

<b>DIRECTORS' REPORT</b>
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**To,  
THE MEMBERS,**

Your Directors are pleased to present the Thirty Third Annual Report together with the Audited Statements of Accounts for the year ended 31<sup>st</sup> March, 2017.

PARTICULARS	As at 31-03-2017 (₹ in Lacs)		As at 31-03-2016 (₹ in Lacs)	
Sales & Other Incomes	11106.83		8263.80	
Gross Profit before Interest & Depreciation	(118.96)		(11.62)	
Less : Interest	8.50		1691.80	
Depreciation	303.03	311.53	388.80	2080.60
Profit / (Loss) before Tax	(192.57)		(2091.86)	
Less : Provision for Current Tax	0.00		0.00	
Add Provision for Deferred Tax	7.47		3.73	3.73
Provision for Fringe Benefit Tax	0.00	7.47	0.00	
Profit / (Loss) after Taxation	(200.04)		(2088.13)	
Less : Adjustments of earlier years	28.70		0.00	
	(228.74)		(2088.13)	
Add : Surplus brought forward from previous years	(20338.88)		(18250.75)	
Less: retained Earning on Fixed Assets(Completed Life)				
Balance carried to Balance Sheet	(20567.62)		(20338.88)	

**DIVIDEND**

Due to the loss incurred by the Company during the year 2016- 2017 no dividend is recommended for the payment on the Equity Share capital.

**MATERIAL CHANGES**

The Company have entered in to an agreement of One Time Settlement of outstanding dues with Kotak Mahindra Bank Ltd and Edelweiss Asset Reconstruction co Ltd dated 21.12.2016 .& 30.03.2017 respectively. And the consent terms was filed by the Kotak Mahindra Bank Ltd to Hon'ble Mumbai High Court and Debt Recovery Tribunal, Mumbai and with that The Hon'ble Mumbai High has dismissed the winding up petition and DRT Court has also dismissed the matter. Edelweiss has also going to file the consent terms with Debt Recovery Tribunal, Mumbai for withdrawal of matter. Petition of winding up filed by IDBI Bank Ltd with Hon'ble Mumbai High Court and the same was transferred to Hon'ble National Company Law Tribunal Mumbai in the year 2017 and hearing to be held on 24<sup>th</sup> July, 2017..

Appeal filed by the Company against the order of Board for Industrial and Financial Reconstruction (BIFR) declared on 01<sup>st</sup> July, 2015 in regard to abatement of status of sick company on 15.10.2015 with Appellate Authority of Industrial, Financial and Reconstruction (AAIFR) and the Hon'ble authority has also dismissed the appeal on 26<sup>th</sup> October, 2016 and against the order of AAIFR, we submitted appeal to Hon'ble Delhi High Court and the High court has also issued order on 10<sup>th</sup> March, 2017 with a remarks that the petitioner should have challenged the action under section 17 and 18 of the SARFAESI Act and obtained appropriate order.

The Company has received notice under section 622 A of the Companies Act, 1956 from Metropolitan Magistrate, Mumbai vide notice no 5433-34/ss/2014 dated 03<sup>rd</sup> August, 2014. The matter was adjourned on previous date and the next date of hearing will be held on 18<sup>th</sup> January, 2018.

National Consumer Dispute Redressal Commission ( NCDRC) New Delhi has dismissed our Fire insurance claim in the month of March, 2016 which was filed in the year December, 2010. Against the order of NCDRC the Company had filed civil appeal in the Hon'ble Supreme Court of India in the month of April, 2016 and hearing to be held on 10<sup>th</sup> of July, 2017

**DEPOSITS :**

The Company has not accepted any deposit within the meaning of Section 73 of the Companies Act, 2013 and the Companies ( Acceptance of Deposits) Rules, 2014.

## RESERVES

In view of Loss, your Board of Directors do not appropriate any amount to be transferred to General Reserves during the year under review.

## INSURANCE

The Company has adequately covered all assets against all risks.

## CORPORATE SOCIAL RESPONSIBILITY

Due to Loss incurred by the Company during the year 2016-17, your directors regret their inability to recommend any amount for Corporate Social Responsibility.

## BRIEF DESCRIPTION OF THE COMPANY'S WORKING DURING THE YEAR

The turnover of the Company during the year increase by 25.95 % at 11084.50 Lacs as compared to ₹8208.13 Lacs for the corresponding year ended 31<sup>st</sup> March, 2016. The profit before Interest and Depreciation worked out to ₹118.96 Lacs as against Loss of ₹(11.62) Lacs for the year ended 31<sup>st</sup> March, 2016. The net profit/(Loss) derived by the Company is ₹ (228.74) Lacs. Due to non profitability in manufacturing of Partially Oriented Yarn the Company has temporary decided to stop the production of POY and concentrate only Nylon filament yarn.

## STATEMENT FOR IMPROVEMENT/ DEPRESSED RESULT

The management's discussion and analysis report, as required under corporate governance, forming part of report, is reflection of the current state of business. It is also deals with the opportunities and threats faced by your Company. They also discussed to make improvement in the business of the Company.

## DETAILS OF SUBSIDIARY/ JOINT VENTURES/ ASSOCIATE COMPANIES

Your Company have not any Subsidiary or joint venture or Associates Company

## APPOINTMENT OF STATUTORY AUDITORS AND AUDITORS REPORT

Statutory Auditors of the Company M/s R.R. Patchigar & Co. Chartered Accountant of Surat retiring Auditors who has completed his term as per the provision of the Act, 2013 and pursuant to section 139,142 and other applicable provisions of the Companies Act, 2013 M/s Anuj Patchigar & Associate, Chartered Accountant, Surat to be appointed as a Statutory Auditor of the Company for a period of Five years.

## EXPLANATION TO THE QUALIFICATION IN AUDITORS REPORT

The qualification /adverse remarks in the Auditors Report are self explanatory and in opinion of the Board do not call for any clarification.

## SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE COURT AND ANY OTHER AUTHORITY

Members attention is drawn to the statement on contingent liabilities, commitments in the notes forming part of the financial statement

## SHARE CAPITAL

The paid up share capital of the company is ₹ 7,35,27,000/ is Equity Share Capital and ₹ 15.00 00 000/ is Preference Share Capital

Your Company has not issue any kind of Share During the financial year ending on 31<sup>st</sup> March, 2017.

## LISTING ON STOCK EXCHANGE :

The Equity Shares of the Company are listed at Bombay Stock Exchange Ltd. (BSE), Mumbai

## EXTRACT OF THE ANNUAL RETURN

The extract of the annual return in form no MGT- 9 shall forming a part of the Board report

## CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNING AND OUT GO

The particulars prescribed by the companies under the provisions of the section 134(3) of the Companies Act, 2013 as to conservation of energy, Technology absorption, Foreign Exchange Earnings and outgo are furnished below:

### A. CONSERVATION OF ENERGY

- I) The step taken or impact on conservation of energy Nil
- II) The Steps taken by the Company for utilization alternate source of energy: Nil
- III) The capital investment on energy conservation equipments : Nil

**B. TECHNOLOGY ABSORPTION**

- I) the efforts made towards technology absorption : Not applicable
- II) the benefits derived like product improvement, cost reduction, product development or import substitution: Not applicable
- III) In case of imported technology ( imported during the last three years reckoned from the beginning of the financial year)
  - a. the details of technology imported : Not applicable
  - b. the year of import : Not applicable
  - c. whether the technology been fully absorbed : Not applicable
  - d. if not fully absorbed, areas where absorption has not taken place, and the reason thereof; Not applicable
- IV) The expenditure incurred on research and development : Nil

**C. FOREIGN EXCHANGE EARNINGS AND OUTGO:**

Foreign Exchange earned ( actual inflows during the year) Nil

Foreign Exchange outgo ( actual outflows) Nil

**TRANSFER OF AMOUNT TO INVESTOR EDUCATION AND PROTECTION FUND**

Pursuant to section 124 of the Companies Act, 2013, your company has transferred ₹ 125624/ to Investor Education and protection Fund on 12th December, 2014 as it was Un claimed & Unpaid Dividend since last seven years and form no 1 INV was already uploaded.

**RETIREMENT BY ROTATION**

In accordance with the provisions of Section 152(6) and Articles of Association of the Company, Shri Mohan N Gupta (DIN :0000010334) will retire by rotation at the ensuing Annual general meeting of the Company and being eligible, offers him self for re- appointment. The Board recommends his appointment

**FORMAL ANNUAL EVALUATION**

The Nomination and Committee of the Board has formulated a performance Evaluation framework, under which the committee has identified the criteria upon which the committee has identified the criteria upon which every director shall be evaluated. The policy also provides the manner in which the Directors, as a collective unit in the form of Board committee and the Board function and perform

**DETAILS OF BOARD MEETING**

During the year. Five Board Meeting were held on May 14, 2016, August 12,2016, November 14, 2016 and February 14, 2017 . The intervening gap between the meeting was within the period prescribed under the Companies Act, 2013 for the details of Audit committee meeting please refer report on Corporate Governance of this Report

**DETAILS OF ESTABLISHMENT OF VIGIL MECHANISM FOR DIRECTORS AND EMPLOYEES**

The Company promoters ethical behaviour in all its business activities and has put in implementation of a mechanism wherein in Employees are free to report illegal or unethical behaviour, actual or suspected fraud or violation of the Company's codes of conduct or Corporate Governance policies or any improper activity to the Chairman of the Audit Committee of the Company or Chairman of the Company or the Compliance officer. The Whistle Blower policy has been appropriately communicated within the Company

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

The Company has not given any loans or guarantees covered under the provisions of section 186 of the Companies Act, 2013

The details of the investments made by the company is given in the financial statement

**MANAGERIAL REMUNERATION**

Your company has not paid any remuneration to any director or managing Director of the Company.

Your Company have not any employees, who was in receipt of remuneration in excess of limits specified in the Companies ( Appointment and Remuneration of Managerial Personnel) Rules, 2014

**SECRETARIAL AUDIT**

A Secretarial Audit Report given by M/s K. Dalal & Co , a Company Secretary in practice shall be annexed with the report.

**CORPORATE GOVERNANCE CERTIFICATE**

The Corporate Governance not applicable to the Company.

**RISK MANAGEMENT POLICY**

A Statement indicating development and implementation of risk management policy for the Company including therein of elements of risk, if any which in the opinion of the Board may threaten the existence

The Board of Directors has duly developed and implemented a risk management policy for the Company.

**CODE OF CONDUCT**

The Board has laid down a code of conduct for Board Members and for Senior Management and Employees of the Company ( Code).All the Board Members and Senior Management personnel have affirmed compliance with these Codes. A declaration signed by the Managing Director to this effect is enclosed at the end of this Report.

The Board has also laid down a Code of Conduct for Independent Directors pursuant to section 149(8) and Schedule IV to the Companies Act, 2013 via terms and conditions for appointment of Independent Director which is a guide to professional conduct for Independent Directors.

**DIRECTORS' RESPONSIBILITY STATEMENT**

The Directors' Responsibility Statement referred to in clause (c) of sub section (3) of section 134 of the Companies Act, 2013

- (i) that in the preparation of the annual accounts, the applicable accounting standards have been followed.
- (ii) The directors had selected accounting policies and applied are consistent and the judgments and estimates made 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 or loss of the Company for the period.
- (iii) The directors had taken proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities
- (iv) The Directors had prepared the annual accounts on a going concern basis.
- (v) The Company has received notices under section 14 of the Securitisation and Reconstruction of Financial Assets and Enforcement of Security Interest Act, 2002 from IDBI Bank Ltd ,

**DISCLOSURE UNDER THE SEXUAL HARRASMENT OF WOMEN AT WORKPLACE ( PREVENTION, PROHIBATION AND REDRESSAL ACT,2013**

The Company has been employing about one women employee. The Company has in place an Anti harassment policy in line with the requirement of Sexual harassment of women at workplace( Prevention, prohibition and Redressal ) Act, 2013 Internal Complaint committee is set up to redress complaints received regularly, is monitored and directly report to the Chairman & Managing Director. There was no complaint received from employee during the financial year 2016-17 and hence no complaint is outstanding as on 31.03.2017 for redressal. report to the Chairman

**ACKNOWLEDGEMENTS :**

Your Directors wish to express their sincere thanks for the support and co-operation extended by the Financial Institution, Commercial Banks, Government of India, Government of Gujarat, Government of Union Territory of Silvassa (Dadra & Nagar Haveli) Buyers, Suppliers and Share Holders for their continued support.

Our Directors also wish to express their thanks for the services rendered by the Company's employees at all.

**FOR AND ON BEHALF OF THE BOARD**

**Place : Surat**  
**Date : 04.08.17**

**Sd/-**  
**CHAIRMAN**