

**ANNUAL REPORT**

**&**

**ACCOUNTS**

FOR THE YEAR ENDED 31ST MARCH, 2015

**DEEPAK INDUSTRIES LIMITED**

P. K. DAGA

**CHAIRMAN-CUM-MANAGING DIRECTOR**

Y. K. DAGA

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

S. CHAKRAVORTI

**DIRECTORS**

A. P. AGARWALLA

S. C. MOHTA

MEERA DOKANIA

V. D. MALL

**COMPANY SECRETARY**

SINGHI &amp; CO.

**AUDITORS***Chartered Accountants*

STATE BANK OF INDIA

**BANKERS**

UCO BANK

Maheshwari Datamatics Pvt.Ltd

**REGISTRAR & SHARE TRANSFER AGENTS**

6, Mangoe Lane, 2nd Floor

Kolkata - 700 001

Phone : 033-2243-5809; 2243-5029

Fax : 033-2248-4787

E-mail : mdpl@cal.vsnl.net.in

Website : www.mdpl.in

**DEEPAK INDUSTRIES LIMITED****CORPORATE DETAILS**

CIN No. L63022WB1954PLC021638

**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

## NOTICE

Notice is hereby given that the 01/2014-15th Annual General Meeting of the shareholders of the Deepak Industries Limited will be held at 16, Hare Street, 2nd Floor, Kolkata-700 001 on Tuesday, the 29th September, 2015 at 2.00 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, 2015 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. To appoint Statutory Auditors of the Company to hold office from the conclusion of this meeting until the conclusion of the next Annual General Meeting of the Company and to fix their remuneration.

### Special Business :

4. To appoint Smt Meera Dokania (holding Din No. 07094376) (who was appointed as an additional Director by the Board under regulation 80(a) of the Articles of Association of the Company in its Board Meeting held on 14/02/2015 effective from 01/04/2015 and who holds office under the said Article and section 161 of the Companies Act, 2013 upto the date of the Annual General Meeting and in respect of whom, the company has received a notice in writing from a member signifying his intention to propose her a candidate for the office of Director) a director of the Company and to consider and if thought fit to pass the following resolution as an ordinary resolution:  
"Resolved that pursuant to the relevant provisions of the Companies Act, 2013, including section 160, Smt Meera Dokania (holding Din No. 07094376) be and is hereby elected and appointed a Director of the Company who shall be liable to retire by rotation.
5. To consider and if thought fit to pass the following resolution as an ordinary resolution:  
"RESOLVED THAT pursuant to Section 143(8) and other applicable provisions, if any, of the Companies Act, 2013, M/s Salarpuria Jajodia & Co., Chartered Accountants, (Firm's Registration No.302111E) be and are hereby re-appointed as Branch Auditors to audit the Books of Accounts of Branches New Allenberry Works, at Kolkata, Faridabad, and Rudrapur of the Company from the conclusion of this Annual General Meeting till the conclusion of the next Annual General Meeting on such remuneration as may be determined by the Board of Directors of the Company in consultation with the said Auditors.
6. 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 2015-16 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."

7. To consider and if thought fit to pass the following resolution as a special resolution:

"Resolved that pursuant to provisions of section 94 and other applicable provisions of the Companies Act, 2013, the Company hereby approves that the Register of Members, the Index of Members, the register and index of debenture holders and copies of the Annual returns prepared under section 92 of the said Act together with the copies of certificates and documents required to be annexed thereto or any one or more of them be continued to be kept at the office of the Company's Share Registrar and Transfer Agent M/s. Maheshwari Datamatics Private Limited, 6, Mangoe Lane, 2nd Floor, Kolkata-700001 instead of being kept at the Registered office of the Company.

8. To consider and if thought fit to pass the following resolution as a special resolution:

"Resolved that pursuant to section 197 and all other applicable provision if any of the Companies Act 2013 ("the Act") and subject to all permissions, sanctions and approvals as may be necessary, approval of the Company, be and is hereby accorded for the payment of commission to the Directors of the Company who are neither in the whole time employment nor Managing Director in accordance with and upto the limits laid down under the provisions of section 197 of the Act, or exceeding the said limit computed in the manner specified in the Act, for a period of 5 years from the financial year commencing from the 1st April 2014, in such manner specified and upto such extent as the Board or Committee of the Board may from time to time determine.

Resolved further that for the purpose of giving effects to this resolution, the Board and/or Committee of the Board be and is hereby authorized to take all actions and do all such deeds, matters and things as it may in its absolute discretion deem necessary proper or desirable and to settle any questions, difficulty or doubt that may arise in this regard."

By Order of the Board

Place : Kolkata  
Date : 28th May, 2015

**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 25/9/15 to 29/9/15 (date of AGM) (both days inclusive) for annual closing.
4. Company has appointed M/S Maheshwari Datamatics Private Limited, 6, Mangoe Lane, 2nd 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 Clause 49 of the Listing Agreement with the Stock Exchange 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 2014-15 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 copies of the Annual Report for 2014-2015 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 will be 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 01/2014-15th 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 01/2014-15th Annual General Meeting and the Annual Report for 2014-15 will also be available on the Company's website [www.dil-india.com](http://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 up to 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 28/9/2015, 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 for 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 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 the remote e-voting

and for conducting 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 25/09/2015 at 9.00 A.M. and ends on 28/09/2015 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 22/09/2015, may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting after 5.00 P M on 28/09/2015
- (ii) The shareholders should log on to the e-voting website [www.evotingindia.com](http://www.evotingindia.com) during the voting period.
- (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](http://www.evotingindia.com) and voted on an earlier voting of any company, then your existing password is to be used.
- (vii) If you are a first time user follow the steps given below :

<b>For Members holding shares in Demat Form and in Physical Form</b>	
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"> <li>• 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.</li> <li>• In case the sequence number is less than 8 digits enter the applicable number of 0's before the number after the first two characters in CAPITAL letters. Eg. if your name is Ramesh Kumar with sequence number 1 then enter RA00000001 in the PAN field.</li> </ul>
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 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) 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](mailto: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](mailto: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.
- (xix) In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions ("FAQs") and e-voting manual available at [www.evotingindia.com](http://www.evotingindia.com) under help section or write an email to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).

## ANNEXURE TO THE NOTICE

### EXPLANATORY STATEMENT PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013.

#### Relating to item No.4

Smt. Meera Dokania was appointed additional director in the Board meeting held on 14/02/2015 with effect from 01/04/2015 pursuant to provisions contained in the regulations of the Articles of Association of the Company and under section 161 of the companies Act, 2013. According to the provisions of the said Article and the said section, she will hold office up to the date of Annual General Meeting of the Company. As required under section 160 of the above Act, a notice has been received from a member signifying his intention to propose her a candidate for the office of Director. Your Board recommends her appointment.

None of the director and Key Managerial Personnel of the company and their relatives except the appointee and her relatives are concerned or interested financially or otherwise in this resolution.

#### Relating to item No.5

The books of accounts of the Company pertaining to branches of the Company New Allenberry Works, located at Kolkata, Faridabad, and Rudrapur are being audited by the branch auditors M/s. Salarpuria Jajodia & Co., other than the statutory auditors of the Company. It is proposed to re-appoint M/s. Salarpuria Jajodia & Co., Chartered Accountants, as branch auditors to audit the books of Accounts of New Allenberry Works, Kolkata, Faridabad and Rudrapur. The Board, therefore, recommends that as required under section 143(8) of the Companies Act, 2013, the members of the Company approve the resolution as ordinary resolution.

None of the director and Key Managerial Personnel of the company and their relatives are concerned or interested financially or otherwise in this resolution.

#### Relating to item No. 6

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 are concerned or interested in this resolution financially or otherwise.

#### Relating to item No.7

The shareholders approved the keeping of the Register of members and other documents specified in the proposed resolution at place other than the registered office of the Company at the office of the Registrar and Transfer Agent by special resolution passed in the AGM held on 25/08/2011. Upon coming into force of the Companies Act, 2013, similar resolution is being proposed for continuation of keeping the same at the office of the Registrar and Transfer Agent and the Board recommends the resolution for approval of the shareholders by special resolution.

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

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

#### Relating to item No.8

The section 197 of the Companies Act, 2013 provides for payment of remuneration to the directors who are neither managing or whole time directors not exceeding one percent of the net profit of the company, if there is a managing or whole time director or manager and three percent of the net profit in any other case excluding of any sitting fees payable to directors for attending meetings of the board or committee thereof or for any other purpose whatsoever as may be decided by the board. Remuneration exceeding the above limit requires approval of the company in general meeting. Also the regulation 101A of the Article of Associations requires approval of members by special resolution for payment of commission.

Board recommends the resolution for approval members by special resolution for payment of commission.

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

By Order of the Board

Place : Kolkata

Date : 28th May, 2015

**V D MALL**

Company Secretary

Information required to be furnished under clause 49 of the Listing Agreement in respect of the Appointment/Re-appointment of the Directors

Name of the Director	Shri Pradip Kumar Daga	Smt Meera Dokania
Date of Birth	24/04/1937	24/06/1953
Date of Appointment	16/12/2008	01/04/2015
Qualification	B.Com	Graduate
Experience in specific functional areas	Industrialist with varied experience particularly in Tea, spinning and Engineering.	Social work
Directorship in other Companies	Century Textiles & Industries Limited, Deepak Gears Limited, Deepak Spinners Limited, Longview Tea Company Limited	Nil
Chairmanship / Membership/of Committees of Other Public Companies	Membership of Stakeholders Relationship, Audit, CSR, Risk Management and Finance Committee and Committee of Independent Directors and Chairmanship in Nomination and Remuneration Committee of Century Textiles & Industries Limited	Nil
	Membership in Stakeholders Relationship and Audit Committee of Longview Tea Company Limited	Nil
Shareholding in the Company	187860	No
Relationship with other directors	Father of Shri Yashwant Kumar Daga,, VC&JMD	No



## BOARD'S REPORT TO THE SHAREHOLDERS

Your 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, 2015.

### FINANCIAL RESULTS

Financial Results of the Company for the year under review along with the figures for previous year are as follows :

Rs. in '000

	31st March 2015	31st March 2014
Profit before Finance Cost, depreciation and amortization & Tax	5894.96	6027.09
Less : Finance Cost	1130.44	958.59
Depreciation and Amortization	2203.55	1606.86
Profit before Tax	2560.97	3461.64
Current Tax	856.64	-
Taxation related to earlier years	14.86	(29.17)
Deferred Tax	(115.41)	1184.50
Total Tax	756.09	1155.33
Profit for the year after tax carried forward	1804.88	2306.31
Basic and diluted earnings per share (Rs.)	34.07	43.53

### DIVIDEND

In order to meet Capital Expenditure and other unforeseen contingencies, your directors are of the view that the resources of the Company should be conserved and as such do not recommend any dividend.

### REVIEW OF OPERATIONS

Revenues with other income for Financial Year ended 31st March, 2015 stood at Rs 32021.87 lacs, profit before depreciation and amortization, finance cost, and tax, Rs 5894.96 lacs, and profit after tax for the year was Rs 1804.88 lacs.

The profitability in the industrial gear as well as in the automobile gear segments was under intense pressure due to poor demand from infrastructure sector and also from the agriculture sector, coupled with increased competition. Off take by OEM and the replacement market for the automobile gears was also subdued.

Certain addition to fixed assets were made for equipment balancing and technological up gradation. However, capacity addition plans were put on hold pending market revival.

Generation from the solar plant was extremely satisfactory although the REC market remained near dormant.

### ISSUE OF CAPITAL

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

### DIRECTORS

The Board consists of executive and non-executive directors including independent directors who have wide and varied experience in different disciplines of corporate functioning.

Shri Yashwant Kumar Daga, was appointed as Vice-Chairman -cum- Joint Managing Director for a period of five years w.e.f. 15/11/2014 in the category of the non-independent director as a matter of succession planning required under clause 49 of the listing agreement. His appointment and remuneration has been subsequently approved in the EGM held on 24/02/2015.

Smt Meera Dokania has been appointed as an additional director w.e.f 01/04/2015 in the Board meeting held on 14/02/2015. She will hold office up to the date of the forthcoming Annual General Meeting of the Company and being eligible, offers herself for being appointed as a Director of the Company, liable to retire by rotation. The Company has received a notice in writing from a member signifying his candidature for the office of the director of the Company. Smt Meera Dokania is a non-independent Director and the Board recommends her appointment.

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 and clause 49 of the Listing agreement, the Board has carried out an annual evaluation of its own performance, the directors individually, as well as the evaluation of the working of its committees. At the meeting of the Board all the relevant factors that were material for evaluating the performance of the committees and of the Board were discussed in detail.

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

## BOARD MEETINGS

During the year six 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.

## DECLARATION BY INDEPENDENT DIRECTORS

The Independent directors have submitted their disclosure to the Board that they fulfill all the requirements as to qualify for their appointment and continuation as an Independent Director under the provisions of the Companies Act, 2013 as well as Clause 49 of the Listing Agreement.

## AUDITORS AND THEIR REPORT

M/s. Singhi & Co., Chartered Accountants (Firm Registration NO. 302049E), Kolkata retire at the forthcoming Annual General Meeting of the company and being eligible offer themselves for re-appointment. Salarpuria Jajodia & Co., (Firm's Registration No. 302111E) are the Branch auditors of the company and being eligible offers themselves for re-appointment. The Company has received a certificate from the auditors to the effect that their re-appointment if made, would be in accordance with the provisions of section 141 of the Companies Act, 2013. The Board recommends their re-appointment in the forthcoming annual general meeting.

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

## COST AUDITOR'S AND THEIR REPORT

Pursuant to the directives of the Central Government under the provisions of 148 of the Companies Act, 2013, SPK Associates, Cost Accountants, (Firm Registration No.000040) Kolkata, has been appointed to conduct the cost audit relating to the eligible products manufactured by the Company for the year 2015-16. 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.

Cost Audit report for the year 2013-14 has been filed on 26/09/2014 within the due date of 30/09/2014. Cost Audit report for the year 2014-15 will not be filed since there has been no notification for the Cost audit for the said year.

## SECRETARIAL AUDIT AND THE APPOINTMENT OF THE SECRETARIAL AUDITORS

The Company has appointed Binay Kumar Pandey, Company Secretaries (C P No. 12074) to hold the office of the Secretarial Auditors and to conduct the Secretarial Audit. The Secretarial Audit report does not contain any reservation, qualification or adverse remark. A copy of the report is annexed herewith Annexure - I.

## AUDIT COMMITTEE AND RISK MANAGEMENT

The Audit Committee of the Company was constituted by Board. The Committee comprised Shri Anand Prasad Agarwalla, as Chairman, Shri Sujit Chakravorti and Shri Suresh Chand Mohta as Members. Subsequently in the Board meeting held on 14/02/2015, the Committee was reconstituted with Shri Anand Prasad Agarwalla, as Chairman, Shri Suresh Chand Mohta and Shri Yashwant Kumar Daga, as members. 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 details of the vigil mechanism are also available on the Company's website [www.dil-india.com](http://www.dil-india.com) in the Investors Relation section with weblink [www.dil-india.com/investors/dil-vigil](http://www.dil-india.com/investors/dil-vigil) mechanism.

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.

## **DEPOSITS**

The Company has not accepted 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 had been followed along with proper explanation relating to material departures;
- (b) the directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company at the end of the financial year and of the profit and loss of the company for that period;
- (c) the directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;
- (d) the directors had prepared the annual accounts on a going concern basis;
- (e) the directors had laid down internal financial controls to be followed by the company and that such internal financial controls are adequate and were operating effectively; and
- (f) the directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

## **KEY MANAGERIAL PERSONNEL**

During the year Shri Maneesh Khanna was appointed as Chief Financial Officer of the Company. Shri Vithal Das Mall, company Secretary and Shri Pradip Kumar Daga, Chairman-cum-Managing Director respectively were appointed as such before the Companies Act, 2013 came into forces and they are also Key Managerial Personnel of the company. Shri Yashwant Kumar Daga appointed as Vice-Chairman-cum-Joint Managing Director is also one of the key managerial personnel of the Company.

## **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 and Practicing Company Certificate dated 28/05/2015 are annexed as annexure - II and forms part of this Report.

## **CORPORATE SOCIAL RESPONSIBILITY**

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/investors/csr](http://www.dil-india.com/investors/csr) 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 Shri Suresh Chand Mohta as Members. The Company's Remuneration Policy is annexed as annexure - IV and forms part of this report.

Disclosure pursuant to Rule 5(1) of the Companies (Appointment & Appointment of Managerial Personnel) Rules, 2014 is annexed as annexure - V and forms part of this report.

## **RELATED PARTY TRANSACTIONS:**

All transaction entered into with related parties as defined under the Companies Act, 2013 and clause 49 of the Listing Agreement 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. Prior omnibus approval of the Audit Committee is obtained on a yearly and quarterly basis of the transactions which are of a foreseen and repetitive nature. A statement giving details of all related party

transactions is placed before the Audit Committee for their approval 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/investors.html](http://www.dil-india.com/investors.html) in the Investors Relation section.

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

Shri Anand Prasad Agarwalla, 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 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.

#### **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.

#### **MANAGEMENT DISCUSSION AND ANALYSIS**

A Management discussion and Analysis as required under the Clause 49 of the Listing Agreement 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.

#### **PARTICULARS OF EMPLOYEES**

None of the employee was drawing in excess of the limits prescribed by the Companies Act, 2013 and rules made there under which needs to be disclosed in the Board's report.

#### **ABSTRACT OF THE ANNUAL RETURN**

The Abstract of the Annual Return for the year ended 31/03/2015 annexed as annexure - VIII with this Report.

#### **CASH FLOW ANALYSIS**

In conformity with the provisions of clause 32 of the Listing Agreement, the Cash Flow Statement for the year ended 31/03/2015 is annexed with the financial statement.

#### **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 rapid growth.

#### **CAUTIONARY STATEMENT**

Statements in the Board's 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

**P. K. DAGA** (DIN : 00040692)

*Chairman-cum-Managing Director*

**Y. K. DAGA** (DIN : 00040632)

*Vice-Chairman-cum Jt. Managing Director*

**A. P. AGARWALLA** (DIN : 00312652)

**S. CHAKRABORTY** (DIN : 00066344)

**S. C. MOHTA** (DIN : 00066305)

**MEERA DOKANIA** (DIN : 07094376)

*Directors*

Place: Kolkata

Dated: 28/05/2015

**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 as 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 28, 2015

**SECRETARIAL AUDIT REPORT**

FOR THE FINANCIAL YEAR ENDED 31ST MARCH, 2015

[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 representation 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, 2015 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, 2015 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 (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 31/03/2015:-

  - a. The Securities and Exchange Board of India (Employee Stock Option Scheme 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 (Buyback of Securities) Regulations, 1998;
  - d. The Securities and Exchange Board of India (delisting of equity shares) Regulation, 2009.
- (vi) Other laws as mentioned in the Annexure attached herewith and as may be applicable to the company.

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

- (a) Secretarial Standards issued by the Institute of Company Secretaries of India (not applicable for the period under review).

(b) The Listing Agreements entered into by the Company with the Calcutta Stock Exchange Association 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 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) Altered the provisions of the Articles of Association inserting the provision for buy-back of shares.
- (c) No redemption/buyback of securities.
- (d) No major decision taken by the shareholders in pursuance to section 180 of the Companies Act, 2013 except enabling special resolutions passed in the last AGM held on 25/09/2014 u/s 180(1)(c) for Rs.300.00 crores and to mortgage the properties and undertakings of the Company as security upto the amount borrowed under section 180(1)(c) of the Companies Act, 2013 in the normal cause of the business.
- (e) No merger / amalgamation / reconstruction etc.
- (f) No foreign technical collaborations.

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

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

Place : Kolkata  
Dated : May 28, 2015

## REPORT ON CORPORATE GOVERNANCE

REPORT ON THE CORPORATE GOVERNANCE FOR THE YEAR ENDED 31st MARCH, 2015  
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 31/03/2015, the Board of the Company comprises of an Executive Chairman and Executive Vice Chairman 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)	4	Nil	187860
Shri Yashwant Kumar Daga, Vice-Chairman-cum-Joint Managing Director (w.e.f. 15/11/2014)	Promoter Non-Independent and Executive Director	11	Nil	9	Nil	316088
Shri Sujit Chakravorti	Independent Non-Executive Director	4	1 (Chairman)	Nil	4	Nil
Shri Anand Prasad Agarwalla	Independent Non-Executive Director	Nil	Nil	Nil	Nil	Nil
Shri Suresh Chand Mohta	Independent 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 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.

Smt Meera Dokania has been appointed as Non-Executive Non-Independent Director with effect from 01/04/2015.

#### 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 six times during the year respectively on 30/05/2014, 14/08/2014, 22/09/2014, 14/11/2014, 16/01/2015 and 14/02/2015.



Name of the Director	No. of Board Meeting Attended	Attended last AGM
Shri Pradip Kumar Daga	4	Yes
Shri Sujit Chakravorti	6	Yes
Shri Anand Prasad Agarwalla	6	Yes
Shri Suresh Chand Mohta	6	Yes
Shri Yashwant Kumar Daga	2	N A

Shareholding of the non-executive Directors in the Company as on 31st March, 2015 :-

Name of the Director	No of equity shares held as on 31st March, 2015
Shri Sujit Chakravorti	Nil
Shri Anand Prasad Agarwalla	Nil
Shri Suresh Chand Mohta	Nil

The information as required under Annexure X to clause 49 of the listing agreement is 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 Pradip Kumar Daga, Chairman-cum-Managing Director has given a certificate to the Board of Directors in pursuance of Clause 49 of the Listing Agreement with the Stock Exchanges.

#### **DECLARATION BY THE CEO UNDER CLAUSE 49 OF THE LISTING AGREEMENT REGARDING ADHERENCE OF THE CODE OF CONDUCT**

In accordance with Clause 49 sub-clause I(D) of the Listing Agreement with the Stock Exchanges, 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 for the Financial Year ended 31.03.2015.

Kolkata, 01st May, 2015

**Pradip Kumar Daga**  
*Chairman-cum-Managing Director*

#### **(II) AUDIT COMMITTEE**

The Audit Committee comprises of three Directors, namely Shri Anand Prasad Agarwalla, Chairman, Shri Sujit Chakravorti (up to 15/02/2015), Shri Yashwant Kumar Daga, VCJMD (w.e.f. 16/02/2015), and Shri S C Mohta, 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 as per clause 49 of the listing agreement with the Stock Exchange 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 30/05/2014, 14/08/2014, 14/11/2014 and 14/02/2015. 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 S. Chakravorti (up to 15/02/2015)	4	4
Shri S.C Mohta	4	4
Shri Yashwant Kumar Daga (from 16/02/2015)	NA	NA

### (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, as Members.

The terms of reference of the Nomination and Remuneration Committee are in conformity with the requirements as per clause 49 of the listing agreement with the Stock Exchange 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 four times during the year respectively on 30/05/2014, 14/08/2014, 14/11/2014 and 14/02/2015.. 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	4	4
Shri S. Chakravorti	4	4
Shri S.C Mohta	4	4

The Remuneration policy of the Company is annexed with the Boards 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 (01/04/2014 to 31/03/2015)

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 commission approved by the Board of Directors from time to time.

Name of Director	Rs.	
Pradip Kumar Daga, Chairman-cum-Managing Director	59,13,600	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 effective from 15/11/2014)	20,33,933	

	Sitting Fees					Commission paid during the year (For the Financial year 203-14)
	Board Meeting	Audit Committee Meeting	Stakeholders relationship committee	Nomination and Remuneration Committee	Corporate Social Responsibility Committee	
Shri A.P. Agarwalla	24,000	8,000	6000	8000	4000	200000
Shri S. Chakravorti	24,000	8,000	6000	8000	2000	200000
Shri S.C Mohta	24,000	8,000	6000	8000	2000	200000

During the year the Company has paid Rs.500000/- as professional fees to Shri Anand Prasad Agarwalla, Advocate, Director of the Company and Rs. 3500/- 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 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, Shri Suresh Chand Mohta (upto 15/02/2015 and Shri Sujit Chakravorti (wef 16/02/2015). The Committee held meeting on 14/08/2014 and 31/03/2015 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](http://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 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, 2015 and there are no pending complaints as on 31st March, 2015.

The committee met three times during the year on 14/08/2014, 14/11/2014 and 14/02/2015 in which all the Committee members were present.

**(VII) MEETING OF THE INDEPENDENT DIRECTORS**

One separate meeting of the independent directors was held on 14/02/2015 in which all the independent directors 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 a period of 15 days 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, 2015.

**(IX) SUBSIDIARY COMPANIES**

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

**(X) FAMILIARISATION PROGRAMME**

The Boar 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
2011-2012	Registered office at 16, Hare Street, Kolkata 700001	14/08/2012	3.00 P.M.	2
2012-2013	-do-	08/08/2013	2.30 P.M	1
2013-2014	-do-	25/09/2014	2.00 P.M	3

- i) One Extra Ordinary General Meeting was held during the year on 24/02/2015.
- ii) Six Special resolutions were passed during last three Annual General Meetings.

AGMs

Date	Special Resolution Matter
14/08/2012	Alteration of Articles of Association for incorporating therein new Article 101A after the existing Article 101
14/08/2012	Resolution under section 309 of the Companies Act, 1956 for payment of Commission to directors
08/08/2013	Resolution under section 198,269, 309 read with schedule XIII of the Companies Act, 1956 for appointment and payment of remuneration to Shri Pradip Kumar Daga
25/09/2014	Alteration of Articles of Association for incorporating therein new Article 98A after the existing Article 98
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.

- iii) No special resolution was passed last year through the postal ballot. However, options were given to the shareholders to vote through the simple postal ballot in the last AGM and EGM as per the requirement of the clause 35 of the Listing Agreement. The Scrutiniser of the General Meeting attended the postal ballot process.
- iv) No special resolution is proposed to be conducted through postal ballot in the ensuing Annual General Meeting of the Company. However, for other special resolutions, if any, in the future, the same will be decided at the relevant time.
- v) Procedure for postal ballot 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.

#### (VIII) 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, 2015 have been set out under an appropriate note in Schedule to the Annual Accounts of the Company for the year ended 31st March, 2015.
- 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](http://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 clause 49 of the Listing Agreement 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 capital with National securities Depository Limited (NSDL) and Central Depository Services Limited (CDSL) with the total issued and listed capital. The reconciliation audit confirms that the total issued /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 clause 49 of the Listing Agreement 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 the clause 49.

**(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 Bengal leader and Dainik Lipi respectively which are widely circulated in West Bengal as well as Nationally.

The Company has a website [www.dil-india.com](http://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	At the Registered Office of the Company at 16, Hare Street, 2nd Floor, Kolkata-700 001
ii) Financial Calendar 2014-2015(Tentative)	
First unaudited Quarterly Results	Middle of August,2015
Second unaudited Quarterly Results	Middle of November,2015
Third unaudited Quarterly Results	Middle of February, 2016
Audited yearly Results for the year ended 31st March,2016.	Before end of May, 2016

iii) Book Closure dates	From 25/09/2015 to 29/09/2015 (both days inclusive)
iv) Payment of Dividend	No dividend has been Proposed for the year 2014-15
v) Listing on Stock Exchanges	The Calcutta Stock Exchange Limited
vi) Annual listing fee	Listing fee has been paid upto and for the year 2015-2016
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, 2nd floor, 6, Mangoe Lane., Kolkata – 700 001, Phone: 033-2243-5809; 2243-5029  
Fax: 033-2248-4787 E-mail: mdpldc@yahoo.com Website: www.mdpl.in

**(XVII) PATTERN OF SHAREHOLDING AND DISTRIBUTION (AS ON 31/03/2015)**

Category	No. of Shares Held	% of Total Paid up Capital
Promoters & Promoters Group	3927364	74.13
Financial Institutions & Banks	284375	5.37
Bodies Corporate	1028779	19.42
Resident Individual	57577	1.08
Mutual Funds	NIL	NIL
NRIs/OCBs	NIL	NIL
Insurance Companies	NIL	NIL
<b>TOTAL</b>	<b>5298095</b>	<b>100.00</b>

From	To	No of Shares held	% of total paid-up capital	No of Shareholders	% of Total No of Shareholders
Up to	500	3658	0.07	22	32.84
501	1000	3410	0.06	6	8.95
1001	2000	13517	0.26	12	17.91
2001	3000	13593	0.26	6	8.96
3001	4000	9798	0.19	3	4.48
4001	5000	0	0.00	0	0.00
5001	10000	14949	0.28	2	2.98
10001	Above	5239170	98.88	16	23.88
	<b>Total</b>	<b>5298095</b>	<b>100.00</b>	<b>67</b>	<b>100.00</b>

**(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, 2015, 4832299 comprising 91.21% 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.

**(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 a executive Chairman

**2. Shareholders' Right**

Half yearly financial results including summary of the significant events in the last sex 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**

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

**(XXII) CEO AND CFO CERTIFICATION**

The Chairman –cum- 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 clause 49 of the listing agreement. The CEO and CFO also give quarterly certification on the financial results while placing the financial results before the Board in terms of clause 41 of the listing Agreement.

The Board of Directors at their Meeting held on. 28th May 2015 adopted the above Report.

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## **AUDIT CERTIFICATE ON COMPLIANCE WITH THE CONDITIONS OF CORPORATE GOVERNANCE UNDER CLAUSE 49 OF THE LISTING AGREEMENT**

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

We have examined the compliance of the conditions of Corporate Governance of M/S Deepak Industries Limited of 16, Hare Street, Kolkata 700001 for the year ended on 31st March, 2015, as stipulated in clause 49 of the Listing Agreement of the said Company with the Stock Exchanges in India.

The Compliance of the conditions of Corporate Governance is the responsibility of the Management. Our examination is 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.

In our opinion and to the best of our information and explanation 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 Agreement .

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.

Place : 9, Crooked Lane,  
Kolkata 700069  
Date : 28th May, 2015

**For Drolia & Company**  
*(Company Secretaries)*  
**Pravin Kumar Drolia**  
*Proprietor*  
CP 1362



**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 undertake 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](http://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 Suresh Chand Mohta (up to 15/02/2015)	Member	Independent Director
Shri Sujit Chakravorti (wef 16/02/2015)	Member	Independent Director

3. Average net Profit of the company for last three years: Rs. 4331.76 lakhs  
 4. Prescribed CSR Expenditure (two per cent of the amount as in item 3 above): Rs. 86.64 lakhs  
 5. Details of CSR spent during the financial year:  
 (a) Total amount to be spent for the financial year; Rs.86.84 lakhs  
 (b) Amount unspent, if any; Rs. 86.84 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 : N.A. (Since no expenditure has been made)

Shri Y. K. Daga (Chief Executive Officer or Managing Director or Director)	Shri P. K. 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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**ANNEXURE - IV****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 Man-

agerial 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 2014-15	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: 31.29 Shri Yashwant Kumar Daga:10.76 Other Directors-N A
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- 33.61% Shri Yashwant Kumar Daga, VCJMD- Not Applicable since appointed only during the year. Other Directors- N.A Key Managerial Personnel Shri Maneesh Khanna, CFO- Nil 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.	7.93%
iv.	The Number of permanent employee on the roll of the Company.	1182 as on 31/03/2015
v.	The explanation on the relationship between average increase in remuneration and Company's performance	Average increase in the remuneration of all employees was 4.86% which is primarily on the basis of individual performance of the concerned employee, his continuing availability in view of market scenario and expected future performance.
vi.	Comparison of the remuneration of the Key managerial Personnel against the performance of the Company.	There has been no increase in the remuneration of the KMP other than the Managing Director and the increase in the remuneration of the Managing Director is higher due to the higher and additional responsibilities taken up by them.
vii.	Variations in the market capitalisation of the Company, price earning ration at the closing date of the current financial year and percentage increase/decrease in the market quotations of the shares of the Company in comparison to the rate at which company came out with the last public offer in case of listed companies, and in case of unlisted companies, the variation in the net worth of the company as at the close of the current financial year and previous financial year.	The Company's Share has not been traded on the Calcutta Stock Exchange for long and therefore the required information can not be provided.
viii.	The company has not made any public issue or rights issue of securities since last 15 years, so comparison have not been made of current share price with the public offer price, The company's shares are listed on Calcutta Stock Exchange.	Average salary increase of non-managerial employees is 6.23% Average salary increase in managerial personnel is 10.85% There are no exceptional circumstances in increase in managerial remuneration.
ix.	Comparison of each remuneration of the Key Managerial Personnel against the performance of the Company.	Same as vi above.

x.	The key parameters for any variable component of remuneration availed by the Directors	All employees including Executive Director receive remuneration which is based on the individual's performance and company's financial performance. For non executive directors, fee is paid which is Rs. 4000/- per Board meeting and Rs. 2000/- per committee meeting attended during the year.
xi.	The ratio of remuneration of the highest paid Director to that of employees who are not Directors but receive remuneration in excess of the highest paid Director during the year.	Shri Pradip Kumar Daga, CMD is the highest paid director. No Employee Receives Remuneration higher than the Chairman-cum-Managing Director.
xii.	Affirmation that the remuneration is as per the remuneration policy of the Company.	Remuneration paid during the year ended 31/03/2015 is as per the Remuneration Policy of the Company.

## MANAGEMENT DISCUSSION AND ANALYSIS REPORT

This report forms the part of Directors' Report for the year ended 31st March, 2015.

### OVERALL REVIEW AND INDUSTRY STRUCTURE AND DEVELOPMENT

The global economy remained sluggish caused by a slowdown of the Chinese economy and crisis in the Russian economy. The Indian economy showed improved growth compared to the past although much of it came from service sector. The manufacturing sector in India was under considerable pressure due to continued delays in infra projects, cancellation of licences in the mining sector and problem related to land availability.

Depressed prices of all commodities including agricultural produce is also a drag on the market, particularly in the agri machinery sector.

### BUSINESS SEGMENTS

The Industrial gear segment is largely dependant on establishment of infrasector projects, expansion of core industries such as cement, steel and automobile, all of which are yet to take place. The current subdued market conditions are expected to continue until government impetus in the core industrial areas is forthcoming.

The automobile industry continues to face poor demand given the lack of profitability in Industry and agriculture. The prospect of good monsoons are not very promising raising apprehension of an early market recover.

### OPPORTUNITY AND THREATS

The government spending programs are expected to be implemented soon and is being announced and this 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 extremely satisfactory and with the recent judicial pronouncement laying emphasis on obligatory purchase of RECs, it is expected that the near dormant REC market will revive soon.

### FINANCIAL PERFORMANCE

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

### OUTLOOK

It is expected that the core sectors will show improvement and investments in power and infra sectors will receive a fresh momentum.

### 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 is also 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 1182 employees in the Company as on 31.03.2015.

### 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.

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

i) Step taken or Impact on Conservation of Energy during the year 2014-15

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. 80 KW, 1 Ton pit type gas carburising furnace, which was malfunctioning causing major energy loss, was replaced by an equivalent energy efficient PGC furnace make Quartet, MUMBAI during Oct, 14. This change has resulted in significant energy saving.
2. Power-factor was maintained at a high 97% and maximum demand control measures undertaken specially in Heat-treatment department towards routine energy control exercise.
3. Artificial lighting was augmented through introduction of more transparent roof sheets in Case-Production department. LED lamps, T-5 lamps and other energy saving lightings are routinely introduced eliminating higher energy consuming conventional 36 W fluorescent tube-light sets.
4. Conducted Energy Audit through 'CII' in the month of June, 2014 for exploring the possibilities of Energy saving and working on its Projects.
5. Installed and commissioned Energy efficient screw air compressor -425 CFM and air dryer .
6. Provided Energy efficient water mono block pump for cooling tower of Heat treatment shop .
7. Replaced T-5 Tube lights with LED lights in some areas (FGS).
8. Retrofitted WS-1 Gear shapers (07 Nos.) conventional machines to one axis CNC and replaced hydraulic system with CNC.
9. Purchasing the Electricity through Open Access for cost saving and reduction of Diesel consumption.
10. Maintaining the power factor of Electric supply at unity .
11. For introduction of natural lighting in all shop floors by fixing Polycarbonate transparent sheets in the roof.
12. Replaced old electrical panels with PLC panels and also Conversion to CNC machines on some Gear Hobbing machines.
13. Replaced all PC monitor with LED type ( IT Department ).
14. High Capacity coolant Pump(2.2KW) replaced with Low Capacity (0.2KW) on Shaving machine
15. Retrofitted one WS 1 Gear Shaping machine with Single Axis CNC (Additional 3 in plan for FY 15-16).
16. Single Power Pack for 2 Gear Shaping machines. Reduction of Energy Consumption from 4.4 KW to 2.2 KW & kept one Hyd Power Pack as spares.
17. Installation of 50KLD STP plant with TTP plant to utilize waste water in Horticulture & Cooling Tower.
18. Automated Timing Control switch for Street Lights to avoid Energy Wastage.
19. Use of Foot operated switch for main Motor ON/OFF on machines to conserve energy .
20. Use of Limit Switch for main Motor ON/OFF on machines to conserve energy on Bench Drills
21. In house development of Skimmer & installed on CNC Grinding machine for Online use.
22. Modification in Window of STD Room to avoid Thermal losses & maintaining effective operation of AC.
23. Installation of Jockey Pump for automated functioning of Fire Hydrant line.
24. Manual Hyd controlled Elevator Table converted to motorized control operation.

NAW received RUNNER UP trophy for their presentation on ENERGY CONSERVATION at TATA MOTORS RUDRAPUR

ii) The Steps taken by the company for utilizing alternate sources of energy

Company have been initiated discussion for solar power plant of 100KW capacity with authorized dealer/agencies.



iii) The Capital Investment on energy Conservation Equipment

Company had spend Approx. 1073.00 Lakhs on energy conservation equipment. Apart from this Company have a budgeted plan of approx. Rs. 60 Lakhs for LED lights of whole Faridabad plant.

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) CNC Internal Grinding
- 2) CNC External Grinding
- 3) CNC shaving cutter reshrpening
- 4) CNC Gear Hobbing(With auto Part Load/unload)
- 5) CNC Gear Shaping(with auto part Load/unload)
- 6) CNC Teeth Chamfering(with Auto Part Load/Unload)
- 7) CNC Tooth Roonping
- 8) CNC Vertical Maching centers
- 9) CNC Hard Turning
- 10) CNC HOB Resharpning

ii) Benefit derived

- 1) Reduction in Machine setup time, operation cycle time
- 2) Elimination of operator skill dependency
- 3) Multiple machining operations in one setup
- 4) Utilizing Latest cutting TML technology for cycle time improvement
- 5) Reduction in Machine setup time, operation cycle time
- 6) Elimination of operator skill dependency
- 7) Multiple machining operations in one setup

iii) Imported Cases

a) Year of import

DATE OF PURCHASES	(Machine/Technology Description (Imported Case in recent past
24-Apr-14	CNC UNIVERSAL CYL. GRINDING MACHINE-ECOGRINDER
21-Apr-14	CNC GEAR HOBGING MACHINE MODEL: PE300 MAKE :PFAUTER
23-Jun-14	CNC GEAR HOBGING MACHINE MAKE GLEASON MODEL : 125 GH
23-Jun-14	CNC TURNING CENTER ,MAKE :HARDINGE
25-Jun-14	CNC GEAR HOBGING MACHINE PFAUTER MODEL PE150
25-Jun-14	CNC GEAR HOBGING MACHINE PFAUTER MODEL PE150
7-Jul-14	GEAR HOBGING MACHINE MODEL: PE 150 MAKE: PFAUTER
7-Jul-14	GEAR HOBGING MACHINE MODEL: PE 150 MAKE: PFAUTER
7-Jul-14	GEAR HOBGING MACHINE MODEL: PE 150 MAKE: PFAUTER
7-Jul-14	GEAR HOBGING MACHINE MODEL: PE 150 MAKE: PFAUTER
5-Aug-14	CNC GEAR HOBGING MACHINE MAKE: PFAUTER ,MODEL: 250C
5-Aug-14	CNC GEAR SHAVING MACHINE MAKE: HURTH ,MODEL: ZS240 T
5-Aug-14	HARDNESS TESTER MAKE: REICHERTER, MODEL: BRISKUP 300H

5-Aug-14	HARDNESS TESTER MAKE: WOLPERT, MODEL: DIA TSTER 2 RC
26-Aug-14	GEAR HOBBING MACHINE MODEL: 782 MAKE: GLEASON
26-Aug-14	GEAR HOBBING MACHINE MODEL: 782 MAKE: GLEASON
30-Oct-14	CNC GEAR HOBBING MACHINE MAKE: GLEASON PHOENIX MODEL: 125 GH
11-Feb-14	SPECTROMETER-SYSTEM WITH ACCESSORIES
05-Jun-14	CNCGLEASON GEAR SHAPING M/C
26-Dec-14	PIT TYPE GAS CARBURISING FURNANCE
30-Mar-15	BEMCO HYDRAULIC PRESS

- b) Whether the technology been fully utilized : Yes  
c) If not fully absorbed : NA  
d) 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:		Rs. '000
a)	Earnings	
	Export (on F.O.B.Value of Export)	35,054
b)	Expenditure	
	Traveling	1,108
	Others	13
	Raw Materials	8,223
	Stores & Spares Parts	6,983
	Capital Goods	29,949

**FORM NO. MGT - 9**

EXTRACT OF ANNUAL RETURN

As on the financial year ended on 31st March, 2015

[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 Ltd
(iv) Category/Sub-Category of the Company	:	Company Limited by shares
(v) Address of the Registered Office	:	16, Hare Street, Kolkata-700001
(vi) Whether listed Company (Yes/No)	:	Yes
(vii) Name, Address and Contact details if any	:	Maheshwari Datamatics Pvt Ltd 6 Mangoe Lane, Kolkata-700001 Email: mdpldc@yahoo.com Phone: 033-2243-5029/5809

**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	74.84
2.	Automobile Gears	3563	23.61

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

Sl. No.	Name and Address of the Company	CIN/GLN	Holding/Subsidiary/Associates	% of Shares held	Applicable Section
1.	NIL	NIL	NIL	NIL	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				No of shares held at the end of the year				% of change during the year
	Demat	Physical	Total	% of total shares	Demat	Physical	total	% of total shares	
<b>A. Promoters</b>									
1) Indian									
a. Individuals/HUF	3256483	NIL	3256483	61.4652	3256483	NIL	3256483	61.4652	NIL
b. Central Govt	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
c. State govt	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL

Category of share-holders	No. of shares held at the beginning of the year				No of shares held at the end of the year				% of change during the year
	Demat	Physical	Total	% of total shares	Demat	Physical	total	% of total shares	
d. Bodies Corp	670881	NIL	670881	12.6627	670881	NIL	670881	12.6627	NIL
e. Banks/FIs	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
f. Any others	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
<b>Sub- total (A) (1):-</b>	<b>3927364</b>	<b>NIL</b>	<b>3927364</b>	<b>74.1279</b>	<b>3927364</b>	<b>NIL</b>	<b>3927364</b>	<b>74.1279</b>	<b>NIL</b>
Foreign	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
a. NRIs-Individuals	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
b. others individuals	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
c. Bodies Corp.	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
d. Banks/FIs	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
Any others	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
<b>Sub-total (A) (2):-</b>	<b>NIL</b>	<b>NIL</b>	<b>NIL</b>	<b>NIL</b>	<b>NIL</b>	<b>NIL</b>	<b>NIL</b>	<b>NIL</b>	<b>NIL</b>
<b>Total shareholding of promoter (A)= (A) (1)+(2)</b>	<b>3927364</b>	<b>NIL</b>	<b>3927364</b>	<b>74.1279</b>	<b>3927364</b>	<b>NIL</b>	<b>3927364</b>	<b>74.1279</b>	<b>NIL</b>
<b>B. Public Share-holding</b>									
1. Institutions	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
a. Mutual funds	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
b. Banks/FIs	284375	NIL	284375	5.3675	284375	NIL	284375	5.3675	NIL
c. Central govt	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
d. State govt	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
e. Venture Capital fund	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
e. Insurance companies	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
f. FIIs	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
g. Foreign venture capital fund	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
h. Others(Specify)	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
<b>Sub-total (B)(1):-</b>	<b>284375</b>	<b>NIL</b>	<b>284375</b>	<b>5.3675</b>	<b>284375</b>	<b>NIL</b>	<b>284375</b>	<b>5.3675</b>	<b>NIL</b>

Category of shareholders	No. of shares held at the beginning of the year				No of shares held at the end of the year				% of change during the year
	Demat	Physical	Total	% of total shares	Demat	Physical	total	% of total shares	
2. Non-Institutions	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
a. Bodies corp									
1. Indian	618360	364325	982685	18.5479	618360	410419	1028779	19.4179	0.8700
2. Overseas	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
b. Individuals									
I. Individuals shareholding nominal share capital upto Rs. 1 lakh	2200	42651	44851	0.8465	2200	55377	57577	1.0867	0.2402
II. Individual shareholding nominal capital in excess of Rs. 1 lakh	NIL	NIL	58820	1.1102	NIL	NIL	NIL	NIL	(-).1.1102
c. Others (Clearing members/clearing corp)	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
e. Venture Capital fund	620560	465796	1086356	20.5047	620560	465796	1086356	20.5047	NIL
<b>Total Public shareholding(B)=(B)(1)+(B)(2)</b>	<b>904935</b>	<b>465796</b>	<b>1370731</b>	<b>25.8721</b>	<b>904935</b>	<b>465796</b>	<b>1370731</b>	<b>25.8721</b>	<b>NIL</b>
C. Shares held by Custodian for GDRs & ADRs	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
<b>Grand total (A+B+C)</b>	<b>4832299</b>	<b>465796</b>	<b>5298095</b>	<b>100.00</b>	<b>4832299</b>	<b>465796</b>	<b>5298095</b>	<b>100.00</b>	<b>NIL</b>

**(ii) Shareholding of Promoters**

Sl. No.	Shareholder's Name	Shareholding at the beginning of the year			Share holding at the end of the year			% 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.	Nandini Daga	774625	14.6208	0	774625	14.6208	0	NIL
2.	Asha Devi Daga	870806	16.4362	0	870806	16.4362	0	NIL
3.	Shantanu Daga	560000	10.5698	0	560000	10.5698	0	NIL
4.	Coplama Products Pvt Ltd	554531	10.4666	0	554531	10.4666	0	NIL
5.	Yashwant Kumar Daga	316088	5.9661	0	316088	5.9661	0	NIL
6.	Pradip Kumar Daga	187860	3.5458	0	187860	3.5458	0	NIL
7.	Yashwant Kumar Daga	250000	4.7187	0	250000	4.7187	0	NIL

Sl. No.	Shareholder's Name	Shareholding at the beginning of the year			Share holding at the end of the year			% 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	
8	Pradip Kumar Daga	277264	5.2333	0	277264	5.2333	0	NIL
9	Longview Tea Co Ltd	88725	1.6747	0	88725	1.6747	0	NIL
10	Contransys Pvt Ltd	27625	0.5214	0	27625	0.5214	0	NIL
11	Pradip Kumar Daga(CKPK)	19840	0.3745	0	19840	0.3745	0	NIL
	<b>Total</b>	<b>3927364</b>	<b>74.1279</b>	<b>0</b>	<b>3927364</b>	<b>74.1279</b>	<b>0</b>	<b>NIL</b>

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

Sl. No		Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
	At the beginning of the year	3927364	74.1279	-	-
	Date wise Increase/ Decrease in Promoters Share holding during the year specifying the reasons for increase/ decrease (e.g. allotment/ transfer/bonus/ sweat equity etc):	Nil	Nil	3927364	74.1279
	At the End of the year	3927364	74.1279	3927364	74.1279

## (iv) Shareholding Pattern of top ten Shareholders (other than Directors, Promoters and Holders of GDRS &amp; ADRs):

Sl. No.	For Each of the Top 10 Shareholders	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
	At the beginning of the year				
1	Jalpaiguri Holdings Pvt Ltd	618312	11.6705		
2	ICICI Bank Ltd	284375	5.3675		
3	Navin Agro Industries Ltd	200525	3.7849		
4	Navin Udyog Promotions Ltd	162500	3.0671		
5	Ramesh Kumar Agarwal	7761	0.1465		
6	Gita Devi Bohra	3324	0.0627		
7	Raj Kumar Ghosh	28515	0.5382		
8	Prahlad Rai Bohra	3324	0.0627		
9	Manoj Jalan	20068	0.3788		
10	Vidya Dhar Jhunjunwala	10237	0.1932		
	Date wise Increase/Decrease in Share holding during the year specifying the reasons for increase/decrease (e.g. allotment/ transfer/ bonus / sweat equity etc):				
	Raj Kumar Ghosh (25/3/15 Transfer)	-19741	0.3726	8774	0.1656
	Manoj Jalan (25/3/15 Transfer)	-13893	0.2622	6175	0.1166
	Vidya dhar Jhunjunwala (25/03/15 Transfer)	-7087	19.2605	3150	0.0595

	Ramesh Kumar Agarwal (25/03/15 Transfer)	-5373	0.1014	2388	0.0451
	Globe Stocks & Securities Ltd (25/03/15 Transfer)	+46094	0.8700	46094	0.8700
At the End of the year (or on the date of separation, if separated during the year)					
1	Jalpaiguri Holdings Pvt Ltd	618312	11.6705	618312	11.6705
2	ICICI Bank Ltd	284375	5.3675	284375	5.3675
3	Navin Agro Industries Ltd	200525	3.7849	200525	3.7849
4	Navin Udyog Promotions Ltd	162500	3.0671	162500	3.0671
5	Globe Stocks & Securities Ltd	46094	0.8700	46094	0.8700
6	Raj Kumar Ghosh	8774	0.1656	8774	0.1656
7	Gita Devi Bohra	3324	0.0627	3324	0.0627
8	Pralad Rai Bohra	3324	0.0627	3324	0.0627
9	Ramesh kumar Agarwal	2388	0.0451	2388	0.0451
10	Manoj Jalan	6175	0.1166	6175	0.1166

**(v) Shareholding of Directors and Key Managerial Personnel :**

Sl. No.	For Each of the Directors and KMP	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
1	Pradip Kumar Daga (Chairman cum Managing Director)	187860	3.5458		
2	Anand Prasad Agarwalla (Director)	NIL	NIL		
3	Suresh Kumar Mohta (Director)	NIL	NIL		
4	Sujit Chakravorti (Director)	NIL	NIL		
5.	Vithal Das Mall (Company Secretary)	100	.0019		
Date wise Increase/ Decrease in Share holding during the year specifying the reasons for increase/decrease (e.g. allotment/ transfer/ bonus / sweat equity etc) :					
	Pradip Kumar Daga (Chairman cum Managing Director)	NIL	NIL	187860	3.5458
	Anand Prasad Agarwalla(Director)	NIL	NIL	NIL	NIL
	Suresh Kumar Mohta(Director)	NIL	NIL	NIL	NIL
	Sujit Chakravorti(Director)	NIL	NIL	NIL	NIL
	Yashwant Kumar Daga (Vice chairman cum Joint Managing Director w.e.f 15/11/2014)	NIL	NIL	316088	5.9661
	Vithal Das Mall (Company Secretary)	NIL	NIL	100	.0019
	Maneesh Khanna (CFO w.e.f 30/5/2014)	NIL	NIL	NIL	NIL
	At the end of the year				
	Pradip Kumar Daga (Chairman cum Managing Director)	187860	3.5458	187860	3.5458
	Anand Prasad Agarwalla(Director)	NIL	NIL	NIL	NIL
	Suresh Kumar Mohta(Director)	NIL	NIL	NIL	NIL
	Sujit Chakravorti(Director)	NIL	NIL	NIL	NIL
	Yashwant Kumar Daga (Vice chairman cum Joint Managing Director w.e.f 15/11/2014)	316088	5.9661	316088	5.9661
	Vithal Das Mall (Company Secretary)	100	.0019	100	.0019
	Maneesh Khanna (CFO w.e.f 30/5/2014)	NIL	NIL	NIL	NIL

**V. INDEBTEDNESS**

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

	Secured Loans excluding deposits	Unsecured Loans	Deposit	Total Indebtedness
<b>Indebtedness at the beginning of the financial year</b>				
(i) Principal Amount	1,01,10,87,518	20538556	0	1031626074
(ii) Interest due but not paid	4564471	0	0	4564471
(iii) Interest accrued but not due	134777	0	0	134777
<b>Total (i + ii + iii)</b>	<b>1015786766</b>	<b>20538556</b>	<b>0</b>	<b>1036325322</b>
<b>Change in Indebtedness during the financial year</b>				
· Addition	56943500	130031	0	56956531
· Reduction	0	0	0	0
<b>Net Change</b>	<b>56943500</b>	<b>130031</b>	<b>0</b>	<b>56956531</b>
<b>Indebtedness at the end of the financial year</b>				
(i) Principal Amount	1067190669	20668587	0	1087859256
(ii) Interest due but not paid	5488192	0	0	5488192
(iii) Interest accrued but not due	51406	0	0	51406
<b>Total (i + ii + iii)</b>	<b>1072730267</b>	<b>20668587</b>		<b>1093398854</b>

**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	Yashwant Kumar Daga	
1.	Gross Salary			
	(a) Salary as per provisions contained in Section 17(1) of the Income Tax Act, 1961	52,80,000	18,13,313	70,93,313
	(b) Value of perquisites u/s 17(2) Income Tax Act,, 1961	-	-	-
	(c ) Profit in lieu of salary under Section 17(3) Income Tax Act, 1961	-	-	-
2	Stock Option	-	-	-
3	Sweat Equity	-	-	-
4	Commission			
	- As % of profit	-	-	-
	- Others, specify..	-	-	-
5.	Others, please specify	-	-	-
	<b>Total (A)</b>	<b>52,80,000</b>	<b>18,13,313</b>	<b>70,13,313</b>
	Ceiling as per the Act			2,65,11,000

\* For two Managing directors



**B. Remuneration to other Directors :**

Sl. No.	Particulars of Remuneration	Name of Directors			Total Amount
		Anand Prasad Agarwalla	Suresh Kumar Mohta	Sujit Chakravorti	
	<b>Independent Directors</b>				
	• Fee for attending board committee meetings	50000	48000	48000	146000
	• Commission	200000	200000	200000	600000
	• Others, please specify	-	-	-	-
	<b>Total (1)</b>	<b>250000</b>	<b>248000</b>	<b>248000</b>	<b>746000</b>
	<b>Other Non-Executive Directors</b>				
	• Fee for attending board committee meetings	-	-	-	-
	• Commission	-	-	-	-
	• Others, please specify	-	-	-	-
	<b>Total (2)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
	<b>Total (B)=(1+2)</b>	<b>250000</b>	<b>248000</b>	<b>248000</b>	<b>746000</b>
	<b>Total Managerial Remuneration</b>	<b>250000</b>	<b>248000</b>	<b>248000</b>	<b>746000</b>
	<b>Ceiling as per the Act</b>				<b>2651000</b>

For Payment of Commission.

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

Sl. No.	Particulars of Remuneration	Name of Directors		Total Amount
		Company Secretary	CFO	
1.	Gross Salary			
	(a) Salary as per provisions contained in Section 17(1) of the Income Tax Act, 1961	5,80,000	10,51,750	16,31,750
	(b) Value of perquisites u/s 17(2) Income Tax Act,, 1961	15,000	-	15,000
	(c) Profit in lieu of salary under Section 17(3) Income Tax Act, 1961	-	-	-
2	Stock Option	-	-	-
3	Sweat Equity	-	-	-
4	Commission			
	- As % of profit	-	-	-
	- Others, specify..	-	-	-
5	Others, please specify	-	-	-
	<b>Total</b>	<b>5,95,000</b>	<b>10,51,750</b>	<b>16,46,750</b>

**VII. PENALTY/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)
<b>A. COMPANY</b>					
Penalty	Nil	Nil	Nil	Nil	Nil
Punishment	Nil	Nil	Nil	Nil	Nil
Compounding	Nil	Nil	Nil	Nil	Nil
<b>B. DIRECTORS</b>					
Penalty	Nil	Nil	Nil	Nil	Nil
Punishment	Nil	Nil	Nil	Nil	Nil
Compounding	Nil	Nil	Nil	Nil	Nil
<b>C. OTHER OFFICERS IN DEFAULT</b>					
Penalty	Nil	Nil	Nil	Nil	Nil
Punishment	Nil	Nil	Nil	Nil	Nil
Compounding	Nil	Nil	Nil	Nil	Nil

## **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, 2015, 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 and Kolkata.

### **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, but not for the purpose of expressing an opinion on whether the Company has in place an adequate internal financial controls system over financial reporting and the operating effectiveness of such controls. 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, 2015, 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 three branches included in the standalone financial statements of the Company whose financial statements/financial information reflect total assets of Rs. 39,35,860 thousands as at 31st March, 2015 and total revenue of Rs. 32,02,187 thousands 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, 2015 ('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 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 of the Company audited under Section 143(8) of the Act by branch auditors have been sent to us and have been properly dealt with 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, 2015 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2015 from being appointed as a director in terms of Section 164 (2) of the Act.
  - g. 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 2.27 and 2.34 to the financial statements;
    - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
    - iii. The company has no unpaid dividend in the books of accounts which needs to be transferred to Investor Education and Protection Fund.

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

**Anurag Singhi**  
Partner  
Membership No.066274

1-B, Old Post Office Street,  
Kolkata - 700 001  
Dated, the 28th day of May, 2015

## ANNEXURE 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 2015, we report that :

1. (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.  
(b) The fixed assets of the Company have been physically verified by the management and no material discrepancies have been noticed on such physical verification. In our opinion, the frequency of verification is reasonable.
2. (a) As explained to us inventories were physically verified during the year by the management at reasonable intervals. In respect of inventories lying with third parties, these have substantially been confirmed by them.  
(b) In our opinion and based on management representation, the procedures of physical verification of inventories followed by the management were reasonable and adequate in relation to the size of the Company and the nature of its business.  
(c) In our opinion and according to the information and explanations given to us, the Company has maintained proper records of its inventories and no material discrepancies were noticed on physical verification.
3. According to the information and explanations given to us, the Company has not granted any loan secured/ unsecured to companies, firms or other parties covered in the register maintained under section 189 of the Act. Consequently, the provisions of clauses iii (a) and iii (b) the Order are not applicable to the Company.
4. In our opinion and according to the information and explanations given to us, there is an adequate internal control system commensurate with the size of the Company and the nature of its business with regard to purchase of inventories, fixed assets and sale of goods and services. We have not observed any major weakness in the internal control system during the course of the audit.
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. According to the information and explanations given to us the Company is maintaining the cost records, as specified by the Central Government under sub section (1) of section 148 of the act.
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.  
  
There were no arrears in respect of the aforesaid dues for the period of more than six months from the date they became payable.
  - 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 and have not been deposited by the Company on account of disputes :

Name of the Statute	Nature of Dues	Amount in ₹ ('000)	Forum where dispute is Pending
Central Sales Tax Act, 1956	Central Sales Tax	39,058	Appeal, Revision Board and High Court
W.B. Sales Tax Act, 1944	W.B. Sales Tax	15,264	Appeal, Revision Board and Tribunal
Central Excise Act, 1944 & Rules	CENVAT for Service Tax on Rent	419	Central Excise & Service Tax Appeals Tribunal (CESTAT), New Delhi
	Penalty under Central Excise for wrong claim of CENVAT	509	Central Excise & Service Tax Appeals Tribunal (CESTAT), New Delhi
	CENVAT on Tin Coating Charges on Cutting Tools	11,586	Joint Commissioner of Central Excise, Delhi-IV, Faridabad.
Income Tax Act, 1961	Short allowance of our Claim 80IC and Short allowance of TDS & Other. Asst. Year 2010-11	640	Commissioner of Income Tax (Appeals) VI. Kolkata.

- c. According to the information and explanations given to us in the absence of any unpaid dividend the company is not required to transfer any amount to the investor education and protection fund in accordance with the relevant provisions of the Companies Act, 1956 (1 of 1956) and rules there under.
8. The Company does not have any accumulated losses at the end of the financial year and has not incurred cash losses in the financial year and in the immediately preceding financial year.
  9. According to the records of the company examined by us and the information and explanation given to us, the company has not defaulted in repayment of dues to any financial institution or bank or debenture holders as at the balance sheet date. The company did not have any dues outstanding to any debentures holders or financial institutions as at the beginning of year nor did it obtain any such loans during the year.
  10. According to the information and explanations given to us, the Company has not given guarantee for loans taken by others from banks and financial institutions during the year ended 31st March 2015.
  11. Based on information and explanations given to us and records of the company examined by us, Term loans has not been taken at any of the units of the Company except at Kolkata unit. The term loans availed as on Balance Sheet date, were applied by the Company for the purpose for which loans were obtained.
  12. According to the information and explanations given to us, no fraud on or by the Company has been noticed or reported during the course of our audit.

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

1-B, Old Post Office Street,  
Kolkata - 700 001  
Dated, the 28th day of May, 2015

**Anurag Singhi**  
Partner  
Membership No. 066274

**BALANCE SHEET AS AT 31ST MARCH, 2015**

(₹ In '000)

	Note No.	As at 31st March, 2015	As at 31st March, 2014
<b>EQUITY AND LIABILITIES</b>			
<b>SHAREHOLDERS' FUNDS</b>			
Share Capital	2.1	52,981	52,981
Reserves and Surplus	2.2	<u>2,196,576</u>	<u>2,019,042</u>
		<b>2,249,557</b>	<b>2,072,023</b>
<b>NON-CURRENT LIABILITIES</b>			
Long-Term Borrowings	2.3	363,625	357,467
Deferred Tax Liabilities (Net)	2.4	155,439	166,980
Other Long-Term Liabilities	2.5	2,896	19,923
Long-Term Provisions	2.6	<u>10,337</u>	<u>9,509</u>
		<b>532,297</b>	<b>553,879</b>
<b>CURRENT LIABILITIES</b>			
Short-Term Borrowings	2.7	612,440	628,795
Trade Payables	2.8	357,685	535,408
Other Current Liabilities	2.9	368,624	338,000
Short-Term Provisions	2.6	<u>3,018</u>	<u>6,941</u>
		<u>1,341,767</u>	<u>1,509,144</u>
<b>TOTAL</b>		<b><u>4,123,621</u></b>	<b><u>4,135,046</u></b>
<b>ASSETS</b>			
<b>NON-CURRENT ASSETS</b>			
<b>Fixed Assets</b>			
Tangible Assets	2.10	1,332,125	1,370,758
Intangible Assets	2.10	8,985	2,803
Capital Work-In-Progress		<u>129,448</u>	<u>79,386</u>
		<u>1,470,558</u>	<u>1,452,947</u>
Non-Current Investment	2.11	50,000	-
Long-Term Loans and Advances	2.12	<u>252,447</u>	<u>302,231</u>
		<b>1,773,005</b>	<b>1,755,178</b>
<b>CURRENT ASSETS</b>			
Inventories	2.14	639,014	724,269
Trade Receivables	2.15	578,733	588,645
Cash and Bank Balances	2.16	1,009,275	945,177
Short-Term Loans and Advances	2.12	71,127	75,026
Other Current Assets	2.13	<u>52,467</u>	<u>46,751</u>
		<u>2,350,616</u>	<u>2,379,868</u>
<b>TOTAL</b>		<b><u>4,123,621</u></b>	<b><u>4,135,046</u></b>

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

**ANURAG SINGHI**

Partner

Membership No. 066274

**V. D. MALL**

Company Secretary

**P. K. DAGA** (DIN : 00040692)

Chairman-cum-Managing Director

**A. P. AGARWALLA** (DIN : 00312652)

**S. CHAKRABORTY** (DIN : 00066344)

**S. C. MOHTA** (DIN : 00066305)

**MEERA DOKANIA** (DIN : 07094376)

Directors

1B, Old Post Office Street  
Kolkata - 700 001

Dated : The 28th day of May, 2015

**MANEESH KHANNA**

Chief Financial Officer

**Y. K. DAGA** (DIN : 00040632)

Vice-Chairman-cum Jt. Managing Director

**STATEMENT OF PROFIT & LOSS FOR THE YEAR ENDED 31ST MARCH, 2015**

(₹ In '000)

	Note No.	For the Year ended 31st March, 2015	For the Year ended 31st March, 2014
<b>INCOME</b>			
Revenue from Operations (Gross)	2.17	3,392,156	3,695,029
Less : Excise Duty		310,972	353,724
Revenue from Operations (Net)		3,081,184	3,341,305
Other Income	2.18	121,003	103,061
Total Revenue		3,202,187	3,444,366
<b>EXPENSES</b>			
Cost of Materials Consumed	2.19	1,341,333	1,502,275
(Increase) / Decrease in Inventories of Finished Goods and Work-in-Progress	2.20	692	20,285
Employee Benefits Expense	2.21	386,882	374,581
Finance Costs	2.22	113,044	95,859
Other Expenses	2.23	883,784	944,516
Depreciation and Amortization Expense	2.24	220,355	160,686
		2,946,090	3,098,202
<b>Profit before Tax</b>		256,097	346,164
Tax Expense :	2.25		
Current Tax		85,664	-
Taxation related to Earlier years		1,486	(2,917)
Deferred Tax		(11,541)	118,450
		75,609	115,533
<b>Profit for the year</b>		180,488	230,631
Earnings Per Share [nominal value ₹ 10 /-]			
Weighted Average Number of Equity Shares outstanding during the year		5,298,095	5,298,095
Basic and Diluted earning per share (₹)		34.07	43.53
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

**ANURAG SINGHI**

Partner

Membership No. 066274

1B, Old Post Office Street

Kolkata - 700 001

Dated : The 28th day of May, 2015

**V. D. MALL**

Company Secretary

**MANEESH KHANNA**

Chief Financial Officer

**P. K. DAGA** (DIN : 00040692)

Chairman-cum-Managing Director

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**A. P. AGARWALLA** (DIN : 00312652)

**S. CHAKRABORTY** (DIN : 00066344)

**S. C. MOHTA** (DIN : 00066305)

**MEERA DOKANIA** (DIN : 07094376)

Directors



**CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2015**

	31.03.2015	31.03.2014
		(₹ In '000)
<b>A. Cash Flow from Operating Activities</b>		
Net Profit/(Loss) before Tax and Extra Ordinary Items	256,097	346,164
<b>Adjustment for :-</b>		
Depreciation and Amortisation Expenses	220,355	160,686
(Profit)/ loss on sale of F.Assets	533	(423)
Finance cost	113,044	95,859
Interest Received	(97,892)	(84,841)
Wealth Tax Provision	20	29
Reversal of Impirement	(2)	-
<b>Operating Profit before Working Capital Changes</b>	<b>492,155</b>	<b>517,474</b>
Movement in Working Capital		
Increase/(Decrease) in Trade Payables	(177,723)	201,732
Increase/(Decrease) in Other Current Liabilities	(53,673)	95,905
Increase/(Decrease) in Short Term Provisions	(3,914)	1,821
Increase/(Decrease) in Long Term Provisions	786	223
(Increase)/Decrease in Trade Receivable	9,912	93,446
(Increase)/Decrease in Inventories	85,255	(43,193)
(Increase)/Decrease in Long Term Loans and Advances	30,999	(90,343)
Proceeds from Short Term External Development Charges	18,919	1
Proceeds from Other Long Term Liabilities	(17,027)	291
(Increase)/Decrease in Short Term Loans and Advances	3,870	(30,629)
(Increase)/Decrease in Other Current Assets	(124)	95
<b>Cash Generated from Operation before taxes</b>	<b>389,435</b>	<b>746,823</b>
Direct Taxes Paid	(68,323)	(80,907)
Cash Flow Before Extra - Ordinary Items	-	-
<b>Net Cash Flow from Operating Activities</b>	<b>321,112</b>	<b>665,916</b>
<b>B. Cash Flow from Investing Activities</b>		
Purchase of Tangible and Intangible Assets Including CWIP	(243,282)	(597,289)
Sale of Tangible Assets	1,831	1,463
Interest Received	92,300	72,101
Investment	(50,000)	-
(Increase)/Decrease in other Bank Balance	216,689	(275,710)
<b>Net Cash used in Investing Activities</b>	<b>17,538</b>	<b>(799,435)</b>

**CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2015 (Contd.)**

	31.03.2014	31.03.2013
<b>C. Cash Flow from Financing Activities</b>		(₹ In '000)
Proceeds/(Repayment)of Short Term Hire Purchase /Lease Finance	548	(253)
Proceeds from Current Maturities of Long Term Debts	63,990	(103,168)
Proceeds from Short Term Borrowings	(16,355)	61,491
Proceeds/(Repayment) of Long Term Borrowings	6,158	312,856
Finance Charges	(112,204)	(91,969)
<b>Net Cash used in Financing Activities</b>	<b>(57,863)</b>	<b>178,957</b>
Net increase in Cash and Cash Equivalents (A+B+C)	280,787	45,438
CASH AND CASH EQUIVALENTS AS AT 31.03.2014	378,019	332,581
CASH AND CASH EQUIVALENTS AS AT 31.03.2015	658,806	378,019
Cash & Cash equivalent includes :		
Cash In Hand	331	1,119
Balance With Schedule Banks		
In Current Account	13,882	23,900
In Fixed Deposit Account with original maturity of Less than three months	644,593	353,000
<b>Total</b>	<b>658,806</b>	<b>378,019</b>

- Note : 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 years 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

**ANURAG SINGHI**

Partner

Membership No. 066274

1B, Old Post Office Street

Kolkata - 700 001

Dated : The 28th day of May, 2015

**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

**A. P. AGARWALLA** (DIN : 00312652)

**S. CHAKRABORTY** (DIN : 00066344)

**S. C. MOHTA** (DIN : 00066305)

**MEERA DOKANIA** (DIN : 07094376)

Directors

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## NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2015

### 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 notified by the Companies (Accounting Standard) Rules, 2006 (as amended) and the relevant provisions of the Companies Act, 2013.

The financial statements have been prepared and presented as per the requirement of revised 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 that 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.

#### c) Fixed Assets

- 1) Fixed Assets are stated at cost less depreciation excluding Fixed Assets of Faridabad unit which are stated at revalued cost / Cost less depreciation.
- 2) Depreciation of Fixed Assets is provided on straight-line method except at Rudrapur unit depreciation is provided on written down value method at the rate prescribed in Schedule II to the Companies Act, 2013. However, on capital expenditure incurred on installation of assets taken on lease at Faridabad unit which is being written off during the period of lease.
- 3) Depreciation relating to revalued portion of Fixed Assets is ascertained and adjusted with Revaluation Reserve.

#### d) Inventories

- 1) Inventories of Raw Materials, Stores, Spare Parts and Packing Materials are valued at cost. Cost is computed on a 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 Benefit

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
- ii) Defined Benefit Scheme (DBS) - The present obligation, 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.

**Significant Accounting Policies (Contd.)****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 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 expenditure comprise 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 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 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 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.

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2015

(₹ In '000)

	As at 31st March, 2015	As at 31st March, 2014
<b>2.1 SHARE CAPITAL :</b>		
Authorised :		
53,00,000 (PY - 53,00,000) Equity Shares of Rs. 10/- each	53,000	53,000
20,000 (PY - 20,000) Redeemable Cumulative Preference Shares of Rs.100/- each	2,000	2,000
	<u>55,000</u>	<u>55,000</u>
<b>Issued :</b>		
52,98,095 (PY - 52,98,095) Equity Shares of Rs.10/- each	52,981	52,981
<b>Subscribed and Paid-up</b>		
52,98,095 (PY - 52,98,095) Equity Shares of Rs.10/- each fully paid up	52,981	52,981
	<u>52,981</u>	<u>52,981</u>

- a) There has been no change/movements in number of shares outstanding at the beginning and at the end of the reporting period.
- b) The Company has only one class of issued shares i.e. Equity Shares having par value of Rs.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.
- c) The Company does not have any Holding Company/ultimate Holding Company.
- d) Details of shareholders holding more than 5% shares in the Company :

**Equity Shares of Rs 10 each fully paid**

	No. of Shares 31st March, 2015	31st March, 2014
Asha Devi Daga (% of Holding, CY - 16.44, PY - 16.44)	870,806	870,806
Nandini Daga (% of Holding, CY - 14.62, PY - 14.62)	774,625	774,625
Shantanu Daga (% of Holding, CY - 10.57, PY - 10.57)	560,000	560,000
Yashwant Kumar Daga (% of Holding, CY - 10.68, PY -10.68) *	566,088	566,088
Pradip Kumar Daga (% of Holding, CY - 9.15, PY - 9.15) **	484,964	484,964
Coplama Products Private Limited (% of Holding, CY - 10.47, PY - 10.47)	554,531	554,531
Jalpaiguri Holdings Private Limited (% of Holding, CY - 11.67, PY - 11.67)	618,312	618,312
ICICI Bank Limited (% of Holding, CY - 5.37, PY -5.37 )	284,375	284,375

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

\*\* Includes 297,104 (PY 297,104) nos of shares held by HUF

- e) 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.
- f) No shares have been allotted or have been bought back by the Company during the period of 5 years preceding the date as at which the Balance Sheet is prepared.
- g) No Securities Convertible into Equity/Preference Shares have been issued by the company during the year.
- h) No calls are unpaid by any Director or Officer of the Company during the year.

	As at 31st March, 2015	As at 31st March, 2014
<b>2.2 RESERVES AND SURPLUS</b>		
<b>Capital Reserves</b>		
As per the last Financial Statements	3,536	3,536
	<u>3,536</u>	<u>3,536</u>
<b>Revaluation Reserve</b>		
As per the last Financial Statements	10,696	11,069
Less : Transfer to the Statement of Profit & Loss being difference of depreciation on revalued cost of assets and on the original cost	-	373
Less : Transfer to the Statement of Profit & Loss being depreciation on Revalued Assets	2,954	-
	<u>7,742</u>	<u>10,696</u>
<b>Surplus</b>		
As per the last Financial Statements	2,004,810	1,774,179
Add : Profit for the year	180,488	230,631
<b>Net Surplus</b>	<u>2,185,298</u>	<u>2,004,810</u>
	<u>2,196,576</u>	<u>2,019,042</u>

(₹ In '000)

**2.3 LONG-TERM BORROWINGS**

	Non-current portion		Current maturities	
	As at 31st March, 2015	As at 31st March, 2014	As at 31st March, 2015	As at 31st March, 2014
<b>Term Loans (Secured)</b>				
Rupee Loan from Bank [1(a)]	29,250	68,250	39,000	39,000
Rupee Corporate Loan from Bank (1(c) & (d)) and (2)	320,511	273,042	65,990	2,000
	<u>349,761</u>	<u>341,292</u>	<u>104,990</u>	<u>41,000</u>
Amount disclosed under the head "Other Current Liability" (Note 2.9)	-	-	104,990	41,000
	<u>349,761</u>	<u>341,292</u>	<u>-</u>	<u>-</u>
<b>Other Loans and Advances (Unsecured)</b>				
Sales Tax Soft Loan Sanctioned by Govt of West Bengal for payment of sales tax liability (3)	13,864	16,175	2,311	2,311
Amount disclosed under the head "Other Current Liability" (Note 2.9)	-	-	2,311	2,311
	<u>13,864</u>	<u>16,175</u>	<u>-</u>	<u>-</u>
	<u>363,625</u>	<u>357,467</u>	<u>-</u>	<u>-</u>

- 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.
  - Repayment of Term Loan installment due quarterly @ ₹ 97.50 lacs in 20 installments commencing from March'2012 and concluding on March'2016. Rate of Interest : 14.05% p.a.
  - 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 : 11.90% p.a.
  - 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 : 11.90% p.a.
- Repayable within 12 months and shown in Note 2.9 as Other Current Liabilities.
- Repayment of Soft Loan installment due yearly @ ₹ 23.00 Lacs in 8 equal instalments commenced from August, 2014.

**2.4 DEFERRED TAX LIABILITIES (NET)**

	As at 31st March, 2015		As at 31st March, 2014	
	Deferred Tax Liabilities			
Arising on account of :				
Depreciation		167,393		192,135
Less : Deferred Tax Assets				
Arising on account of :				
Unabsorbed Depreciation		-	11,629	
Section 43B of Income-tax Act	11,954	11,954	13,526	25,155
Deferred Tax Liabilities (Net)		<u>155,439</u>	<u>13,526</u>	<u>166,980</u>
		<b>Long-term</b>		<b>Short-term</b>
	As at 31st March, 2015	As at 31st March, 2014	As at 31st March, 2015	As at 31st March, 2014

**2.5 OTHER LONG TERM LIABILITIES**

Other Liabilities				
External Development Charges (Bhagola)	-	18,920	40,029	21,109
Hire Purchase/lease Finance Liability	2,896	1,003	1,597	1,049
	<u>2,896</u>	<u>19,923</u>	<u>41,626</u>	<u>22,158</u>
Amount disclosed under the head "Other Current Liability" (Note 2.9)	-	-	41,626	22,158
	<u>2,896</u>	<u>19,923</u>	<u>-</u>	<u>-</u>

**2.6 PROVISIONS**

	Long-term		Short-term	
	As at 31st March, 2015	As at 31st March, 2014	As at 31st March, 2015	As at 31st March, 2014
Provision for Employee Benefits				
Leave Payment	10,281	9,495	2,392	2,721
Gratuity	-	-	606	4,191
	<u>10,281</u>	<u>9,495</u>	<u>2,998</u>	<u>6,912</u>
Other Provisions				
Provisions for Taxation (Net of Payments)	56	14	-	-
Provisions for Wealth Tax (Net of payment)	-	-	20	29
	<u>10,337</u>	<u>9,509</u>	<u>3,018</u>	<u>6,941</u>

**2.7 SHORT TERM BORROWINGS**

	As at 31st March, 2015	As at 31st March, 2014
Working Capital Borrowings		
From Banks		
Rupee Loan from Bank (Secured) (a)	612,440	385,615
FCNRB Loan from Bank (b)	-	243,180
	<u>612,440</u>	<u>628,795</u>

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.

b) FCNRB Demand Loan from SBI for US\$ 4 million was repaid on 06.06.2014

**2.8 TRADE PAYABLES**

	As at 31st March, 2015	As at 31st March, 2014
For Goods and Services	357,685	535,408
	<u>357,685</u>	<u>535,408</u>

Note : MSME disclosure for due to Micro Small and Medium Enterprises refer note No.2.28 of additional notes on accounts.

**2.9 OTHER CURRENT LIABILITIES**

Creditors for Fixed Assets	39,328	116,367
Current maturities of Long Term Debt (See Note 2.3)	107,301	43,311
Current maturities of Hire Purchase/Lease Finance Liability (See Note 2.5)	1,597	1,049
External Development Charges(Bhagola)(See Note 2.5)	40,029	21,110
Statutory Dues	27,716	27,949
Sales Tax/VAT	20,507	24,299
Excise Duty	28,875	25,618
Interest Accrued & Due	5,488	4,564
Interest Accrued but not due	51	135
Trade and Security Deposits	641	635
Liability Relating to Employees	13,364	13,566
Advances Received from Customers	70,481	46,617
Others	13,246	12,780
	<u>368,624</u>	<u>338,000</u>

## NOTE 2.10 : FIXED ASSETS

(₹ In '000)

Particulars	GROSS BLOCK *					DEPRECIATION					IMPAIRMENT			NET BLOCK	
	Value as at 31st March, 2014	Additions during the Year	Deductions/ Adjustments during the year	Value as at 31st March, 2015	Upto 31st March, 2014	Adjustment with Profit of Current Year#	Provided during the year	Deductions/ Adjustments during the year	Depreciation upto 31st March, 2015	WDV up to 31.03.2015 before Impairment	Impairment up to 31.03.2014	Adjustments during the year	Impairment up to 31st March 2015	As at 31st March 2015	As at 31st March 2014
<b>TANGIBLE ASSETS</b>															
Leasehold Land**	13,240	-	-	13,240	1,177	-	147	-	1,324	11,916	-	-	-	11,916	12,063
Freehold Land	179,629	11,842	-	191,471	-	-	-	-	-	191,471	-	-	-	191,471	179,629
Buildings	100,363	2,461	-	102,824	44,578	2,968	4,189	-	51,735	51,089	-	-	-	51,089	55,785
Plant & Machinery	1,952,104	164,068	8,793	2,107,379	838,927	7,559	199,590	7,781	1,038,295	1,069,084	12,792	2	12,790	1,056,294	1,100,385
Furniture & Fittings	14,394	882	682	14,594	7,064	557	1,113	648	8,086	6,508	-	-	-	6,508	7,330
Vehicles***	14,003	4,686	3,170	15,519	6,011	110	2,178	1,960	6,339	9,180	-	-	-	9,180	7,992
Office Equipment	23,591	2,360	2,154	23,797	16,017	855	3,304	2,046	18,130	5,667	-	-	-	5,667	7,574
Total	2,297,324	186,299	14,799	2,468,824	913,774	12,049	210,521	12,435	1,123,909	1,344,915	12,792	2	12,790	1,332,125	1,370,758
<b>INTANGIBLE ASSETS</b>															
Computer Software	5,349	6,921	-	12,270	2,546	-	739	-	3,285	8,985	-	-	-	8,985	2,803
Total	5,349	6,921	-	12,270	2,546	-	739	-	3,285	8,985	-	-	-	8,985	2,803
Grand Total :	2,302,673	193,220	14,799	2,481,094	916,320	12,049	211,260	12,435	1,127,194	1,353,900	12,792	2	12,790	1,341,110	1,373,561
Previous Year :	1,738,106	570,302	5,735	2,302,673	759,956	-	161,059	4,695	916,320	1,386,353	12,792	-	12,792	1,373,561	-

Note: \* Land, Buildings, Plant & Machinery (including Electrical Installations and Water Supply 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 ₹. 50,957. Subsequent deduction on disposal till date is ₹10,936 (₹ 10,824).

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

\*\*\* Includes ₹. 7,713 (₹. 3,668) acquired on Hire Purchase basis and under continued hire purchase agreement.

# The Company has charged depreciation based on revised remaining useful life of the assets as per the requirement of Schedule II of the Companies Act, 2013, effective from 1st April, 2014. Due to this depreciation charge for the year ended 31st March, 2015 is higher by ₹41308. Further based on transitional provisions as provided in note no. 7(b) of schedule II of the Companies Act, 2013 read with notification no. 456 dated 29th August, 2014, an amount of ₹ 9,095 has been charged in the Statement of Profit & Loss.



2.11 NON-CURRENT INVESTMENT	Long-term		Short-term	
	As at 31st March, 2015	As at 31st March, 2014	As at 31st March, 2015	As at 31st March, 2014
Long Term Investment				
5,000,000 Nos 3% Redeemable Preference Share of Rs. 10/- each fully (P.Y) Nil paid up of M/s. Brua Hydrowatt Pvt. Ltd (Unquoted) (Redeemable after 3 Years)	50,000	-	-	-
	50,000	-	-	-
<b>2.12 LOANS &amp; ADVANCES</b>				
Capital Advances				
Unsecured, considered good	106,112	137,287	-	-
	106,112	137,287	-	-
Security Deposits				
Unsecured, considered good	10,434	10,258	1,977	2,608
Considered Doubtful	141	141	-	-
	10,575	10,399	1,977	2,608
Less: Provision for Doubt ful Deposit	141	141	-	-
	10,434	10,258	1,977	2,608
Other Loans and Advances (Unsecured, Considered good)				
Advance Tax and TDS (Net of provisions)	32,919	19,719	-	-
Advance Fringe Benefit Tax	8	8	-	-
Mat Credit Entitlement	102,974	134,959	-	-
Advance against supply of Goods and Services	-	-	38,396	35,790
Prepaid Expenses	-	-	2,068	2,668
Unamortised Expenses	-	-	-	2,421
Advance to Employees	-	-	697	1,026
Balances with Govt and Statutory Authorities	-	-	27,989	30,513
	135,901	154,686	69,150	72,418
	252,447	302,231	71,127	75,026
<b>2.13 OTHER CURRENT ASSETS</b>				
	Non-Current		Current	
	As at 31st March, 2015	As at 31st March, 2014	As at 31st March, 2015	As at 31st March, 2014
(Unsecured, considered good)				
Interest Receivable	-	-	52,273	46,681
Duty Draw Back Receivable	-	-	194	70
	-	-	52,467	46,751
<b>2.14 INVENTORIES (As taken, valued and certified by the Management)</b>				
Raw Materials#			157,859	226,725
Work in Progress			95,029	105,018
Semi Finished Goods			9,003	4,000
Finished Goods			294,967	290,649
Stores and Spares			81,913	97,610
Scraps			243	267
			639,014	724,269

# includes goods-in-transit ₹ 558 (Pr. Yr. ₹ 361)

(₹ In '000)

**Details of Inventories :**

	Finished Goods		Work-in-Progress*	
	As at	As at	As at	As at
	31st March, 2015	31st March, 2014	31st March, 2015	31st March, 2014
Worm Reduction Gear	12,190	10,154	8,360	6,108
Spur Helical, Double Helical and Bevel Reduction Gear Boxes	29,396	44,374	25,922	16,506
Geared Motors/Coupling	2,784	2,384	1,062	1,052
Others	1,517	1,380	10,061	7,534
Tractor & Automobile Gear/Parts	200,466	191,646	44,486	50,831
Rear Axles & Spline Shaft for Tractor & Automobile	48,614	40,711	14,141	26,987
	<u>294,967</u>	<u>290,649</u>	<u>104,032</u>	<u>109,018</u>

\* Including Semifinished ₹ 9003 (₹ 4000)

**2.15 TRADE RECEIVABLES**

	Non-Current		Current	
	As at	As at	As at	As at
	31st March, 2015	31st March, 2014	31st March, 2015	31st March, 2014
<b>Outstanding for a period exceeding six months</b>				
Unsecured, considered good	-	-	92,178	94,685
Doubtful	-	-	15,313	15,313
	-	-	<u>107,491</u>	<u>109,998</u>
Provision for doubtful receivables	-	-	15,313	15,313
	-	-	<u>92,178</u>	<u>94,685</u>
<b>Other Receivables</b>				
Unsecured, considered good				
Due from Others	-	-	482,946	478,874
Due from Related Party	-	-	3,608	15,086
	-	-	<u>486,555</u>	<u>493,960</u>
	-	-	<u>578,733</u>	<u>588,645</u>

**2.16 CASH AND BANK BALANCES**

	As at	As at
	31st March, 2015	31st March, 2014
<b>Cash and Cash Equivalents</b>		
Balances With Banks :		
In Current Account	13,882	23,900
In Fixed Deposit Accounts with original maturity of less than three months	644,593	353,000
Cash in hand (Incl Stamps) (As certified by the Management)	331	1,119
	<u>658,806</u>	<u>378,019</u>
<b>Other Bank Balances</b>		
Balances with Bank held as margin money / security (a)	123	108
In Fixed Deposit Accounts with original maturity of more than three months (b)	350,346	567,050
	<u>350,469</u>	<u>567,158</u>
	<u>1,009,275</u>	<u>945,177</u>

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

b) Pledged with VAT Authority ₹ 50

(₹ In '000)

**2.17 REVENUE FROM OPERATIONS (GROSS)**

	For the year ended	
	31st March, 2015	31st March, 2014
Sale of Products (including Export Sales of ₹ 10,098 Pr. Yr. ₹ 16,887)	3,362,216	3,658,783
Sale of Scraps	29,041	34,850
	<u>3,391,257</u>	<u>3,693,633</u>
Sale of Service	899	1,396
	<u>3,392,156</u>	<u>3,695,029</u>
Less : Excise Duty	310,972	353,724
	<u>3,081,184</u>	<u>3,341,305</u>
<b>Details of Sale of Products &amp; Scraps</b>		
Worm Reduction Gear	120,948	151,678
Spur Helical, Double Helical and Bevel Reduction Gear Boxes	609,440	533,739
Geared Motors	21,109	18,756
Loose Gear including Jobbing Charges	25,245	35,219
Torison Shaft & Diaphragm Couplings	5,735	5,321
Tractor & Automobile Gear/Parts	2,026,043	2,423,789
Rear Axles & Spline Shaft for Tractor & Automobile	615,005	662,418
Loose Gears & Gear Boxes	4,144	3,157
Gear Coupling	2,018	1,315
Sale of Scrap	29,041	34,850
Other	9,557	9,240
Solar Power	47,430	16,821
	<u>3,515,715</u>	<u>3,896,303</u>
Less : Inter unit transfer	(124,458)	(202,670)
	<u>3,391,257</u>	<u>3,693,633</u>

**2.18 OTHER INCOME**

**Interest Income**

On Bank Deposits	97,380	84,351
Others	512	490
	<u>97,892</u>	<u>84,841</u>

**Other Non Operating Income**

Profit on sale of Fixed Assets	512	687
Excess Liabilities and Unclaimed Balances written back	5,399	250
Insurance and Other Claims (Net)	-	15
Reversal of Impairment	2	-
Net gain / (loss) on Foreign Currency transactions	505	1,397
Misc. Income *	16,693	15,871
	<u>121,003</u>	<u>103,061</u>

\* 1) Includes ₹ 7806 (₹ 10073) cash discount received on early payments

\*2) Includes ₹ Nil (₹ 3529) received from parties which was provided doubtful and written off in earlier years.

(₹ In '000)

**2.19 COST OF MATERIALS CONSUMED**

For the year ended

	31st March, 2015	31st March, 2014
<b>Raw Material Consumed</b>		
Opening Inventories	226,725	153,023
Add : Purchase	1,272,467	1,575,861
	1,499,192	1,728,884
Less: Closing Inventories	157,859	226,725
Add : Purchase for Trading	-	116
Cost of Raw Material Consumed	1,341,333	1,502,275

**Details of Raw Material Consumed**

Bearings	68,394	74,963
PB Rims	18,245	16,654
Steel	985,904	1,074,468
Castings	94,620	85,486
Electric Motors	5,644	3,526
Steel Casting & Forgings	14,704	72,992
Tractor & Atomobile Gear/Parts	67,913	116,951
Rear Axles & Spline Shaft for Tractor & Automobile	73,176	119,204
Others	137,191	140,585
Purchase for Trading	-	116
	1,465,791	1,704,945
Less : Inter unit transfer	(124,458)	(202,670)
	1,341,333	1,502,275

**2.20 (INCREASE)/ DECREASE IN INVENTORIES OF FINISHED GOODS, WORK-IN-PROGRESS****Inventories at the beginning of the year**

Finished Goods	290,649	322,811
Work-in-Progress	105,018	93,068
Semi Finished	4,000	3,890
Scraps	267	450
	399,934	420,219

**Inventories at the end of the year**

Finished Goods	294,967	290,649
Work-in-Progress	95,029	105,018
Semi Finished	9,003	4,000
Scraps	243	267
	399,242	399,934
	692	20,285

**2.21 EMPLOYEE BENEFIT EXPENSE**

Salaries & Wages	344,113	327,813
Contribution to Provident Funds, Gratuity & Others	23,598	25,590
Staff Welfare Expenses	19,171	21,178
	386,882	374,581

(₹ In '000)

**2.22 FINANCE COST**

	For the year ended	
	31st March, 2015	31st March, 2014
<b>Interest Expenses</b>		
To Banks on Term Loans	12,125	14,040
" Banks On Working Capital Loans	97,490	59,593
" Others	1,662	1,736
	<u>111,277</u>	<u>75,369</u>
<b>Other Borrowing Cost</b>		
Financial Charges	1,767	3,925
Foreign Currency Loss on Foreign Currency Loan*	-	16,565
	<u>113,044</u>	<u>95,859</u>

\* Net loss of foreign currency fluctuation on Foreign Currency Loan to the extent of interest cost.

**2.23 OTHER EXPENSES**

**MANUFACTURING EXPENSES**

Stores, Spare Parts & Packing Materials Consumed	335,173	287,452
Power & Fuel	128,085	112,596
Job Charges	132,162	160,981
Repairs to Buildings	7,595	3,448
Repairs to Machinery	88,172	171,963
Repairs to Other Assets	10,534	16,169
Solar Power	4,590	2,250
Increase/(Decrease) in Excise on Stocks	23,575	21,454
	<u>729,886</u>	<u>776,313</u>

**ADMINISTRATION AND SELLING EXPENSES**

Brokerage & Commission on Sales	8,097	7,340
Transport & Forwarding Expenses	35,574	45,135
Rent	7,667	8,033
Insurance	2,106	2,097
Rates & Taxes	1,821	1,142
Legal & Professional Expenses	34,448	33,474
Travelling Expenses	29,128	29,340
Bank Charges	2,959	3,258
Postage, Telephones, Telex	3,235	3,377
Printing & Stationery	4,069	4,388
Directors' Fees	146	103
Directors Commission	600	700
Donation	1,000	922
Tax and Duties	5,334	11,561
Auditors' Remuneration -	-	-
Statutory Auditors -	-	-
Audit Fees	529	506
Limited Review Fees	56	42
Tax Audit Fees	98	91
Issue of Certificates	170	185
Previous year adjustment	-	-
Sundry Balance Written Off (Net)	16	1
Net (Gain)/Loss on Foreign currency transaction and translation	-	-
Loss on sale/discard of Fixed Assets	1,045	264
Miscellaneous Expenses	15,800	16,244
	<u>153,898</u>	<u>168,203</u>
	<u>883,784</u>	<u>944,516</u>

(₹ In '000)

**2.24 DEPRECIATION AND AMORTIZATION EXPENSES**

For the year ended

	31st March, 2015	31st March, 2014
<b>For Current year</b>		
On Tangible Assets	210,521	160,449
On Intangible Assets	739	610
	<u>211,260</u>	<u>161,059</u>
Less : Transferred from Reserve on Revaluation	-	373
	<u>211,260</u>	<u>160,686</u>
<b>For Earlier year</b>		
Transitional Depreciation ( On Tangible Assets having useful life Nil)	12,049	-
Less : Adjustment for Depreciation on revalued Assets	2,954	-
	<u>9,095</u>	<u>-</u>
<b>TOTAL</b>	<u>220,355</u>	<u>160,686</u>

**2.25 TAX EXPENSE**

Taxation for the Current Year	53,679	72,558
Less : MAT Credit Entitlement u/s 115 JB of the Income Tax Act	-	72,558
Add : Utilisation of Mat Credit Entitlement	31,985	-
Current Tax	85,664	-
Taxation related to Earlier year		
Tax	1,486	562
Mat Credit Entitlement	-	(3,479)
	<u>1,486</u>	<u>(2,917)</u>
Deferred Tax	(11,541)	118,450
	<u>75,609</u>	<u>115,533</u>

**2.26 Contingent Liabilities not provided for in respect of :**

(₹ In '000)

- Claims against the company not acknowledged as ₹ 2,306 (₹ 2,306).
- Letter of Guarantee opened by Bank in favour of foreign /Indian suppliers ₹ 3,639 (₹3,787).
- Sales Tax and Excise Duty liabilities ₹ 34,631(₹ 47,231) and ₹ NIL (₹ 31) respectively.
- Guarantee issued by Bank for ₹98,206 (₹92,200) including ₹ 10,558 (₹ 10,411) in respect of amount included in Advance from customers. The bank held margin money of ₹60 (₹ 60) as fixed deposit receipts against the said guarantee.
- Indemnity bond issued for ₹ NIL (₹ 92).
- Indemnity Bonds issued in favour of Customs Department for ₹ 4,166 (₹ 4,166) and ₹ 82 (₹ 82) deposited in this respect, has been included in security deposit.
- Proportionate value of duty saved in terms of Letter of Undertaking given to Jt. Director General of Foreign Trade under EPCG Scheme, where export obligation can be completed in future years ₹ 14,671 (₹ 27,010).
- Letter of credit opened by Bank in favour of Indian suppliers ₹ 16,668
- The disputed demand of Income Tax and Fringe Benefit Tax amounting to. ₹ 1,137 (₹ 13,325) not provided in the accounts as the matter pending adjudication before CIT (Appeals),VI,Kol.and DCIT Cir-6 (Refer Note. 2.33)
  - Assessment Year 2008-09 demand ₹ 45 (₹ 45) paid by way of adjustment by department with refund of A.Y. 2011-12 out of ₹ 510 (Income Tax).
  - Assessment Year 2009-10 demand ₹ 3 (₹ 3) paid by way of adjustment by department with refund of A.Y. 2011-12 out of ₹ 510 (Income Tax.).
  - Assessment Year 2009-10 demand ₹ 215 (₹ 215) paid by way of adjustment by department with refund of A.Y. 2011-12 out of ₹ 510 adjusted ₹462(₹462) (Fringe Benefit Tax).

- d. Assessment year 2010-11 demand ₹ 640 (₹ 640).
- e. The disputed issue for Asst. year 2012-13 for Short Allowance of Deduction u/s80IC amounts to. ₹722/- and short allowance of Credit of TDS ₹23/- Tax involve in the matter ₹234/- approx adjustment by department out of refund of current A.Y.
- j) The disputed dues on account of CENVAT, Service Tax ,Sales Tax, Interest on Excise Duty and Penalty amounting to ₹.12,515 ( ₹.11,592) has not been provided in the accounts and deposited as the matter is pending Adjudication before concerned authorities .(Ref Note2.33)

## 2.27 Capital Commitments

Estimated value of contracts remaining to be executed on Capital Account and not provided for ₹.202,597 (₹₹.67,385) Advance paid ₹. 106,112 (₹.1,37,287)

- 2.28** Based on the information available with the company there were no dues during the year to entities covered under Micro Small and Medium Enterprises Development Act,2006.
- 2.29** The amount of borrowing cost capitalized during the year ₹ 2,352 (₹ 28) and borrowing cost adjusted in capital advance Account for ₹ 1,469 (₹ 1759).
- 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** Excise duty amounting to ₹ 23,575 (₹21,454) has been provided on manufactured goods lying at factory on estimated basis, which has no effect on the profit for the year.
- 2.32** Provision has not been made for ₹.981 (Pr. Yr. ₹ 676) 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, Excise Duty, Service Tax pending adjudication before concerned authorities are as follows :

Name of the Statute	Nature of Dues	Amount (₹) Current year	Amount (₹) Previous Year	Forum Where dispute is Pending
Central Excise Act, 1944 & Rules	Central Excise	Nil	31	CEGAT, Kolkata
Central Sales Tax Act, 1956	Central Sales Tax	39,058	42,321	Appeal, Revision Board and High Court
W.B. Sales Tax Act, 1944	W.B. Sales Tax	15,264	28,168	Appeal, Revision Board and Tribunal
Central Excise Act, 1944 (Rule 14 of CENVAT Credit Rule)	CENVAT for Service Tax on Rent	419	419	Central Excise & Service Tax Appeals Tribunal (CESTAT), New Delhi
Central Excise Act, 1944 (Rule 15(2) of C.Excise Rule)	Penalty under Central Excise for wrong claim of CENVAT	509	509	Central Excise & Service Tax Appeals Tribunal (CESTAT), New Delhi.
Central Excise Act, 1944 (Rule 14 of CENVAT Credit Rule)	Excise Duty on line Rejection.	Nil	282	Dy. Commissioner of Central Excise, Division-I, Faridabad
Central Excise Act, 1944 (Rule 14 of CENVAT Credit Rule)	Penalty on official of the company for wrong declaration	Nil	25	Central Excise & Service Tax Appeals Tribunal (CESTAT), New Delhi

(₹ In '000)

Name of the Statute	Nature of Dues	Amount (₹) Current year	Amount (₹) Previous Year	Forum Where dispute is Pending
Central Excise Act, 1944 (Rule 14 of CENVAT Credit Rule)	Penalty on Company for wrong declaration	Nil	100	Central Excise & Service Tax Appeals Tribunal (CESTAT), New Delhi.
Central Excise Act, 1944 (Rule 14 of CENVAT Credit Rule)	CENVAT on Tin Coating Charges on Cutting Tools	11586	10,159	Joint Commissioner of Central Excise, Delhi-IV, Faridabad
Central Excise Act, 1944 (Rule 14 of CENVAT Credit Rule)	Penalty Service Tax GTA	Nil	49	Commissioner (Appeals) Central Excise, Delhi - IV, Faridabad
Central Excise Act, 1944 (Rule 14 of CENVAT Credit Rule)	Service Tax (GTA)	Nil	49	Commissioner (Appeals) Central Excise, Delhi - IV, Faridabad
Income Tax Act, 1961	Short allowance of our Claim u/s 801C and Short allowance of TDS & Other. Asst. Year 2010-11	640	640	Commissioner of Income Tax VI (Appeals)/Kolkata
Income Tax Act, 1961	Short Allowance of Self Assessment Tax ₹ 10778342/- & TDS ₹ 7525/- Asst. Year 2007-08	0	1,644	ITO Ward 6(I) Kolkata

## 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 <b>Relatives of above :</b> a) Smt. Asha Devi Daga b) Smt. Nandini Daga c) Mr. Shantanu Daga
ii)	Key Management Personnel : a) Mr. B.P. Chaudhary – 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. Brua Hydrowatts Pvt. Ltd



(₹ In '000)

Transaction with related parties :		31.03.2015	31.03.2014
a)	Person having control – (Salary and perquisites)	7,945	4,426
b)	Key Management Personnel (Salary and perquisites)	6,935	6,312
	i) Advance given and subsequently Recovered	2,770	3,553
	Balance Advance outstanding at the close of the year	-	-
c)	Sales to Enterprises over which persons having control have significant influence	368	15,086
	Balance Debtor outstanding at the close of the year	-	15,086
d)	Investment in enterprises over which person having control have significant influence.	50,000	-

Notes : Related party relationship on the basis of requirement of Accounting Standard 18 as above is pointed out and has been relied upon by auditors.

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

	Raw Materials				Stores & Spare Parts*			
	Amount		% of Total consumption		Amount		% of Total Consumption	
	31.03.2015	31.03.2014	31.03.2015	31.03.2014	31.03.2015	31.03.2014	31.03.2015	31.03.2014
Imported	7,984	14,885	0.54	1.00	3,172	3,863	0.95	1.34
Indigenous	14,57,844	14,87,390	99.46	99.00	3,32,001	2,83,589	99.05	98.66
Total	14,65,828	15,02,275	100.00	100.00	3,35,173	2,87,452	100.00	100.00

\* Excludes imported machinery spares consumed ₹.2,959 (₹.1,659) used in machinery maintenance.

**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 :

	Amount (₹'000) 2014-15	Amount (₹'000) 2013-14
<b>Employers' Contribution to Provident Fund (Govt.)</b>	6,074	6,554
<b>Employers' Contribution to Family Pension Fund</b>	8,533	6,650
<b>Employers' Contribution to Employees State Insurance</b>	4,751	4,772

ii) **Defined Benefit Scheme :**

- 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 ₹.2,219 (₹.2,201) is recognized as expenses and included in ‘Employees Benefit Expenses’. Shortfall in the funds of ₹ 55 (₹ Nil) towards such trustee funds has been provided to the extent of the information available with the company.
- 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)	
		31.03.2015	31.03.2014	31.03.2015	31.03.2014
<b>1)</b>	<b>Components of Employer Expenses</b>				
	a) Current Service Cost	5,951	5,549	1,028	1,028
	b) Interest Cost	5,278	6,525	1,069	1,069
	c) Expected Return on Plan Assets	(4,891)	(5,946)	0	0
	d) Actuarial Loss/(Gain)	(5,733)	(1,937)	(849)	(849)
	e) Total Expenditure	605	4,191	1,248	1,248
<b>2)</b>	<b>Net Assets/(Liability) recognized in the Balance Sheet as at 31st March, 2015</b>				
	a) Present value of Defined Benefit Obligation	68,195	72,542	12,216	12,216
	b) Fair Value of Plan Assets	67,590	68,351	0	0
	c) Net Assets/(Liability) recognized in Balance Sheet	(605)	(4191)	(12,216)	(12,216)
<b>3)</b>	<b>Change in defined Benefit Obligation</b>				
	a) Present Value of Obligation at beginning of Period	72,542	72,455	11,539	11,539
	b) Current Service Cost	5,951	5,549	1,028	1,028
	c) Interest Cost	5,278	6,525	1,069	1,069
	d) Expected Return on Plan Assets	-	-	-	-
	e) Actuarial (Gain)/Loss	(5,097)	(2,029)	(849)	(849)
	f) Benefit Paid	(10,479)	(9,957)	(571)	(571)
	g) Present Value of Obligation	68,195	72,542	12,216	12,216
<b>4)</b>	<b>Change in Fair Value of Assets</b>				
	a) Plan Assets at beginning of Period	68,351	69,631	N.A.	N.A.
	b) Expected Return on Plan Assets	4,891	5,946	N.A.	N.A.
	c) Actual Company's Contribution	4,191	2,824	571	571
	d) Actuarial(Gain)/Loss	636	(92)	0	0
	e) Benefit Paid	(10,479)	(9,957)	571	571
	f) Plan Assets at the end of Period	67,590	68,351	0	0
	g) Actual Return on Plan Assets	5,527	5,854	N.A.	N.A.
<b>5)</b>	<b>Actuarial Assumptions</b>				
	a) Discount Rate (per annum)	7.50%	9.00%	9.00%	9.00%
	b) Rate of Increase in Salaries	7.00%	7.00%	7.00%	7.00%
	c) Rate of Return on Plan Assets	8.00%	8.00%		
	d) Mortality Rates	LIC (2006-08) Ultimate	LIC (2006-08) Ultimate	LIC (2006-08) Ultimate	LIC (2006-08) Ultimate
<b>6)</b>	<b>Major Categories of Plan Assets as a percentage</b>				
	a) Govt. Loans	38.48%	42.57%	N.A.	N.A.
	b) PSU Bonds	60.16%	54.90%	N.A.	N.A.
	c) Other Current Assets	1.36%	2.53%	N.A.	N.A.

2.38 Segment Information

A) Information about Business Segment-Primary		Amount 31.03.15	(₹ In '000) Amount 31.03.14
Sl. No.	Particulars		
1	<b>Segment Revenue</b>		
1	Automobile Gear	2,306,012	2,643,003
2	Industrial Gears	727,742	681,481
3	Solar Power – Electricity	47,430	16,821
	<b>Sales/Income from operation</b>	<b>3,081,184</b>	<b>3,341,305</b>
2	<b>Segment Results</b>		
1	Automobile Gear	214,683	306,457
2	Industrial Gears	30,204	39,848
3	Solar Power – Electricity	3,314	(7,341)
	<b>Total</b>	<b>248,201</b>	<b>338,964</b>
	Less : Interest	113,044	95,860
	Un allocable Income (net of un-allocable expenditure)	120,940	103,061
	<b>Profit/(Loss) for the year before Tax</b>	<b>256,097</b>	<b>346,165</b>
	Less : Income Tax (Current Year)	53,679	-
	Less : Adj of Mat Credit Entitlement	31,985	-
	Less : Income Tax (Earlier Years)	1,486	(2,917)
	Deferred Tax	(11,541)	118,450
	<b>Profit/(Loss) for the year after Tax</b>	<b>180,488</b>	<b>230,632</b>
3	<b>Other Information's</b>	180,488	230,632
a)	<b>Segment Assets</b>		
	1. Automobile Gear	2,602,893	2,596,309
	2. Industrial Gears	962,732	963,223
	3. Solar Power – Electricity	370,235	420,047
	4. Unallocable	187,762	155,467
	<b>Total</b>	<b>4,123,622</b>	<b>4135046</b>
b)	<b>Segment Liabilities</b>		
	1. Automobile Gear	530,812	640,470
	2. Industrial Gears	1,255,432	1,150,470
	3. Solar Power – Electricity	29,268	101,865
	4. Unallocable	3,897	3,238
	<b>Total</b>	<b>1,819,424</b>	<b>1,896,043</b>
	<b>Capital Expenditure</b>		
1	Automobile Gear	118,460	98,666
2	Industrial Gears	124,354	72,884
3	Solar Power – Electricity	-	425,661
4	Unallocable	469	77
	<b>Total</b>	<b>243,283</b>	<b>597,288</b>
	<b>Depreciation</b>		
1	Automobile Gear	120,131	89,191
2	Industrial Gears	61,183	49,715
3	Solar Power – Electricity	38,904	21,705
4	Unallocable	94	75
	<b>Total</b>	<b>220,312</b>	<b>160,686</b>
Sl. No.	<b>Particulars</b>		
	<b>Non Cash Expenses Other than Depreciation</b>	-	-
1	Automobile Gear	-	-
2	Industrial Gears	-	-
3	Solar Power – Electricity	-	-
4	Unallocable	-	-
	<b>Total</b>	<b>-</b>	<b>-</b>

(₹ In '000)

**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>B) Secondary Segment</b>	
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/result
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
4.	Other un-allocable – Nil.

**2.39 Earnings in Foreign Currencies**

	31.03.2015	31.03.2014
Export (on F.O.B. Basis)	35,054	16,889

**2.40 Expenditure in Foreign Currencies (as certified)**

a) Traveling	1,108	1,738
b) Others	13	4,037

**2.41 C.I.F. Value of Imported Materials**

Raw Materials	8,223	12,311
Stores & Spares Parts	6,983	10,582
Capital Goods	29,949	16,693

**2.42** Commission payable to non-executive Directors ₹ 600/- (₹ 700/-) is subject to approval of accounts in Annual General Meeting.

**2.43. Notes on CSR Expenditure**

- a) Gross amount required to be spent by the company during the year : ₹ 8684  
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

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

As per our Report annexed.

For **SINGHI & CO.**

Chartered Accountants

Firm Reg. No. 302049E

**ANURAG SINGHI**

Partner

Membership No. 066274

1B, Old Post Office Street

Kolkata - 700 001

Dated : The 28th day of May, 2015

**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

**A. P. AGARWALLA** (DIN : 00312652)

**S. CHAKRABORTY** (DIN : 00066344)

**S. C. MOHTA** (DIN : 00066305)

**MEERA DOKANIA** (DIN : 07094376)

Directors

**DEEPAK INDUSTRIES LIMITED**

CIN No.L63022WB1954PLC021638

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

Email : secretary@dil-india.com; Phone No. : 033-2248-2391/2/3 Fax No. : 033-2243-9382

**ATTENDANCE SLIP**

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

D. P. Id ..... Folio No .....

Client Id ..... No. of Shares held .....

I/ We hereby record my/our presence at the 01/2014 15th Annual General meeting of the Company being held on Tuesday, the 29th September, 2015 at 2.00 P.M. at 16, Hare Street, 2nd Floor, Kolkata - 700 001.

Signature of Shareholder(s)

1. ....

2. ....

3. ....

Signature of the Proxy holder .....

\*Applicable for investors 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 meeting venue.

**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, 2nd Floor, 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 ID ..... Signature ..... or failing him.

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

E-mail ID ..... Signature ..... or failing him.

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

E-mail ID ..... Signature .....

as my/our proxy to attend and vote (on a poll) for me/ our behalf at the 01/2014 15th Annual General Meeting of the Company, to be held on Tuesday, the 29th September, 2015 at 2.00 P.M. at 16, Hare Street, Kolkata-700 001 and at any adjournment thereof in respect of such resolutions as are indicated below :

RESOLUTIONS		Optional*	
	ORDINARY BUSINESS	For	Against
1.	Ordinary Resolution to Consider and adopt Audited Balance Sheet as at 31st March, 2015 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 of the Companies Act, 2013 for appointment of Messrs. Singhi & Co., Chartered Accountants as Statutory Auditors and fixing their remuneration.		

SPECIAL BUSINESS			
4	Ordinary resolution for appointment of Smt Meera Dokania a director of the Company liable to retire by Rotation.	For	Against
5	Ordinary resolution under section 143(8) for appointment of M/s. Salarpuria Jajodia & Co., as Brach Auditors		
6	Ordinary Resolution under Section 148(3) of the Companies Act, 2013 for approval of the remuneration of the Cost Auditors.		
7	Special Resolution Under Section 94 of The Companies Act, 2013 for keeping the register of members etc at place other than the Registered office of the Company.		
8.	Special/Resolution under section 197 of the Companies Act, 2013 for payment of Commission to directors other than whole-time directors and Managing directors.		

Signed this ..... day of ..... 2015

Signature of Shareholder : .....

Signature of Proxy holder(s) : .....

Affix Revenue Stamp
---------------------------

**Notes :**

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 01/2014-15th 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