities	396.42	17.57
(Increase)/Decrease in Short Term Loans and Advances	244.63	(312.10)
(Increase)/Decrease in Other Current Assets	(0.75)	0.98
Cash Generated from Operation before taxes	5,757.34	3,256.99
Direct Taxes Paid	(479.49)	(327.44)
Net Cash Flow from Operating Activities	5,277.85	2,929.55
(B) Cash Flow from Investing Activities		
Purchase of Tangible and Intangible Assets Including CWIP	(1,531.08)	(2,621.74)
Sale of Tangible Assets	20.17	1.20
Interest Received	947.87	1,133.80
(Increase)/Decrease in other Bank Balance	(3,303.07)	601.71
Net Cash used in Investing Activities	(3,866.11)	(885.03)

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2017 (Contd.)

(₹ in lakh)

	For the year ended 31st March, 2017	For the year ended 31st March, 2016
(C) Cash Flow from Financing Activities		
Proceeds/(Repayment)of Short Term Hire Purchase /Lease Finance	2.78	1.64
Proceeds from Current Maturities of Long Term Debts	(182.50)	35.80
Proceeds from Short Term Borrowings	1,164.33	717.80
Proceeds/(Repayment) of Long Term Borrowings	195.10	342.68
Buy back of Equity Shares	0.00	(726.10)
Dividend and Tax on Distributed Profit	0.00	(2,434.14)
Finance Charges	(1,254.93)	(1,216.14)
Net Cash used in Financing Activities	(75.22)	(3,278.46)
Net increase in Cash and Cash Equivalents (A+B+C)	1,336.52	(1,233.94)
CASH AND CASH EQUIVALENTS AS AT 31.03.2016	5,354.12	6,588.06
CASH AND CASH EQUIVALENTS AS AT 31.03.2017	6,690.64	5,354.12
Cash & Cash equivalent includes :		
Cash In Hand	9.49	12.59
Balance With Schedule Banks		
In Current Account	481.77	245.24
In Fixed Deposit Account with original maturityof Less than three months	6,199.38	5,096.29
Total	6,690.64	5,354.12

Notes :

- 1) The above cash flow statement has been prepared under the indirect method set out in AS-3 issued by the Institute of Chartered Accountants of India.
- 2) Figure in brackets indicate cash outgo.
- 3) Previous year's figures have been regrouped and recast where ever necessary to confirm to the current period classification.

This is the cash flow statement referred to in our report of even date.

For **SINGHI & CO.**

Chartered Accountants

Firm Reg. No. 302049E

ADITYA SINGHI

Partner

Membership No. 305161

161, Sarat Bose Road

Kolkata - 700 026

The 30th day of May, 2017

V. D. MALL

Company Secretary

MANEESH KHANNA

Chief Financial Officer

P. K. DAGA (DIN : 00040692)

Chairman-cum-Managing Director

Y. K. DAGA (DIN : 00040632)

Vice-Chairman-cum Jt. Managing Director

S. CHAKRAVORTI (DIN : 00066344)**A. P. AGARWALLA** (DIN : 00312652)**MEERA DOKANIA** (DIN : 07094376)

Directors

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2017

1. Significant Accounting Policies

a) Basis of Accounting

The financial statements are prepared under the historical cost convention, except stated otherwise, on an accrual basis and in accordance with the generally accepted accounting principles in India, the applicable mandatory Accounting Standards as prescribed under Sec.133 of the Companies Act,2013 read with Rule 7 of the Companies (Accounts) Rules, 2014.

The financial statements have been prepared and presented as per the requirement of Schedule III as notified under Companies Act 2013.

b) Convention and use of Estimates

The preparation of financial statements is under generally accepted accounting principles (GAAP) which requires management to make estimates and assumptions that affect the reported statements of assets and liabilities and the disclosure of contingent liabilities on the date of financial statements and the reported amounts of revenue and expenses during the year. The actual results could differ from these estimates. Any revision to accounting estimates is recognized in the current year.

c) Fixed Assets (Property Plant and Equipment) and Depreciation

Tangible Fixed Assets

- a. Property, Plant and Equipments are carried at cost (except land of Faridabad which is revalued) less accumulated depreciation and accumulated Impairment losses. Direct costs are capitalized until such assets are ready for use. Capital Work-in-Progress comprises the cost of fixed assets that are not ready for their intended use at the reporting date.
- b. Property, Plant and Equipment includes spare, stand by equipments and servicing equipments which are expected to be use for a period more than twelve months and meets the recognition criteria of Plant, Property and Equipments.
- c. Depreciation : Depreciation on Property, Plant and Equipment is provided to the extent of depreciable amount on pro-rata basis over the useful life of respective assets as prescribed under schedule II to the Companies Act, 2013 on straight line method except at Rudrapur unit where depreciation is provided on written down value method. However, on capital expenditure incurred on installation of assets taken on sub-lease at Rudrapur unit, which is being written off over the period of lease.

Depreciable value of fixed assets is its cost of acquisition as reduced by residual value of five percent of the cost of acquisition of the assets.

Intangible Fixed Assets

- a. Intangible assets are stated at cost on initial recognition, after which the same are stated at cost less accumulated amortization and accumulated impairment loss, if any.
- b. Intangible assets are amortized over a period of 5 years. The amortization period and the amortization method are reviewed at least at the end of each financial year. If the expected useful life of the assets is significantly different from previous estimate, the amortization period is changed accordingly.

d) Inventories

- 1) Inventories of Raw Materials, Stores, Spare Parts and Packing Materials are valued at cost. Cost is computed on weighted average/FIFO basis.
- 2) Work-in-progress and Semi Finished Goods are valued at lower of cost and net realizable value.
- 3) Finished Goods are valued at lower of cost and net realizable value. Scrap is valued at net realizable value.

e) Employees Benefits

1) Short term Benefits

The undiscounted amount of short term employees benefits expected to be paid in exchange for the services rendered by employees is recognized in the period in which the employee rendered the service. This benefit includes salary, wages, short term compensatory absence and bonus.

2) Long Term Benefits

- i) Defined Contribution Scheme (DCS) – such as Provident Fund and other Funds, Employees State Insurance Scheme are charged to the Statement of Profit and Loss as incurred as per the applicable Law/Rules

Significant Accounting Policies (Contd.)

- ii) Defined Benefit Scheme (DBS) - The present obligation of Company's liability towards Gratuity and Leave Encashment under such scheme is determined based on an actuarial valuation, using the Projected Unit Credit (PUC) method, carried out by an independent actuary. As per the requirement of Accounting Standard 15 (Revised 2005) on Employees benefit. Actuarial gain and losses arising on such valuation are recognized immediately in the Statement of Profit and Loss.

In case of Funded Defined Benefit Scheme the fair value of the plan assets is reduced from the gross obligation under Defined Benefit Scheme, to recognize the obligation on net basis.

f) Foreign currency transactions

- i) Foreign currency transactions are recorded at the exchange rates prevailing on the date of the transaction. Gain and loss arising out of subsequent fluctuations are accounted for on actual payment or realization. Monetary items in the form of Loan, Current Assets and Current Liabilities denominated in foreign currency as at the Balance Sheet date are restated at the rates prevailing on that date. Exchange difference is recognized in the Statement of Profit and Loss except exchange difference on account of Fixed Assets which are adjusted with Fixed Assets and gain/loss on foreign currency loan for fluctuation of foreign currency accounted as finance cost to the extent of Interest.
- ii) Premium or discount arising at the inception of forward contract is amortized as expenses or income over the life of the contract. Exchange difference on forward contracts is recognized in the Statement of Profit and Loss in the year in which the exchange rates change. Any profit or loss arising on cancellation or renewal of forward contract is recognized as income or expenses in the Statement of Profit and Loss.

g) Recognition of Income & Expenditure

Income & Expenses are recognized on mercantile basis except insurance claim which is accounted for on cash basis and interests on overdue bills are accounted for on certainty of realization.

h) Borrowing Cost

Interest and other borrowing costs directly attributable to the acquisition, construction or installation of qualifying capital assets till the date of commercial use of the assets are capitalized. Other borrowing cost is recognized as an expense in the period in which they are incurred.

i) Contingent Liabilities/Contingent Assets

Provisions are recognized in respect of present obligations arising out of past events where there are reliable estimate of probable outflow of resources. Contingent Liabilities are the possible obligation of past events, the existence of which will be confirmed only by the occurrence or non-occurrence of a future event. These are not provided for and are disclosed by way of notes on Accounts; Contingent Assets are not provided for or disclosed.

j) Excise Duty/Custom Duty

Excise Duty on manufactured finished goods lying in factory and Custom Duty on stock lying in bonded warehouse are accounted for on the estimated basis on the Balance Sheet date.

k) Expenditure during construction period

Expenses of Capital nature are capitalized. Such expenditures comprise of purchase price, import duty and any directly attributable cost of bringing the assets to their working condition, trial run expenses and interest attributable up to the date of installation.

l) Impairment of Assets

Impairment of Assets is assessed at each Balance Sheet date and if any indication of impairment exists, the same is assessed and an impairment loss is recognized whenever the carrying amount of an asset exceeds its recoverable amount.

m) Taxation

Income tax expense comprises of current tax and deferred tax charge or release. The deferred tax charge or credit is recognized using tax rates and the tax laws enacted or substantively enacted at the Balance Sheet date. Where there is unabsorbed depreciation or carry forward losses, deferred tax assets are recognized only if there is virtual certainty supported by convincing evidence of realization of such assets. Other deferred tax assets are recognized only to the extent there is reasonable certainty of realization in future. Such assets are reviewed as at each Balance Sheet date to reassess realization.

n) Investment

Long term investments are stated at cost less provision for permanent diminution in value of such investment, if any.

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2017

(₹ in lakh)

		As at 31st March, 2017	As at 31st March, 2016
2.1 SHARE CAPITAL :			
	Authorised :		
53,00,000	(PY - 53,00,000) Equity Shares of ₹ 10/- each	530.00	530.00
20,000	(PY - 20,000) Redeemable Cumulative Preference Shares of ₹ 100/- each	20.00	20.00
		550.00	550.00
	Issued :		
50,56,063	(PY - 50,56,063) Equity Shares of ₹ 10/- each	505.61	505.61
	Subscribed and Paid-up		
50,56,063	(PY - 50,56,063) Equity Shares of ₹ 10/- each fully paid up	505.61	505.61
		505.61	505.61

- a) There has been no change/movements in number of shares outstanding at the beginning and at the end of the reporting period ended 31.03.2017. The reconciliation of the number of shares and the amount of share capital as on March 31, 2017 is as follows:

Particulars	31.03.2017		31.03.2016	
	No. of Shares	Amount (₹ in lakh)	No. of Shares	Amount (₹ in lakh)
Shares at the beginning of the year	50,56,063	505.61	52,98,095	529.81
Less: Buy back during the year	-	-	2,42,032	24.20
Shares at the end of the year	50,56,063	505.61	50,56,063	505.61

- b) During the year 2016-17 Company has bought back Nil nos of equity shares of ₹10/- each (previous year 242032 nos of equity shares at a premium of ₹290/- per Share)
- c) The Company has only one class of issued shares i.e. Equity Shares having par value of ₹ 10 per share. Each holder of Equity Shares is entitled to one vote per share and equal right for dividend. The dividend proposed by the Board of Directors is subject to the approval of shareholders in the Annual General Meeting. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the Company after payment of all preferential amounts, in proportion to their shareholding.
- d) The Company does not have any Holding Company/ultimate Holding Company.
- e) **Details of shareholders holding more than 5% shares in the Company:**

Equity Share of Rs. 10/- each fully paidup	% of Holdings		No. of Shares	
	31st March, 2017	31st March, 2016	31st March, 2017	31st March, 2016
Asha Devi Daga	17.22	17.22	8,70,806	8,70,806
Nandini Daga	20.30	15.32	10,26,625	7,74,625
Shantanu Daga	1.11	11.08	56,000	5,60,000
Yashwant Kumar Daga	15.10	11.20 *	7,63,313	5,66,088
Pradip Kumar Daga	9.59	9.59 **	4,84,964	4,84,964
Coplama Products Private Limited	10.97	10.97	5,54,531	5,54,531
Jalpaiguri Holdings Private Limited	12.23	12.23	6,18,312	6,18,312

* Includes 250,000 (PY-250,000) nos of shares held by HUF

** Includes 277,264 (PY-297,104) nos of shares held by HUF

- f) No Equity Shares have been reserved for issue under options and contracts/commitments for the sale of shares/disinvestment as at the Balance Sheet date.
- g) The Company has neither allotted any equity shares for consideration other than cash nor has issued any bonus shares during the period of five years preceding the date at which the Balance Sheet is prepared
- h) No Securities Convertible into Equity/Preference Shares have been issued by the company during the year.
- i) No calls are unpaid by any Director or Officer of the Company during the year.

(₹ in 'lakh')

	As at 31st March, 2017	As at 31st March, 2016
2.2 RESERVES AND SURPLUS		
Capital Reserves		
As per the last Financial Statements	35.36	35.36
	<u>35.36</u>	<u>35.36</u>
Capital Redemption Reserve		
As per the last Financial Statements	24.20	0.00
Add : Reserve Created during the year	0.00	24.20
	<u>24.20</u>	<u>24.20</u>
Revaluation Reserve		
As per the last Financial Statements	77.42	77.42
Less : Transfer to the Statement of Profit & Loss being depreciation on Revalued Assets	0.00	0.00
	<u>77.42</u>	<u>77.42</u>
Surplus		
As per the last Financial Statements	20,315.40	21,852.98
Less : Fund utilised for Buy Back of Equity Shares	0.00	701.89
Less : Transferred to Capital Redemption Reserve	0.00	24.20
Less : Interim Dividend Paid	0.00	2,022.43
Less : Tax on distributed Profit	0.00	411.72
Add : Profit for the year	1,638.07	1,622.66
	<u>21,953.47</u>	<u>20,315.40</u>
	<u>22,090.45</u>	<u>20,452.38</u>

2.3 LONG-TERM BORROWINGS

	Non-current portion		Current maturities	
	As at 31st March, 2017	As at 31st March, 2016	As at 31st March, 2017	As at 31st March, 2016
Term Loans (Secured)				
Rupee Loan from Bank (1(a) and 1(b))	1,046.09	55.27	50.00	292.50
Rupee Corporate Loan from Bank (1 (a), (c),(d) (e) and (f))	3,035.51	3,808.12	853.20	793.20
	<u>4,081.60</u>	<u>3,863.39</u>	<u>903.20</u>	<u>1,085.70</u>
Amount disclosed under the head "Other Current Liability" (Note 2.9)	0.00	0.00	903.20	1,085.70
	<u>4,081.60</u>	<u>3,863.39</u>	<u>0.00</u>	<u>0.00</u>
Other Loans and Advances (Unsecured)				
Sales Tax Soft Loan Sanctioned by Govt of West Bengal for payment of sales tax liability (2)	92.43	115.54	23.11	23.11
Amount disclosed under the head "Other Current Liability" (Note 2.9)	0.00	0.00	23.11	23.11
	<u>92.43</u>	<u>115.54</u>	<u>-</u>	<u>-</u>
	4,174.03	3,978.93	-	-

1. a) The Term loans and Corporate Loan from SBI is secured by way of hypothecation of machines purchased out of Bank Loan & equitable mortgage of the freehold Industrial property with building and Factory shed of Kolkata unit at 62 Hazra Road, Kolkata by 1st charge of movable fixed assets of the unit as primary security and 2nd hypothecation charge on current assets of the company as collateral security.
- b) Term Loan of ₹1950 lacs sanctioned with a tenor of 7 years including a moratorium period of 2 years repayable in 20 quarterly installments commencing from March'2012 and concluding on December'2016. Rate of Interest : 11.35% p.a.
- c) Corporate Loan of ₹1165 lacs sanctioned with a tenor of 6 years including a moratorium period of 1 year repayable in 20 quarterly installments commencing from q.e. June'14 to March'15 @ ₹5 Lac per quarter, June'15 to March'17 @ ₹65 Lac per quarter, June'17 to March'18 @ ₹75 Lac per quarter, June'18 to Dec.'18 @ ₹80 Lac per quarter and in q.e. March'19 @ ₹ 85 Lac. Rate of Interest : 9.50% p.a.
- d) Corporate Loan of ₹3200 lacs sanctioned with a tenor of 8 years including a moratorium period of 2 years payable in 24 quarterly installments commencing from q.e. Sept.15 to March'21 @ ₹133.30 Lac per quarter and in q.e. June'21 @ ₹134.10 Lac. Rate of Interest :9.50% p.a.

(₹ in 'lakh')

- e) Corporate Loan of ₹1000 lacs sanctioned with a tenor of 8 years including a moratorium period of 2 years payable in 24 quarterly installments commencing from q.e. June'17 to March 19 @ ₹5.00 Lac per quarter, June'19 to March '20 @ ₹15.00 Lacs per quarter, June'20 to Sept.'20 @ ₹25.00 lacs per quarter, Dec'20 to June 21 @ ₹50 Lacs per quarter and Sept'21 to March23 @ ₹100.00 lacs per quarter. Rate of interest 9.75% p.a.
- f) Corporate Loan of ₹1670 lacs sanctioned with a tenor of 8 years including a moratorium period of 2 years payable in 24 quarterly installments commencing from q.e. March'18 to March 20 @ ₹50.00 Lac per quarter, June'20 to March '23 @ ₹80.00 Lacs per quarter, June'23 to Sept.'23 @ ₹90.00 lacs per quarter, and concluding during q.e Dec'23 @ ₹80.00 lacs. Rate of interest 9.50% p.a.

2. Repayment of Soft Loan installment due yearly @ ₹23.11 Lacs in 8 equal instalments commenced from August, 2014.

2.4 DEFERRED TAX LIABILITIES (NET)

	As at 31st March, 2017	As at 31st March, 2016
Deferred Tax Liabilities		
Arising on account of :		
Depreciation	1,244.35	1,311.29
Less : Deferred Tax Assets		
Arising on account of :		
Section 43B of Income-tax Act	171.79	125.07
Deferred Tax Liabilities (Net)	1,072.56	1,186.22

2.5 OTHER LONG TERM LIABILITIES

	Long-term		Short-term	
	As at 31st March, 2017	As at 31st March, 2016	As at 31st March, 2017	As at 31st March, 2016
Other Liabilities				
External Development Charges (Bhagoli)	400.29	-	0.00	400.29
Hire Purchase/lease Finance Liability	42.66	46.53	20.39	17.61
	442.95	46.53	20.39	417.90
Amount disclosed under the head "Other Current Liability" (Note 2.9)	0.00	0.00	20.39	417.90
	442.95	46.53	-	-

2.6 PROVISIONS

	Long-term		Short-term	
	As at 31st March, 2017	As at 31st March, 2016	As at 31st March, 2017	As at 31st March, 2016
Provision for Employee Benefits				
Leave Payment	152.13	108.27	36.39	31.25
Gratuity	0.00	0.00	135.08	61.09
	152.13	108.27	171.47	92.34
Other Provisions				
Provisions for Taxation (Net of Payments)	0.56	0.56	0.00	0.00
Provisions for Wealth Tax (Net of payment)			0.00	0.00
	152.69	108.83	171.47	92.34

2.7 SHORT TERM BORROWINGS

	As at 31st March, 2017	As at 31st March, 2016
Working Capital Borrowings		
From Banks		
Rupee Loan from Bank (Secured) (a)	8,006.53	6,842.20
	8,006.53	6,842.20

- a) Working Capital Borrowings in Rupee are secured on pari-passu basis by way of hypothecation of stocks, book debts and other current assets present and future of the company and extension of equitable mortgage of immovable fixed assets of the Company. The working capital advances are also secured by way of second charge on the fixed assets of the Company.

(₹ in 'lakh')

	As at 31st March, 2017	As at 31st March, 2016
2.8 TRADE PAYABLES		
Micro, Small and Medium Enterprises (Refer Note 2.28)	–	–
Others	4,411.82	4,189.75
	4,411.82	4,189.75
2.9 OTHER CURRENT LIABILITIES		
Creditors for Fixed Assets	376.85	432.57
Current maturities of Long Term Debt (See Note 2.3)	926.31	1,108.81
Current maturities of Hire Purchase/Lease Finance Liability (See Note 2.5)	20.39	17.61
External Development Charges (Bhagola) (See Note 2.5)	0.00	400.29
Statutory Dues	326.37	311.17
Sales Tax/VAT	110.08	154.36
Excise Duty	132.61	108.23
Interest Accrued & Due	43.64	64.87
Interest Accrued but not due	0.37	0.44
Trade and Security Deposits	8.07	6.93
Liability Relating to Employees	179.39	147.95
Advances Received from Customers	1,077.16	920.20
Others	168.36	145.90
	3,369.60	3,819.33

NOTE 2.10 : FIXED ASSETS

(₹ in 'lakh')

	GROSS BLOCK *						DEPRECIATION				IMPAIRMENT			NET BLOCK	
	Value as at 31st March, 2016	Additions during the Year	Deductions/ Adjustments during the year	Value as at 31st March, 2017	Upto 31st March, 2016	Provided during the year	Deductions/ Adjustments during the year	Depreciation up to 31st March, 2017	WDV up to 31.03.2017 before Impairment	Impairment up to 31.03.2016	Adjustments during the year	Impairment up to 31st March 2017	As at 31st March 2017	As at 31st March 2016	
TANGIBLE ASSETS															
Leasehold Land**	132.40	0.00	0.00	132.40	14.71	1.47	0.00	16.18	116.22	0.00	0.00	116.22	117.69		
Freehold Land	1,994.51	0.00	0.00	1,994.51	0.00	0.00	0.00	0.00	1,994.51	0.00	0.00	1,994.51	1,994.51		
Buildings	1,669.79	0.00	0.00	1,669.79	558.76	56.75	0.00	615.51	1,054.28	0.00	0.00	1,054.28	1,111.03		
Plant & Machinery	23,580.97	1,867.71	118.39	25,330.29	12,371.09	2,035.28	112.47	14,293.90	11,036.39	127.90	123.35	10,913.04	11,081.98		
Furniture & Fittings	137.60	4.65	0.00	142.25	78.67	9.96	0.00	88.63	53.62	0.00	0.00	53.62	58.93		
Vehicles***	204.98	23.36	3.31	225.03	77.63	24.18	2.59	99.22	125.81	0.00	0.00	125.81	127.35		
Office Equipment	260.70	53.62	0.00	314.32	206.51	25.39	0.00	231.90	82.42	0.00	0.00	82.42	54.19		
Total	27,980.95	1,949.34	121.70	29,808.59	13,307.37	2,153.03	115.06	15,345.34	14,463.25	127.90	4.55	123.35	14,339.90	14,545.68	
INTANGIBLE ASSETS															
Computer Software	126.03	21.03	0.00	147.06	50.90	20.54	0.00	71.44	75.62	0.00	0.00	75.62	75.13		
Total	126.03	21.03	0.00	147.06	50.90	20.54	0.00	71.44	75.62	0.00	0.00	75.62	75.13		
Grand Total :	28,106.98	1,970.37	121.70	29,955.65	13,358.27	2,173.57	115.06	15,416.78	14,538.87	127.90	4.55	123.35	14,415.52	14,620.81	
Previous Year :	24,810.94	3,319.40	23.36	28,106.98	11,271.94	2,108.51	22.18	13,358.27	14,748.71	127.90	0.00	127.90	14,620.81		

Note: * Land, Buildings, Plant & Machinery (including Electrical Installations and WaterSupply Installations) of Faridabad unit of the Company were revalued by an approved valuer on 31st March, 1991 which resulted in increase of Fixed Assets Value by ₹. 509.57 (PY ₹. 509.57) . Subsequent deduction on disposal till date is ₹109.36 (₹109.36) .

** Depreciation represent Proportionate amount of leasehold land amortised over the period of lease .

*** Includes ₹121.13 (₹101.69) acquired on Hire Purchase basis and under continued hire purchase agreement. Present liability for the same is ₹63.04 (₹64.14) out of which ₹20.39 (₹17.61) is payable within one year.

(₹ in 'lakh')

2.11 NON-CURRENT INVESTMENT

	Long-term		Short-term	
	As at 31st March, 2017	As at 31st March, 2016	As at 31st March, 2017	As at 31st March, 2016
Long Term Investment (Non-Trade)				
5,000,000 (P.Y. 5,000,000) Nos 3% Redeemable Preference Share of ₹ 10/- each fully paid up of M/s. Brua Hydrowatt Pvt. Ltd (Unquoted)	500.00	500.00 #	–	–
2,000,000 Nos Redeemable after 3 years from 21.10.2014				
2,000,000 Nos Redeemable after 3 years from 19.11.2014				
1,000,000 Nos Redeemable after 3 years from 27.11.2014				
	500.00	500.00	–	–

2.12 LOANS & ADVANCES**Capital Advances**

Unsecured, considered good	462.90	837.07	0.00	0.00
	462.90	837.07	0.00	0.00

Security Deposits

Unsecured, considered good	107.27	98.49	30.43	32.53
Considered Doubtful	1.41	1.41	0.00	0.00
	108.68	99.90	30.43	32.53

Less : Provision for Doubt ful Deposit	1.41	1.41	0.00	0.00
	107.27	98.49	30.43	32.53

Other Loans and Advances**(Unsecured, Considered good)**

Advance Tax and TDS (Net of provisions)	177.52	241.48	0.00	0.00
Advance Fringe Benefit Tax	0.05	0.05	0.00	0.00
Mat Credit Entitlement	275.51	754.01	0.00	0.00
Advance against supply of Goods and Services	0.00	0.00	128.85	412.84
Prepaid Expenses	0.00	0.00	48.86	29.94
Advance to Employees	0.00	0.00	5.49	7.31
Balances with Govt and Statutory Authorities	0.00	0.00	564.91	540.55
	453.08	995.54	748.11	990.64
	1,023.25	1,931.10	778.54	1,023.17

2.13 INVENTORIES

(As taken, valued and certified by the Management)

Raw Materials#			3,005.79	3,192.38
Work in Progress			916.99	1,092.32
Semi Finished Goods			33.12	11.80
Finished Goods			1,298.39	1,167.50
Stores and Spares			1,230.35	1,036.27
Scraps			2.85	3.76
			6,487.49	6,504.03

includes goods-in-transit ₹9.78 (₹ 2.31)

Details of Inventories :

	Finished Goods		Work-in-Progress*	
	As at 31st March, 2017	As at 31st March, 2016	As at 31st March, 2017	As at 31st March, 2016
Worm Reduction Gear	76.30	82.62	62.94	70.42
Spur Helical, Double Helical and Bevel Reduction Gear Boxes	650.53	506.33	244.09	250.15
Geared Motors/Coupling	38.89	31.56	4.19	0.34
Others	13.43	16.42	81.96	105.79
Tractor & Automobile Gear/Parts	385.08	371.99	370.14	488.69
Rear Axles & Spline Shaft for Tractor & Automobile	134.16	158.58	186.79	188.73
	1,298.39	1,167.50	950.11	1,104.12

* Including Semifinished ₹ 33.12 (₹11.80)

(₹ in lakh)

2.14 TRADE RECEIVABLES

	Non-Current		Current	
	As at 31st March, 2017	As at 31st March, 2016	As at 31st March, 2017	As at 31st March, 2016
Outstanding for a period exceeding six months				
Unsecured, considered good	–	–	1,156.16	1,158.25
Doubtful	–	–	153.13	153.13
	–	–	1,309.29	1,311.38
Provision for doubtful receivables	–	–	153.13	153.13
	–	–	1,156.16	1,158.25
Other Receivables				
Unsecured, considered good				
Due from Others	–	–	6,231.19	5,988.77
Due from Related Party	–	–	42.67	40.18
	–	–	6,273.86	6,028.95
	–	–	7,430.02	7,187.20

2.15 CASH AND BANK BALANCES

	As at 31st March, 2017	As at 31st March, 2016
Cash and Cash Equivalents		
Balances With Banks :		
In Current Account	481.77	245.24
In Fixed Deposit Accounts with original maturity of less than three months	6,199.38	5,096.29
Cash in hand (Incl'd Stamps) (As certified by the Management)	9.49	12.59
	6,690.64	5,354.12
Other Bank Balances		
Balances with Bank held as margin money / security (a)	3.68	7.71
In Fixed Deposit Accounts with original maturity of more than three months (b)	6,202.37	2,895.27
	6,206.05	2,902.98
	12,896.69	8,257.10

a) Margin Money Account is Pledged with Banks against Bank Guarantees / Letter of Credits.

b) Pledged with VAT Authority ₹ 0.50 (₹ 0.50)

2.16 OTHER CURRENT ASSETS

	Non-Current		Current	
	As at 31st March, 2017	As at 31st March, 2016	As at 31st March, 2017	As at 31st March, 2016
(Unsecured, considered good)				
Interest Receivable	–	–	706.96	600.93
Duty Draw Back Receivable	–	–	1.71	0.96
	–	–	708.67	601.89

(₹ in lakh)

2.17 REVENUE FROM OPERATIONS (GROSS)

	For the year ended	
	31st March, 2017	31st March, 2016
Sale of Products (including Export Sales of ₹546.73 (₹499.59))	35,877.03	33,377.62
Sale of Scraps	319.68	210.17
	36,196.71	33,587.79
Sale of Service	14.33	11.10
	36,211.04	33,598.89
Less : Excise Duty	3,676.76	3,301.55
	32,534.28	30,297.34
Details of Sale of Products & Scraps		
Worm Reduction Gear	1,203.27	1,232.81
Spur Helical, Double Helical and Bevel Reduction Gear Boxes	5,015.87	5,991.20
Geared Motors	167.88	167.86
Loose Gear including Jobbing Charges	117.69	113.76
Torison Shaft & Diaphragm Couplings	62.47	77.93
Tractor & Automobile Gear/Parts	23,308.43	19,897.62
Rear Axles & Spline Shaft for Tractor & Automobile	7,063.07	6,315.73
Loose Gears & Gear Boxes	0.00	0.41
Gear Coupling	2.76	2.54
Sale of Scrap	319.68	210.17
Other	114.52	110.28
Solar Power	616.87	656.87
	37,992.51	34,777.18
Less : Inter unit transfer	(1,795.80)	(1,189.39)
	36,196.71	33,587.79
2.18 OTHER INCOME		
Interest Income		
On Bank Deposits	1,024.17	1,187.17
Others	29.72	24.83
	1,053.89	1,212.00
Other Non Operating Income		
Profit on sale of Fixed Assets	13.57	0.86
Excess Liabilities and Unclaimed Balances written back	6.37	3.17
Insurance and Other Claims (Net)	1.14	0.33
Reversal of Impairment	4.55	0.00
Net gain / (loss) on Foreign Currency transactions	0.00	12.35
Misc. Income *	278.50	201.94
	304.13	218.65
	1,358.02	1,430.65

* 1) Includes ₹ 196.93 (₹140.12) cash discount received on early payments.

(₹ in lakh)

2.19 COST OF MATERIALS CONSUMED

For the year ended

	31st March, 2017	31st March, 2016
Raw Material Consumed		
Opening Inventories	3,192.38	1,578.59
Add : Purchase	13,956.16	13,878.36
	17,148.54	15,456.95
Less : Closing Inventories	3,005.79	3,192.38
Cost of Raw Material Consumed	14,142.75	12,264.57

Details of Raw Material Consumed

Bearings	505.95	740.41
PB Rims	139.45	119.43
Steel	10,497.95	8,682.90
Castings	879.67	802.34
Electric Motors	63.04	41.88
Steel Castings & Forgings	788.18	335.17
Tractor & Automobile Gear/Parts	793.45	632.26
Rear Axles & Spline Shaft for Tractor & Automobile	1,051.35	704.57
Others	1,219.51	1,395.00
	15,938.55	13,453.96
Less : Inter unit transfer	(1,795.80)	(1,189.39)
	14,142.75	12,264.57

2.20 (INCREASE)/DECREASE IN INVENTORIES OF FINISHED GOODS, WORK-IN-PROGRESS

Inventories at the beginning of the year

Finished Goods	1,167.50	2,949.67
Work-in-Progress	1,092.32	950.29
Semi Finished	11.80	90.03
Scraps	3.76	2.43
	2,275.38	3,992.42

Inventories at the end of the year

Finished Goods	1,298.39	1,167.50
Work-in-Progress	916.99	1,092.32
Semi Finished	33.12	11.80
Scraps	2.85	3.76
	2,251.35	2,275.38
	24.03	1,717.04

2.21 EMPLOYEE BENEFIT EXPENSE

Salaries & Wages	4,184.98	3,870.48
Contribution to Provident Funds, Gratuity & Others	344.02	313.52
Staff Welfare Expenses	194.31	184.20
	4,723.31	4,368.20

(₹ in lakh)

2.22 FINANCE COST

For the year ended

	31st March, 2017	31st March, 2016
Interest Expenses		
To Banks on Term Loans	107.11	66.09
" Banks On Working Capital Loans	1,084.53	1,114.09
" Others	21.00	19.67
	1,212.64	1,199.85
Other Borrowing Cost		
Financial Charges	20.99	26.21
	1,233.63	1,226.06

2.23 OTHER EXPENSES**MANUFACTURING EXPENSES**

Stores, Spare Parts & Packing Materials Consumed	2,642.29	2,245.42
Power & Fuel	1,524.80	1,255.76
Job Charges	1,658.89	1,291.59
Repairs to Buildings	74.05	69.38
Repairs to Machinery	1,192.78	1,254.54
Repairs to Other Assets	129.51	119.10
Solar Power	49.50	54.50
Increase/(Decrease) in Excise on Stocks	23.66	59.14
	7,295.48	6,349.43

ADMINISTRATION AND SELLING EXPENSES

Brokerage & Commission on Sales	59.96	114.27
Transport & Forwarding Expenses	477.32	396.62
Rent	86.11	83.31
Insurance	22.89	20.89
Rates & Taxes	17.03	15.81
Legal & Professional Expenses (including payments made to Director ₹0.04 (₹0.13))	434.10	433.75
Travelling Expenses	279.95	292.56
Bank Charges	28.87	39.25
Postage, Telephone, Telex	34.84	29.12
Printing & Stationery	39.80	40.02
Directors' Fees	2.12	2.44
Directors' Commission	8.00	8.00
Donation	0.00	10.07
Tax and Duties	99.01	80.02
Share Buy Back Expenses	0.00	24.88
Auditors' Remuneration -		
Statutory Auditors -		
Audit Fees	7.81	6.54
Limited Review Fees	2.36	1.62
Tax Audit Fees	1.35	1.00
Issue of Certificates	2.66	2.47
Bad Debt	2.58	7.50
Exchange Difference (Net)	0.60	0.00
Loss on sale/discard of Fixed Assets	0.04	0.84
Miscellaneous Expenses	145.77	137.81
	1,753.17	1,748.79
	9,048.65	8,098.22

(₹ in lakh)

2.24 DEPRECIATION AND AMORTIZATION EXPENSES

	For the year ended	
	31st March, 2017	31st March, 2016
For Current year		
On Tangible Assets	2,153.03	2,090.46
On Intangible Assets	20.54	18.05
	2,173.57	2,108.51

2.25 TAX EXPENSE

Taxation for the Current Year	543.44	415.18
Add : Utilisation of Mat Credit Entitlement	478.51	275.72
Current Tax	1,021.95	690.90
Deferred Tax	(113.66)	(368.17)
TOTAL	908.29	322.73

2.26 Contingent Liabilities not provided for in respect of :

(₹ in lakh)

- a) Claims against the company not acknowledged as ₹ 23.06 (₹ 23.06).
- b) Letter of Guarantee opened by Bank in favour of foreign /Indian suppliers ₹20.96 (₹ 31.03).
- c) Letter of credit opened by Bank in favour of Indian suppliers ₹ 315.19 (₹ 355.52).
- d) Guarantee issued by Bank for ₹ 1051.56 (₹ 903.78) including ₹ 72.75 (₹ 68.60) in respect of amount included in advance from customers. The bank held margin money of ₹ 0.60 (₹ 0.60) as fixed deposit receipts against the said guarantee.
- e) Indemnity Bonds issued in favour of Customs Department for ₹ 41.66 (₹ 41.66) and ₹ 0.82 (₹ 0.82) deposited in this respect, has been included in security deposit.
- f) Proportionate value of duty saved vide Letter of Undertaking given to Jt. Director General of Foreign Trade under EPCG Scheme, where export obligation can be completed in future years ₹ 183.37 (₹ 222.41). The export made by Faridabad unit has been considered to fulfill the EPCG obligation in respect of machine installed at Rudrapur unit.
- g) Sales Tax liabilities ₹ 209.30 (₹ 264.52). (Ref: Note 2.34)
- h) The disputed issues/demand of Income Tax and Fringe Benefit Tax amounting to ₹ 39.93 (₹ 39.93) not provided in the accounts as the matter pending adjudication before CIT (Appeals), VI, Kol, CIT (Appeals),VI,KolandDCIT Cir-6 (Refer Note. 2.34)
 - a) Assessment Year 2009-10 demand ₹ 0.03 (₹ 0.03) paid by way of adjustment by department with refund of A.Y. 2011-12 out of ₹ 5.10 (Income Tax.). The disputed issues are short allowance of deduction U/s 80IC for ₹ 53.26and short allowance of credit of TDS ₹ 2.33.
 - b) Assessment Year 2009-10 demand ₹ 2.15 (₹ 2.15) paid by way of adjustment by department with refund of A.Y. 2011-12 out of ₹ 5.10 adjusted ₹ 4.63 (₹ 4.63) (Fringe Benefit Tax.).
 - c) The disputed Demand Assessment year 2010-11 for ₹6.40 (₹ 6.40).
 - d) Assessment year 2011-12 disputed demand of ₹ 1.31(Nil) for short allowance of Credit of TDS of ₹ 1.25 and Interest ₹ 0.06
 - e) The disputed issue for Asst. year 2012-13 for Short Allowance of Deduction u/s80IC amounts to ₹ 7.22 and short allowance of Credit of TDS ₹ 0.23 Tax involve in the matter ₹ 2.34 approx. adjustment by department out of refund of A.Y. 2012-13
 - f) The disputed demand of Income Tax for Asst. year 2013-14 for ₹ 0.26 pending adjudication before CIT (Appeals), VI, Kolkata. The disputed issue are for disallowance of Additional Depreciation ₹.77.57 Short deduction u/s 80IC ₹. 11.06 Short credit of TDS ₹0.26 and wrong adjustment of Credit u/s 115JA, Tax involve in the matter ₹29.02 approx. adjusted with credit u/s 115JA ₹28.76.
 - g) The disputed issue for Asst. year 2015-16 for Short allowance of MAT credit of ₹ 37.49 and short allowance of TDS ₹0.24 and interest charged ₹ 0.17.Tax involve in the matter ₹ 37.90 approx adjusted with refund of Asst. year 2015-16(Nil).
 - h) The disputed Demand for Asst. year 2016-17 for ₹ 41.44 (Nil) for short allowance of MAT credit ₹ 37.55 and Interest charged ₹ 3.89.
- i) The disputed dues on account of CENVAT, Service Tax ,Sales Tax, Interest on Excise Duty and Penalty amounting to ₹ 4.19 (₹ 4.19) has not been provided in the accounts and deposited as the matter is pending Adjudication before concerned authorities .(Ref Note2.34)

(₹ in 'lakh')

2.27 Capital Commitments

Estimated value of contracts remaining to be executed on Capital Account and not provided for ₹ 811.71 (₹ 1,396.76) Advance paid ₹ 459.28 (₹ 837.07)

- 2.28 The Company is in the process of identifying Micro, Small and Medium Enterprises as defined under the Micro, Small and Medium Enterprises Development Act, 2006. Therefore, it is not possible for the Company to ascertain whether payment to such enterprises has been done within 45 days from the date of acceptance of supply of goods or services rendered by such enterprises and to make requisite disclosure. The disclosure as required under the said act is as under:

Particulars		2016-17	2015-16
a)	Principal amount due to supplier under MSMED Act	Not ascertained	Not ascertained
b)	Interest due to suppliers on above.	Not ascertained	Not ascertained
c)	Any payment made to suppliers beyond appointed date (under Section 16 of the Act)	Not ascertained	Not ascertained
d)	Interest due and payable to suppliers under MSMED Act.	Not ascertained	Not ascertained
e)	Interest accrued & remaining unpaid as at 31.03.2016	Not ascertained	Not ascertained
f)	Interest remaining due & payable as per Section 23 of the Act.	Not ascertained	Not ascertained

- 2.29 The amount of borrowing cost capitalized during the year ₹41.15 (₹16.80) and borrowing cost adjusted in capital advance Account for ₹ 3.47 (₹ 14.48).
- 2.30 In the opinion of the management and to the best of their knowledge and belief, the value on realization of current assets, loans and advances in the ordinary course of business would not be less than the amount at which they are stated in the Balance Sheet. The debit/credit balances of parties are however, subject to confirmation and adjustment, if any.
- 2.31 Increase/Decrease in Excise duty on closing stock of Finished Goods lying in factory is ₹ 23.66 (₹ 59.14).
- 2.32 Provision has not been made for ₹ 15.93 (₹ 12.86) in respect of interest on additional external development charges demanded by Directorate of Town and Country Planning, Haryana, Chandigarh in respect of Company's land at village Baghola, Dist. Palwal, Faridabad.
- 2.33. There is no amount pending transfer and due to be transferred to Investor Education & Protection Fund.
- 2.34. The disputed and unpaid dues on account of Income Tax, Sales Tax, Duty of Excise, Service Tax pending adjudication before concerned authorities are as follows :

(₹ in lakh)

Name of the Statute	Nature of Dues	Amount Current year	Amount Previous Year	Forum Where dispute is Pending
Central Sales Tax Act, 1956	Central Sales Tax (FY 2000-01)	35.46	35.46	Revision pending before Kolkata High Court
Central Sales Tax Act, 1956	Central Sales Tax (FY 2001-02)	94.52	94.52	Pending before Kolkata High Court(State matter settled under SOD Scheme)
Central Sales Tax Act, 1956	Central Sales Tax (FY 2002-03)	36.40	36.40	Revision pending before Tribunal & High Court
Central Sales Tax Act, 1956	Central Sales Tax (FY 2004-05)	NIL	14.28	Appeal to be filed before Revision Board
Central Sales Tax Act, 1956	Central Sales Tax (FY 2005-06)	56.46	56.46	Pending before Kolkata High Court
Central Sales Tax Act, 1956	Central Sales Tax (FY 2006-07)	21.87	22.45	Revision pending before Revision Board (State matter settled under SOD Scheme)
Central Sales Tax Act, 1956	Central Sales Tax (FY 2007-08)	NIL	8.13	Revision pending before Revision Board (State matter settled under SOD Scheme)

(₹ in lakh)

Name of the Statute	Nature of Dues	Amount Current year	Amount Previous Year	Forum Where dispute is Pending
Central Sales Tax Act, 1956	Central Sales Tax (FY 2008-09)	NIL	0.19	Revision pending before Revision Board (State matter settled under SOD Scheme)
Central Sales Tax Act, 1956	Central Sales Tax (FY 2009-10)	NIL	23.26	Revision pending before Revision Board
Central Sales Tax Act, 1956	Central Sales Tax (FY 2010-11)	19.10	19.10	Revision pending before Revision Board
Central Sales Tax Act, 1956	Central Sales Tax (FY 2011-12)	16.06	17.56	Revision pending before Revision Board
Central Sales Tax Act, 1956	Central Sales Tax (FY.2012-13)	44.42	45.74	Appeal pending before Appellate Authority
W.B. Sales Tax Act, 1944	W.B. Sales Tax (FY 2002-03)	27.76	27.76	Revision pending before Tribunal & High Court
W.B. Sales Tax Act, 1944	W.B. Sales Tax (FY 2003-04)	NIL	15.79	State matter pending before Revision Board (Central matter settled under SOD Scheme)
W.B. Sales Tax Act, 1944	W.B. Sales Tax (FY 2004-05)	NIL	19.55	Appeal to be filed before Revision Board
W.B. Sales Tax Act, 1944	W.B. Sales Tax (F.Y. 2009-10)	NIL	0.06	Revision pending before Revision Board
W.B. Sales Tax Act, 1944	W.B. Sales Tax (F.Y. 2010-11)	0.88	0.88	Revision pending before Revision Board
W.B. Sales Tax Act, 1944	W.B. Sales Tax (FY2011-12)	3.83	3.83	Revision pending before Revision Board
Central Excise Act, 1944 (Rule 14 of CENVAT Credit Rule)	CENVAT for Service Tax on Rent (F.Y. 2009-10)	4.19	4.19	Central Excise & Service Tax Appeals Tribunal (CESTAT), New Delhi
Income Tax Act, 1961	Short allowance of our Claim u/s 80IC and Short allowance of TDS & Other. Asst. Year 2010-11	6.40	6.40	Commissioner of Income Tax VI (Appeals)/Kolkata.
Income Tax Act, 1961	Short Allowance of Additional Depreciation i.77.57, deduction u/s 80IC i 11.06, & TDS `0.26 Asst. Year 2013-14	0.26	0.26	Commissioner of Income Tax VI (Appeals)/Kolkata.
Income Tax Act, 1961	Short allowance of TDS ₹1.25 and Interest their on Asst.Year 2011-12	1.32	Nil	Commissioner of Income Tax (Appeals)2/Kolkata..
Income Tax Act, 1961	Short allowance of MAT credit ₹37.55 and Interest ₹ 3.89. Asst Year – 2016-17	41.44	Nil	Commissioner of Income Tax (Appeals)2/Kolkata.

(₹ in 'lakh')

2.35 Related Party Information

i)	Person Having Control	Mr. P.K. Daga, Chairman cum Managing Director
		Mr. Yashwant Kr. Daga, Vice-Chairman cum Joint Managing Director
		Relatives of above :
		a) Smt. Asha Devi Daga
		b) Smt. Nandini Daga
		c) Mr. Shantanu Daga
ii)	Key Management Personnel	a) Mr. K.S. Dev – Chief Executive (Operations),
		b) Mr. Sunil Ghiya – Chief Operating Officer.
		c) Mr. Maneesh Khanna – Chief Financial Officer
		d) Mr. V.D. Mall – Company Secretary
iii)	Enterprises over which persons having control have significant influence	a) M/s. Deepak Spinners Limited
		b) M/s. BruaHydrowatts Pvt. Ltd

Transaction with related parties :		Amount (in lakh)	Amount (in lakh)
		2016-17	2015-16
a)	Person having control – (Salary and perquisites)	81.98	123.65
b)	Key Management Personnel (Salary and perquisites)	83.56	59.21
	i) Advance given and subsequently Recovered	4.58	11.82
	Balance Advance outstanding at the close of the year	-	-
c)	Sales to Enterprises over which persons having control have significant influence	402.12	392.85
	Balance Debtor outstanding at the close of the year	42.6	40.17
d)	Closing balance of Investment in enterprises over which person having control have significant influence.	500.00	500.00

Notes : Related party relationship on the basis of requirement of Accounting Standard 18 as above has been prepared by the management of the company and has been relied upon by auditors.

2.36 Value of Imported/Indigenous Raw materials, Stores & Spares parts (including Packing Materials) consumed and percentage thereof: (₹ in lakh)

	Raw Materials*				Stores & Spare Parts**			
	Amount		% of Total consumption		Amount		% of Total Consumption	
	2016-17	2015-16	2016-17	2015-16	2016-17	2015-16	2016-17	2015-16
Imported	76.20	160.11	0.48	1.19	120.91	25.45	4.58	1.13
Indigenous	15862.36	13,293.85	99.52	98.81	2521.38	2219.97	95.42	98.87
Total	15938.56	13,453.96	100.00	100.00	2642.29	2245.42	100.00	100.00

* Includes inter unit transfer of Raw Materials ₹1795.80 (₹1,189.39)

** Excludes imported machinery spares consumed ₹38.34 (₹36.86) used in machinery maintenance

(₹ in lakh)

2.37 Disclosures pursuant to Accounting Standard-15 “Employees Benefits”.

As per Accounting Standard 15 “Employees Benefit” the disclosure of Employees Benefit as defined in Accounting Standard are given below

i) Defined Contribution Scheme :

Contributions to Defined contribution Plan recognized as expenses for the year are as under :

Particulars	Amount 2016-17	Amount 2015-16
Employers’ Contribution to Provident Fund (Govt.)	78.73	65.64
Employers’ Contribution to Family Pension Fund	108.08	106.74
Employers’ Contribution to Employees State Insurance	46.52	48.03

ii) Defined Benefit Scheme :

a) In respect of Provident funds for eligible employees maintained by a trust, in the nature of defined benefit scheme up to date shortfall, if any, as per actuarial valuation, in respect of contribution towards such funds is yet to be identified. However contribution to those provident funds amounting to ₹11.88 (₹20.99) is recognized as expenses and included in ‘Employees Benefit Expenses’. Shortfall in the funds of Nil (Nil) towards such trustee funds has been provided to the extent of the information available with the company.

b) The Company makes annual contribution of Gratuity to Gratuity Fund maintained by Trust created by the company for the scheme. Eligible employees are entitled to gratuity benefit (at one half months eligible salary for each completed year of service) on retirement/death/termination. Eligibility occurs upon completion of 5 years of continuous service. The Employees of the company are also eligible for encashment of leave upon retirement. Refer Note No.1(e) of Accounting Policies relating to Employees Benefit.

Following are the further particulars with respect to gratuity and leave encashment:-

		Gratuity Fund (Funded)		Leave Encashment (Unfunded)	
		2016-17	2015-16	2016-17	2015-16
1)	Components of Employer Expenses				
	a) Current Service Cost	58.55	55.14	21.43	14.85
	b) Interest Cost	53.80	55.39	11.57	10.68
	c) Expected Return on Plan Assets	(46.44)	(52.55)	0	0
	d) Actuarial Loss/(Gain)	22.00	3.11	6.36	(4.13)
	e) Total Expenditure	87.91	61.09	39.36	21.40
2)	Net Assets/(Liability) recognized in the Balance Sheet as at 31st March, 2017				
	a) Present value of Defined Benefit Obligation	735.54	699.04	168.95	139.53
	b) Fair Value of Plan Assets	600.46	637.95	0	0
	c) Net Assets/(Liability) recognized in Balance Sheet	(135.08)	(61.09)	(168.95)	(139.53)
3)	Change in defined Benefit Obligation				
	a) Present Value of Obligation at beginning of Period	699.04	681.95	139.53	126.73
	b) Current Service Cost	58.55	55.14	21.43	14.85
	c) Interest Cost	53.80	55.39	11.57	10.68
	d) Expected Return on Plan Assets	-	-	-	-
	e) Actuarial (Gain)/Loss	27.68	3.17	6.36	(4.13)
	f) Benefit Paid	(103.53)	(96.61)	(9.94)	(8.60)
	g) Present Value of Obligation	735.54	699.04	168.95	139.53

(₹ in 'lakh')

		Gratuity Fund (Funded)		Leave Encashment (Unfunded)	
		2016-17	2015-16	2016-17	2015-16
4)	Change in Fair Value of Assets				
	a) Plan Assets at beginning of Period	637.95	675.90	N.A.	N.A.
	b) Expected Return on Plan Assets	46.44	52.55	N.A.	N.A.
	c) Actual Company's Contribution	13.92	6.05	9.94	8.60
	d) Actuarial(Gain)/Loss	5.68	0.06	0	0
	e) Benefit Paid	(103.53)	(96.61)	(9.94)	(8.60)
	f) Plan Assets at the end of Period	600.46	637.95	0	0
5)	Fair Value of Plan Assets				
	a) Fair Value of Plan Assets at the beginning	637.95	675.90	0	0
	b) Actual Return on Plan Assets	52.12	52.61	0	0
	c) Employers Contribution	13.92	6.05	9.94	8.60
	d) Benefit Paid	(103.53)	(96.61)	(9.94)	(8.60)
	e) Fair Value of Plan Assets at the end	600.46	637.95	0	0
6)	Actuarial Assumptions				
	a) Discount Rate (per annum)	7.50%	8.00%	7.50%	8.00%
	b) Rate of Increase in Salaries	6.00%	6.00%	6.00%	6.00%
	c) Rate of Return on Plan Assets	7.50%	8.00%	0	0
	d) Mortality Rates	IALM (2006-08) Ultimate	IALM (2006-08) Ultimate	IALM (2006-08) Ultimate	IALM (2006-08) Ultimate
7)	Major Categories of Plan Assets as a percentage				
	a) Govt. Loans	42.52%	39.61%	N.A.	N.A.
	b) PSU Bonds	53.17%	58.24%	N.A.	N.A.
	c) Other Current Assets	4.31%	2.15%	N.A.	N.A.

2.38 Segment Information

(₹. in lakh)

A) Information about Business Segment-Primary		Amount 2016-17	Amount 2015-16
Sl. No.	Particulars		
1.	Segment Revenue		
1	Automobile Gear	25941.40	22743.28
2	Industrial Gears	5976.01	6897.19
3	Solar Power – Electricity	616.86	656.87
	Sales/Income from operation	32534.27	30297.34
2.	Segment Results		
1	Automobile Gear	3028.59	1903.77
2	Industrial Gears	(773.11)	(355.35)
3	Solar Power – Electricity	164.63	192.38
	Total	2420.11	1740.80
	Less : Interest	1233.63	1226.06
	Un allocable Income (net of un-allocable expenditure)	1359.68	1430.65
	Profit/(Loss) for the year before Tax	2546.36	1945.39
	Less : Income Tax (Current Year)	543.44	415.18
	Less : Adj of Mat Credit Entitlement	478.51	275.72
	Less : Income Tax (Earlier Years)	0	0
	Deferred Tax	113.66	(368.17)
	Profit/(Loss) for the year after Tax	1638.07	1622.66

(₹ in lakh)

Sl. No.	Particulars	Amount 2016-17	Amount 2015-16
3.	Other Information's		
a)	Segment Assets		
	1. Automobile Gear	30399.23	25537.93
	2. Industrial Gears	10055.84	10875.32
	3. Solar Power – Electricity	2972.28	3302.98
	4. Unallocable	970.37	1505.89
	Total	44397.72	41222.12
b)	Segment Liabilities		
	1. Automobile Gear	5876.92	4211.37
	2. Industrial Gears	14495.74	14488.94
	3. Solar Power – Electricity	293.31	320.37
	4. Unallocable	1135.68	1243.45
	Total	21801.65	20264.13
4.	Capital Expenditure		
1	Automobile Gear	825.25	1716.30
2	Industrial Gears	705.13	903.61
3	Solar Power – Electricity	-	-
4	Unallocable	0.70	1.83
	Total	1531.08	2621.74
5.	Depreciation		
1	Automobile Gear	1008.59	1004.50
2	Industrial Gears	774.43	713.51
3	Solar Power – Electricity	389.04	389.04
4	Unallocable	1.51	1.46
	Total	2173.57	2108.51
6.	Non Cash Expenses Other than Depreciation		
1	Automobile Gear	-	-
2	Industrial Gears	-	-
3	Solar Power – Electricity	-	-
4	Unallocable	-	-
	Total	-	-

Note : The Company allocates un allocable expenditure incurred at Head Office to Kolkata Unit and Faridabad unit and Rudrapur Unit in the ratio of 30:60:10 (30:60:10). The Kolkata Unit manufactures Industrial Gears only. Rudrapur Unit manufactures Automobile Gear whereas Faridabad unit manufactures both Industrial Gear & Automobile Gear.

B) Secondary Segment

The Company caters mainly to the needs of the Indian market and there is no reportable geographical segment.

Other Disclosure

- 1) There is no inter Segments revenue
- 2) Type of Products in each business segment
 1. Automobile Gears – Tractor & Automobile Gears & Shaft, Moped/Motor Cycle Parts.
 2. Industrial Gears – Helical Gear, Worm Gear Boxes, Geared Motors.
 3. Solar Power – Electricity

2.39	Earnings in Foreign Currencies	2016-17	2015-16
	Export (on F.O.B. Basis)	546.73	499.59
	Tooling advances (other Income)	44.39	0

(₹ in 'lakh')

2.40	Expenditure in Foreign Currencies (as certified)	2016-17	2015-16
	a) Traveling	4.57	13.56
	b) Repairs and maintenance	25.10	9.42
	b) Others	4.71	9.73

2.41	C.I.F. Value of Imported Materials	2016-17	2015-16
	Raw Materials	33.28	120.93
	Stores & Spares Parts	179.96	171.38
	Capital Goods	689.68	1648.49

2.42 Commission payable to non-executive Directors ₹8.00 (₹8.00) is subject to approval of accounts in Annual General Meeting.

2.43 Disclosure pursuant to Ministry of Corporate Affairs Notification No.G.S.R. 308(E) Dated 30/03/2017-Details of Specified Bank Notes (SBN) held and transacted during the period from 08/11/2016 to 30/12/2016.

Particulars	SBNs	Other denomination notes	Total
Closing cash in hand as on 08.11.2016	-	4,936,884.09	4,936,884.09
(+) Permitted receipts	-	4,515,347.00	4,515,347.00
(-) Permitted payments	-	7,304,593.00	7,304,593.00
(-) Amount deposited in Banks	-	20,000.00	20,000.00
Closing cash in hand as on 30.12.2016	-	2,127,638.09	2,127,638.09

2.44 Notes on CSR Expenditure :

- a) Gross amount required to be spent by the company during the year: ₹ 53.21 (₹ 73.86). Aggregate amount of CSR expenditure till 31.03.2017: ₹ 213.91 (₹ 160.70) to be spent by the Company.
- b) Amount spent during the year on:

		In cash	Yet to be paid in cash	Total
(i)	Construction/acquisition of any assets	Nil	Nil	Nil
(ii)	On purpose other than (i) above	Nil	Nil	Nil

2.45 Figures for the previous year have been regrouped and/or recast wherever necessary.

The Notes are an integral part of the Financial Statements

As per our Report annexed.

For **SINGHI & CO.**

Chartered Accountants

Firm Reg. No. 302049E

ADITYA SINGHI

Partner

Membership No. 305161

161, Sarat Bose Road

Kolkata - 700 026

The 30th day of May, 2017

V. D. MALL

Company Secretary

MANEESH KHANNA

Chief Financial Officer

P. K. DAGA (DIN : 00040692)

Chairman-cum-Managing Director

Y. K. DAGA (DIN : 00040632)

Vice-Chairman-cum Jt. Managing Director

S. CHAKRAVORTI (DIN : 00066344)

A. P. AGARWALLA (DIN : 00312652)

MEERA DOKANIA (DIN : 07094376)

Directors

ROUTE MAP



DEEPAK INDUSTRIES LIMITED

CIN : L63022WB1954PLC021638

Regd. Office : 16, Hare Street, Kolkata-700 001

TPhone No.033-2248-2391/2/3 Fax No. 033-2243-9382

Website: www.dil-india.com Email: secretary@dil-india.com

ATTENDANCE SLIP

Only Shareholders or the Proxies will be allowed to attend the meeting.

D.P. ID*		L.F. No.	
Client ID*		No. of Shares held	

I/ We hereby record my/our presence at the 62nd Annual General meeting of the Company being held on Thursday, the 10th August, 2017 at 1.00 P.M. at 16, Hare Street, Kolkata-700 001.

Signature of Shareholder(s)

1. 2. 3.

Signature of the Proxy holder

*Applicable for shareholders holding shares in electronic form.

Note : Shareholders attending the meeting in person or by Proxy are requested to complete the attendance slip and hand it over at the entrance of the venue of the meeting.

PROXY FORM

[Pursuant to Section 105(6) of the Companies Act, 2013 and rule 19(3) of the Companies (Management and Administration) Rules, 2014]

CIN : L63022WB1954PLC021638

Name of the Company : DEEPAK INDUSTRIES LIMITED

Registered office : 16, Hare Street, Kolkata-700 001

Name of the Member(s)	
Registered Address	
Email ID	
Folio No./Client ID	
DP ID	

I/We, being the member(s) of shares of the above named company, hereby appoint.

(1) Name..... Address.....

E-mail IDSignature or failing him.

(2) Name..... Address.....

E-mail IDSignature or failing him.

(3) Name..... Address.....

E-mail IDSignature

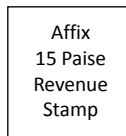
as my/our proxy to attend and vote (on a poll) for me/ our behalf at the 62nd Annual General Meeting of the Company, to be held on Thursday, the 10th August, 2017 at 1.00 P.M. at 16, Hare Street, Kolkata-700 001 and at any adjournment thereof in respect of such resolutions as are indicated overleaf :

Resolution No.	RESOLUTIONS	No. of Shares	I/We assent to the Resolution (FOR)	I /We dissent to the Resolution (AGAINST)
	ORDINARY BUSINESS			
1.	Ordinary Resolution to Consider and adopt Audited Balance Sheet as at 31st March, 2017 and statement of the Profit & Loss Account, together with Reports of the Board of Directors and Auditors of the Company thereon.			
2.	Ordinary Resolution for re-appointment of Shri Pradip Kumar Daga who retires by rotation.			
3.	Ordinary Resolution under Section 139, 141 and 142 of the Companies Act, 2013 for appointment of Messrs. Lodha & Co., Chartered Accountants as Statutory Auditors from the conclusion of this annual general meeting until the conclusion of the 6th Annual General Meeting of the Company held thereafter and fixing their remuneration.			
	SPECIAL BUSINESS			
4.	Ordinary Resolution under Section 148(3) of the Companies Act, 2013 for approval of the remuneration of the Cost Auditors.			
5.	Special Resolution of removal of the name of M/s. Contransys Private Limited and Shantanu Daga from the list of the Promoter category in the shareholding pattern of the Company under regulation 31A of the SEBI(LODR) Regulations, 2015.			

Signed this day of 2017

Signature of Shareholder :

Signature of Proxy holder(s) :



Note :

- (1) **This form of proxy in order to be effective should be completed and deposited at the Registered office of the Company, not less than 48 hours before the commencement of the meeting.**
- (2) For the resolutions, Explanatory Statement and Notes, please refer to the Notice of the Annual General Meeting.
- (3) It is optional to put a 'x' in the appropriate column against the Resolutions indicated in the Box. If you leave the 'For' or 'Against' column blank against any or all Resolutions, your Proxy will be entitled to vote in the manner as he/she thinks appropriate.
- (4) Please complete all details including details of member(s) in above box before submission.

If undelivered, please return to :

DEEPAK INDUSTRIES LIMITED

16, HARE STREET, KOLKATA - 700 001