



**25th ANNUAL REPORT  
2013-2014**

**CHPL INDUSTRIES LIMITED  
Shop No. 2 (AMCO), Budha Bhavanam,  
MCH Complex, MG Road,  
SECUNDERABAD – 500 003**

## Board of Directors

Mr. S K Pathki	Director
Mr. AVKS Prasad	Director (Upto March 31, 2014)
Mr. B N Sistla	Director (Upto March 31, 2014)
Mr. Viral Chavda	Executive Director
CA Shital Mutha	Independent Director
Mr Dinesh H Bainwal	Independent Director

## Registered Office

Shop No. 2, (AMCO) Budha Bhavanam,  
MCH Complex, M.G. Road,  
Secunderabad – 500 003

Telefax: 040 – 2754-2651  
Email: [chplindustries@gmail.com](mailto:chplindustries@gmail.com)

## Auditors

B K Hegde & Co.  
Chartered Accountants

## Registrar & Share Transfer Agents

M/s. Purva Sharegistry (I) Pvt. Ltd

Address: Unit No. 9, Shiv Shakti Ind. Estate  
J.R. Boricha Marg, Opp. Kasturba Hospital Lane  
Lower Parel (East), Mumbai – 400 011  
Tel: 022-23016761/8261  
Fax: 022-23012517  
Email ID: [busicomp@vsnl.com](mailto:busicomp@vsnl.com)  
Website: [www.purvashare.com](http://www.purvashare.com)

## Annual General Meeting

Day - Tuesday  
Date - 27<sup>th</sup> May, 2014  
Venue - Shop No. 2, (AMCO) Budha Bhavanam, MCH Complex, M.G. Road,  
Secunderabad – 500 003  
Time - 10.30 a.m.

## NOTICE

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NOTICE is hereby given that the 25th Annual General Meeting of the Members of the Company will be held on Tuesday 27<sup>th</sup> May, 2014 at 10.30 a.m. at Shop No, 2. Budha Bhavanam, MCH Complex, M.G. Road, Secunderabad to transact the following business:

### ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Balance sheet as at 31<sup>st</sup> March, 2014 and Profit & Loss Account for the period ended on that date and the Reports of the Directors and Auditors' thereon.
2. To Appoint a Director in place of Mr. S. K. Pathki who retires by rotation and being eligible, offers himself for reappointment.
3. To appoint M/s Ramanand & Associates, Chartered Accountants, Thane as Statutory Auditors of the Company to hold office from the conclusion of this meeting until the conclusion of the next Annual General Meeting and to fix their remuneration in place of M/s B. K. Hegde & Co, Chartered Accountants, Hyderabad who have expressed their inability to continue as Statutory Auditors of the Company.

### SPECIAL BUSINESS:

4. To consider and if thought fit, to pass with or without modification(s), the following resolution as ORDINARY RESOLUTION:

“RESOLVED THAT in accordance with the provisions of Section 160 and other applicable provisions of the Companies Act, 2013, CA Shital Mutha, who was appointed as an Additional director of the Company by the Board of Directors and who ceases to hold office under Section 161(1) of the Companies Act, 1956 at the ensuing Annual General Meeting and in respect of whom the Company has received a notice in writing proposing his candidature for the office of Director, be and is hereby appointed as a Director on the board of the Company,” who will be liable to retire by rotation.

5. To consider and if thought fit, to pass with or without modification(s), the following resolution as ORDINARY RESOLUTION:

“RESOLVED THAT in accordance with the provisions of Section 160 and other applicable provisions of the Companies Act, 2013, Mr. Dinesh Bainwal, who was appointed as an Additional director of the Company by the Board of Directors and who ceases to hold office under Section 161(1) of the Companies Act, 1956 at the ensuing Annual General Meeting and in respect of whom the Company has received a notice in writing proposing his candidature for the office of Director, be and is hereby appointed as a Director on the board of the Company,” who will be liable to retire by rotation.

6. To consider and if thought fit, to pass with or without modification(s), the following resolution as ORDINARY RESOLUTION:

“RESOLVED THAT in accordance with the provisions of Section 160 and other applicable provisions of the Companies Act, 2013, Mr. Viral Chavda, who was appointed as an Additional director of the Company by the Board of Directors and who ceases to hold office under Section 161(1) of the Companies Act, 1956 at the ensuing Annual General Meeting and in respect of whom the Company has received a notice in writing proposing his candidature for the office of Director, be and is hereby appointed as a Executive Director and Chairman of the Company,” whose period of office will not be liable to retire by rotation.

7. To consider and if thought fit to pass with or without modification(s), the following resolution as ORDINARY RESOLUTION:

“RESOLVED THAT pursuant to the provisions of Section 197, 2013 and other applicable provisions, if any, of the Companies Act, 2013, read with Schedule V of the said Act (including any amendment thereto or re-enactment thereof for the time being in force), Mr. Viral Chavda be and is hereby appointed as “Executive Director and Chairman” of the Company for a period of 3 (Three) years commencing from May 27, 2014, upon the terms and conditions as set out below, with liberty to the Board of Directors (hereinafter referred to as the Board, which term shall be deemed to include any Committee of Board constituted to exercise its powers including the powers conferred by this resolution) To alter and vary such terms, subject to the limits specified under Schedule V to the companies Act, 2013.

**SALARY:**

Basic Salary shall be Rs. 24,000/- (Rs. Twenty Four Thousand) per year.

**PERQUISITES:**

Mr. Viral Chavda shall not be entitled to any perquisites.

**COMMISSION:**

Mr. Viral Chavda shall not be entitled to any commission.

RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorized to vary, alter or modify from time to time, the remuneration payable to Mr. Viral Chavda subject to ceilings laid down in Section 197 and Schedule V to the Companies Act, 2013 without the further approval of the members of the Company but with such other approvals, sanctions or permissions, if any, required for such revision;

RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorized to take such steps as may be necessary to give effect to this resolution.”

BY ORDER OF THE BOARD  
For **CHPL INDUSTRIES LIMITED**

Place: Secunderabad  
Date: 26<sup>th</sup> April, 2014

Sd/-  
**S. K. Pathki**  
**DIRECTOR**

**NOTES:**

1. Member entitled to attend and vote is entitled to appoint a proxy to attend and vote instead of himself and such a proxy need not be a member, Proxies in order to be effective must be received at the Registered Office of the Company not less than 48 hours before Annual General Meeting.
2. The Register of Members and the Share Transfer Register of the Company will remain closed from 21<sup>st</sup> May, 2014 to 26<sup>th</sup> May 2014 (both days inclusive).
3. Members are requested to notify the change, if any, in their address to the Company and always quote their Folio Numbers in all correspondence with the Company.
4. Any query relating to Account must be sent to the Company's Registered Office at least 7 days before the date of Meeting.

## **Explanatory Statement pursuant to Section 102(1) of the Companies Act, 2013**

### **Item No: 4 to 6**

Mr. Viral Chavda was appointed by the Board as an Additional Director of the Company with effect from 20<sup>th</sup> January, 2014. He holds office upto the date of the forthcoming Annual General Meeting pursuant to Section 161(1) of the Companies Act, 2013. The Company has received a notice in writing from a member under Section 160 of the Companies Act, 2013 along with a deposit of Rs.1,00,000/-proposing the appointment of Mr. Viral Chavda as a Director of the Company. Mr. Chavda is not disqualified to be Director of the Company.

CA Shital Mutha and Mr Dinesh Bainwal were appointed as Additional Directors with effect from 31<sup>st</sup> March, 2014. They hold office upto the date of the forthcoming Annual General Meeting pursuant to Section 161(1) of the Companies Act, 2013. The Company has received a notice in writing from a member under Section 160 of the Companies Act, 2013 along with a deposit of Rs.1,00,000/- each proposing the appointment of CA Shital Mutha and Mr Dinesh Bainwal as Directors of the Company. CA Shital Mutha and Mr Dinesh Bainwal are not disqualified to be Directors of the Company.

The brief resume stating the qualification and experience of each of the directors are attached herewith the resolution.

The Board proposes to appoint Mr Viral Chavda as “Executive Director and Chairman”. Further, the Board proposes to appoint CA Shital Mutha and Mr Dinesh Bainwal on the Board as “Independent Directors” and hence, the resolution is being put before the members for their approval.

None of the directors of the Company except Mr. Viral Chavda, CA Shital Mutha and Mr Dinesh Bainwal are concerned or interested in the resolution.

### **Item No: 7**

At the meeting of the Board of Directors of the Company held on 20<sup>th</sup> January, 2014, the Board has appointed Mr. Viral Chavda, a Bachelor of Pharmacy having vast experience in the field of financial management, as Whole Time Director designated as “Executive Director and Chairman” for a period of 3 (Three) years with effect from 27<sup>th</sup> May, 2014 as approved by the Remuneration Committee, subject to approval of the Shareholders in Annual General Meeting. In case of inadequacy of Profit or loss Mr. Viral Chavda will get minimum remuneration as permissible under Schedule V of the Companies Act, 2013.

The relevant resolution concerning appointment of Mr. Viral Chavda, as “Executive Director and Chairman” in the accompanying Notice may be treated as an abstract pursuant to Section 302 of the Companies Act, 2013.

The Board recommends the resolution for approval by members. None of the directors of the Company except Mr. Viral Chavda is concerned or interested in the resolution.

### **BRIEF PROFILE OF PERSONS PROPOSED TO BE APPOINTED / REAPPOINTED AS DIRECTORS OF THE COMPANY AT THE ANNUAL GENERAL MEETING PURSUANT TO CLAUSE 49 OF THE LISTING AGREEMENT:**

The information required under Clause 49(IV)(G) of the Listing Agreement (relating to Corporate Governance) with respect to the Director being appointed and Directors retiring by rotation and being eligible seeking re-appointment is as under :

<b>Name of Director</b>	<b>S. K. Pathki</b>	<b>Viral Chavda</b>	<b>CA Shital Mutha</b>	<b>Dinesh Bainwal</b>
<b>Age</b>	65 Years	25 Years	35 Years	25 Years
<b>Date of joining the Board</b>	21-06-1989	20-01-2014	31-03-2014	31-03-2014
<b>Qualification</b>	Graduate	Pharma Professional	Chartered Accountant	Diploma
<b>Nature of Expertise</b>	Finance, Accounts with multinational companies	Domain specialist in Pharmacy	Expertise in Accounts, Finance & Taxation	Businessman
<b>Other Directorships held</b>	Nil	Nil	Aagam Capital Limited Risa International Limited	Nil
<b>Name of the Companies in committees of which also holds Memberships / Chairmanship</b>	Nil	Nil	Aagam Capital Limited Risa International Limited	Nil
<b>No. of shares held in their own name</b>	117490 equity shares of Rs.10/-	Nil	Nil	Nil

BY ORDER OF THE BOARD  
For **CHPL INDUSTRIES LIMITED**

Place: Secunderabad  
Date: 26<sup>th</sup> April, 2014

Sd/-  
**S. K. Pathki**  
**DIRECTOR**

## DIRECTORS' REPORT

To  
The Members

Your Directors hereby present 25th Annual Report of the Company along with the audited statement of Accounts for the year ended 31st March 2014.

### FINANCIAL PERFORMANCE

	Year ended 31.03.2014	(Rs.)	Year ended 31.03.2013
Profit before depreciation	910953/-		-
Depreciation	-		-
Profit before tax	910953/-		-
Provision for tax	-		-
Profit after tax	910953/-		-

### OPERATIONS:

The Company has ventured into textile business and started trading activities on trial basis with some reputed companies with proven track record. Further, the Company had also taken some contractual assignments and initial response has been good. The Company has turned around during the year and also reported profitability to the extent of Rs 9.11 Lakhs. The Company aims to venture into new territories and continue to take new initiatives for improving its financial performance.

### DIVIDEND:

Considering the present financial status of the Company, the Board of Directors regrets their inability to recommend payment of any dividend for the year under review.

### FOREFEITURE & PREFERENTIAL ALLOTMENT OF SHARES:

In compliance with the applicable provision of the Corporate Laws and the Listing Agreement, the Company had forfeited 23300 equity shares towards calls unpaid from the shareholders. Subsequently, the Company had also issued 493300 equity shares under preferential allotment mechanism to select equity shareholders and received full payment towards the same during the year under review. This equity infusion was used to venture into new business line for the growth of the Company.

### PUBLIC DEPOSITS

The company has not accepted any deposits from the public during the year and there are no outstanding dues.

### MANAGEMENT DISCUSSION AND ANALYSIS REPORT

In terms of Clause 49 of the Listing Agreement with the Stock Exchanges, the Management Discussion & Analysis Report is appended to this Report.

### CORPORATE GOVERNANCE

A separate report on Corporate Governance as stipulated under Clause 49 of the Listing Agreement forms part of this report.

## **DIRECTORATE**

During the year under review, Mr. AVKS Prasad and Mr. B N Sistla resigned from the directorship of the Company w.e.f 31st March 2014. The Board appreciates and places on record the valuable contribution, guidance and advice received from them.

During the year under review, Mr. Viral Chavda was appointed as Additional Director w.e.f 20th January 2014, to hold such office till the conclusion of the ensuing Annual General Meeting. The Company has received notice under section 160 of the Companies Act, 2013, for his appointment as Director in the forthcoming Annual General Meeting. The Board recommends his appointment will be beneficial to the Company. Mr. Viral Chavda has also been appointed as an “Executive Director” of the Company and his appointment is subject to approval in the ensuing Annual General Meeting.

Further, CA Shital Mutha and Mr Dinesh Bainwal were also appointed as Additional Director w.e.f 31st March, 2014, to hold such office till the conclusion of the ensuing Annual General Meeting. The Company has received notices under section 160 of the Companies Act, 2013, for their appointment as Director in the forthcoming Annual General Meeting. The Board recommends his appointment will be beneficial to the Company. CA Shital Mutha and Mr Dinesh Bainwal are appointed as Independent Directors of the Company and their appointment is subject to approval in the ensuing Annual General Meeting.

Mr. S. K. Pathki retires by rotation and being eligible offers himself for re-appointment. Your Directors recommend re-appointment of Mr. S. K. Pathki.

## **DIRECTORS' RESPONSIBILITY STATEMENT**

Pursuant to the requirement of Section 134 of the Companies Act, 2013, with respect to the Directors' Responsibility statement, your Directors wish to confirm that:

1. In the preparation of the Annual Accounts, the applicable accounting standards have been followed along with proper explanations relating to material departures, if any,
2. Such Accounting policies have been selected and applied consistently and judgments and estimates are made 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.
3. Proper and sufficient care 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 any fraud or other irregularities has been taken.

Accounts for the financial year ended on 31st March, 2014 are prepared on a going-concern basis.

## **AUDITORS**

M/s. B.K. Hegde & Co. Chartered Accountants retire as the Statutory Auditors of the Company at the conclusion of this Annual General Meeting and have expressed their unwillingness to continue as the Auditors of the Company. Hence, your directors propose appointment of M/s Ramanand & Associates, Chartered Accountants, Thane as the Statutory Auditors of the Company. They have confirmed their willingness and eligibility under section 139 (1) of the Companies Act, 2013.

## **AUDITOR'S QUALIFICATIONS**

There are no qualifications in the Auditors' Report and the observations and suggestions made by the Auditors in their report are self-explanatory.



## **PARTICULARS OF EMPLOYEES**

The Company has not paid any remuneration attracting the provisions of Companies (Particulars of Employees) Rules, 1975 read with Section 134 of the Companies Act, 2013. Hence, no information is required to be appended to this report in this regard.

## **LISTING OF EQUITY SHARES ON STOCK EXCHANGES**

The Company's shares are listed on the Ahmedabad Stock Exchange, Ahmedabad.

## **CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE:**

There is no activity relating to conservation of energy and technology absorption. There has been no foreign exchange income or outflow during the year under review.

## **ACKNOWLEDGEMENTS**

Your Directors wish to place on record their appreciation and grateful thanks to the Bankers, Customers, Employees and Creditors for their continued support during the year under review.

Your Directors once again express their gratitude to the Members who stood with the Company.

Place: Secunderabad  
Date: 26<sup>th</sup> April, 2014

For and on behalf of the Board  
For **CHPL INDUSTRIES LIMITED**

Sd/-  
**(S. K. Pathki)**  
**DIRECTOR**

## REPORT ON CORPORATE GOVERNANCE

### 1. COMPANY'S PHILOSOPHY ON CODE OF GOVERNANCE

The Company's philosophy on Corporate Governance is aimed at assisting the management in the efficient conduct of its business in a fair and transparent manner.

It envisages attainment of higher levels of transparency, greater accountability and equity in all facets of its operations and its interactions with its stakeholders and the community at large.

### 2. BOARD OF DIRECTORS

Composition as on 31st March, 2014

	CATEGORY	NO. OF MEETINGS HELD DURING THE LAST FINANCIAL YEAR	NO. OF MEETINGS ATTENDED	NUMBER OF MEMBERSHIPS IN BOARDS OF OTHER COMPANIES *	NO. OF MEMBERSHIPS/ CHAIRMANSHIPS IN OTHER COMMITTEES*
Mr. S K Pathki	Promoter Director	8	8	Nil	Nil
Mr. AVKS Prasad (Upto 31st March 2014)	Promoter Director	8	8	Nil	Nil
Mr. B N Sistla (Upto 31st March 2014)	Promoter Director	8	8	Nil	Nil
Mr. Viral Chavda (appointed w.e.f. 20th January, 2014)	Additional Director	8	3	Nil	Nil
CA Shital Mutha (w.e.f. 31st March, 2014)	Additional Director	8	0	Nil	Nil
Mr Dinesh Bainwal (w.e.f. 31st March, 2014)	Additional Director	8	0	Nil	Nil

\* Excludes directorship in Private Limited Companies, Section 8 Companies, Foreign Companies and Memberships of Managing Committees of various Chambers / Bodies.

Mr S.K. Pathki, Mr AVKS Prasad and Mr B N Sistla were present at the last Annual General Meeting held on September 30, 2013.

### BOARD MEETINGS HELD DURING THE YEAR 2013-2014.

The dates on which the said Meetings were held are as follows:

- (1) 28th April 2013
- (2) 02nd July 2013
- (3) 31st July 2013
- (4) 29th October 2013
- (5) 20th January 2014
- (6) 27th January 2014
- (7) 10th March 2014
- (8) 31st March 2014

### 3 COMMITTEES OF THE COMPANY

#### A. AUDIT COMMITTEE

As the Company's capital is less than 5 crores, the provisions of the Company Act for constituting an Audit Committee are not applicable to the Company.

#### B. SHAREHOLDERS'/INVESTORS' GRIEVANCE COMMITTEE

The Investor Grievance Committee comprises of 3 directors. The Chairman of the Shareholders' / Investors' Grievance Committee is a Non-executive and Independent Director.

Proposed composition of the Shareholders'/Investors' Grievance Committee is as follows:

Name	Designation
CA Shital Mutha	Chairman
Mr Viral Chavda	Member
Mr. S K Pathki	Member

The Committee looks into redressal of shareholders' and investors' complaints/grievances. The Committee also looks into complaints concerning transfer of shares, non-receipt of balance sheet, non-receipt of dividends etc. The Committee oversees the performance of the Registrar and Share Transfer Agent and recommends measures for overall improvement in the quality of investor service.

During the year, Nil complaints were received from the shareholders and these have been resolved to date.

Outstanding complaints as on 31st March 2014 were Nil.

#### Compliance Officer:

Mr S K Pathki was the Compliance Officer of the Company in terms of the listing agreement executed by the Company with the Stock Exchanges upto March 31, 2014. Subsequently, Mr Viral Chavda was appointed as the Compliance Officer of the Company.

### 4. GENERAL BODY MEETINGS

During the last three years, your Company's Annual General Meetings (AGMs) were held at the registered office of the Company on the following dates:

- 1) Monday, September 30, 2013 at 10.30 a.m.
- 2) Friday, September 29, 2012 at 10.30 a.m.
- 3) Thursday, September 29, 2011 at 10.30 a.m.

All resolutions including the special resolutions at AGMs are generally passed by way of show of hands. No postal ballots were used for voting at these meetings.

### 5. DISCLOSURES

- a) There were no materially significant related party transactions made by the Company with its promoters, directors or relatives or the management, their subsidiaries etc., which have potential conflict with the interests of the Company at large.
- b) No strictures or penalties have been imposed on the Company either by SEBI or the Stock Exchanges or any other statutory authority for non-compliance of any matter related to the capital market.
- c) The Management Discussion & Analysis Report forms part of this Annual Report.

## 6. MEANS OF COMMUNICATION

The quarterly and half-yearly unaudited financial results are forthwith communicated to the Stock Exchange with whom the Company has entered into Listing Agreement as soon as they are approved and taken on record by the Board of Directors of the Company. Further the results are also displayed on the corporate website of the Company for the benefit of the shareholders of the Company.

## 7. GENERAL SHAREHOLDERS INFORMATION

*	Annual General Meeting	
	Date	27th May, 2014 (Tuesday)
	Time	10.30 AM
	Venue	Shop No. 2, (AMCO) Budha Bhavanam, MCH Complex, M.G. Road, Secunderabad – 500 003
*	Financial Calendar	April to March
	Financial reporting for the quarter ending June, 2013	August 2013
	Financial reporting for the quarter ending September, 2013	November 2013
	Financial reporting for the quarter ending December, 2013	February 2014
	Financial reporting for the quarter ending March, 2014	May 2014
	Date of Book Closure	21st May, 2014 to 26th May, 2014(both days inclusive)
	Registered Office	Shop No. 2, (AMCO) Bhudha Bhavanam, MCH Complex, M.G. Road, Secunderabad – 500 003
	Dividend Payment Date	No dividend proposed to be declared at the ensuing Annual General Meeting
	Listing on Stock Exchange	Ahmedabad Stock Exchange Limited
	Stock Code (The Stock Exchange, Ahmedabad)	ASE Limited 11497
	ISIN No.	N.A.

**There was no trading in the shares of the Company in Ahmedabad Stock Exchange during the financial year under review.**

### **Distribution of Shareholding:**

The distribution of shareholding of the Company as on 31st March 2014 was as follows :

Category (No. of shares)	No. of shareholders	Percentage	No. of shares	Percentage
Upto - 5,000	380	55.15	124560	4.09
5,001 - 10,000	141	20.46	124810	4.10
10,001 - 20,000	81	11.76	122062	4.01
20,001 - 30,000	31	4.50	81850	2.69
30,001 - 40,000	13	1.89	45017	1.48
40,001 - 50,000	6	0.87	29600	0.97
50,001 - 1,00,000	13	1.89	99555	3.27
1,00,001 and above	24	3.48	2419134	79.40
TOTAL	689	100.00	3046588	100.00

The shareholding pattern of the Company as on 31st March 2014 was as follows:

Category	No. of shares	% of total capital
Promoters	1564348	51.35%
NRIs, OCBs and FIIs	Nil	Nil
Financial Institutions, Mutual Funds, Banks & Insurance Companies	Nil	Nil
Domestic Corporate Bodies/Trusts	22800	0.75%
General Public including shares in transit	1459440	47.90%
Total	3046588	100%

#### **Dematerialization of shares:**

The Company has not established any connectivity with either of the depositories as on 31<sup>st</sup> March, 2014.

#### **Outstanding ADRs/GDRs/Warrants**

As of date, the Company has not issued GDRs / ADRs / Warrants or any convertible instruments.

#### **Address for correspondence:**

CHPL Industries Limited  
**Shop No. 2, (AMCO) Bhudha Bhavanam,**  
**MCH Complex, M.G. Road,**  
**Secunderabad – 500 003**

Telefax: 040 – 2754-2651  
Email: chplindustries@gmail.com

#### **8. CODE OF CONDUCT**

The Company has established code of conduct for its Board Members and Senior Management personnel.

All the Board members and senior management personnel have complied with the code of conduct.

On behalf of the Board of Directors  
For **CHPL INDUSTRIES LIMITED**

Place: Secunderabad  
Date: 26<sup>th</sup> April, 2014

Sd/-  
**S. K. Pathki**  
**DIRECTOR**

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#### **Certificate**

Based on our knowledge and information provided to us, we hereby certify that there are no transactions entered into by the Company which are fraudulent, illegal or violative of the Company's Code of Conduct. We certify that the report of the Director's on Corporate Governance reflect Company's compliance with the mandatory and other conditions of Corporate Governance as stipulated in Clause 49 of the Listing Agreement with the Stock Exchanges.

Place: Secunderabad  
Date: April 18, 2014

For CHPL Industries Limited  
Sd/-  
S. K. Pathki  
Director

### CEO/CFO Certification

We have reviewed financial statements and the Cash Flow statement for the year and that to the best of our knowledge and belief:

1. These statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading ;
2. These statements together present a true and fair view of the Company's affairs and comply with existing accounting standards, applicable laws and regulations.

There are, to the best of our knowledge and belief, no transactions entered into by the Company during the year that are fraudulent, illegal or violative of the Company's code of conduct.

We accept responsibility for establishing and maintaining internal controls and that we have evaluated the effectiveness of the internal control systems of the Company and we have disclosed to the Auditors and the Audit Committee, deficiencies in the design or operation of internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.

We have indicated to the auditors and the Audit Committee:

1. Significant changes in internal control during the year;
2. Significant changes in accounting policies during the year and that the same have been disclosed in the notes to the financial statements; and
3. Instances of significant fraud of which they have become aware and the involvement therein, if any, of the management or an employee having a significant role in the Company's internal control system.

Place: Secunderabad  
Date: April 18, 2014

For CHPL Industries Limited  
sd/-  
S. K. Pathki  
Director

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### MANAGEMENT DISCUSSION AND ANALYSIS REPORT

The key areas of Management Discussion and Analysis are given below.

#### INDUSTRY STRUCTURE AND DEVELOPMENTS

The textile industry in India plays a vital role in the overall economy. The Indian Textile industry is one of the largest in the world with a massive raw material and manufacturing base. It contributes 14% of the industrial production and 3% to the GDP of the country.

During the year under review, the textile industry in India passed through an adverse phase considering the high cotton prices and foreign imports. However, the future would be more optimistic if input costs remain stable.

#### OUTLOOK

In the fiscal year 2013-14, the Indian economic growth fell sharply to 5% in comparison to 6.4% in the previous financial year owing to the poor performance of manufacturing, agriculture and services sector. The year 2013-14 was a challenging one as the Indian textile industry was one of the most affected sector. However, the performance of the Indian economy is likely to improve in the next fiscal year aided by a softening inflation and better external factors.

The Company is optimistic of improving its financial performance by taking new initiatives in the coming year.

## **OPPORTUNITIES & THREATS**

Indian textiles and apparel sector has an overwhelming presence in the economic life of the country. It plays a pivotal role in contribution of industrial output, export earnings and employment generation. The potential size of the Indian Textile Industry is expected to reach US\$220 billion by 2020. Further, several measures taken by the Government will provide an impetus to the growth of textile sector in India.

The threat of low-cost manufacturing and imports from international markets still exists in India, however with higher quality and better customer service, the Indian Textile Industry will weather this storm of low-cost imports.

## **RISKS & CONCERNS**

The primary risk for the Company is with the unorganised low cost sector. Secondly, import of fabrics has always been a serious concern for the Company. Further, with the advancement in technology, the Company may be required to make additional capital expenditure for upgrading the manufacturing facilities.

## **INTERNAL CONTROL SYSTEM AND ADEQUACY**

The Company has suitable internal control systems which are safeguarding the Company's assets and promoting efficiency. The internal control systems are commensurate with the size and the nature of Company's business and are regularly reviewed and updated by incorporating changes in regulatory provisions.

## **HUMAN RESOURCES**

The Company continues to lay emphasis in nurturing and strengthening the overall development of Human Resources and has always been recognizing manpower as a vital tool in the Company's growth.

## **FINANCIAL PERFORMANCE**

The financial performance of the Company for the year under review is discussed in detail in the Directors Report.

Date: 18<sup>th</sup> April, 2014  
Place: Secunderabad

On behalf of the Board of Directors  
For **CHPL INDUSTRIES LIMITED**

Sd/-  
**S. K. Pathki**  
**DIRECTOR**

## **Independent Auditors' Report**

**To**

**The Members of**

**CHPL Industries Limited**

### **Report on the Financial Statements**

We have audited the accompanying financial statements of CHPL Industries Limited, which comprises the Balance Sheet as at 31st March 2014, the Statement of Profit and Loss for the year ended, and a summary of significant accounting policies and other explanatory information.

### **Management's Responsibility for the Financial Statements**

Management is responsible for the preparations of these financial statements that give a true and fair view of the financial position, financial performance of the company in accordance with the Accounting Standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956 ("the Act"). This responsibility includes design, implementation and maintenance of internal control 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.

### **Auditors' Responsibility**

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. 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 disclosures in the financial statements. The procedures selected depend upon 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 control relevant to the company's preparation and fair presentation on the financial statements in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by management, 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.

### **Opinion**

In our opinion and to the best of our information and according to the explanations given to us, the financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with accounting principles generally accepted in India:

- a) In the case of the Balance Sheet, of the state of affairs of the company as at 31st March, 2014;
- b) In the case of the Statement of Profit and Loss, of the Profit for the year ended on that date;
- c) In the case of the Statement of Cash Flow Statement, of the Cash Flow for the year ended on that date;



## Report on Other Legal and Regulatory Requirements

1. This Report does not include a statement on the matter specified in paragraph 4 and 5 of the Companies (Auditor's Report) Order, 2003 and Companies (Auditor's Report) (Amendment) Order, 2004 ("the Order") issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Companies Act, 1956, since in our opinion and according to the information and explanations given to us, the said order is not applicable to the company.

2. As required by section 227(3) of the Act, we report that:

(a) We have obtained all the information and explanation which to best of our knowledge and belief were necessary for the purpose of audit,

(b) In our opinion proper books of account as required by law have been kept by the company so far as appears from our examination of those books;

(c) The Balance Sheet, Statement of Profit and Loss, dealt with by this Report are in agreement with the books of;

(d) In our opinion, the Balance Sheet, Statement of Profit and Loss, and comply with the Accounting Standards referred to in sub-section of section 211 of the Companies Act, 1956;

(e) On the basis of written representation received from the directors as on 31st March 2014, and taken on record by the Board Of Directors, none of the directors is disqualified as on 31st March 2014, from being appointed as a directors in terms of clause (g) of sub-section(1) of section 274 of the Companies Act, 1956.

Since the Central Government has not issued any notification as to the rate at which the cess is to be paid under 441A of the Companies Act,1956 nor has it issued any Rules under the said section, prescribing the manner in which cess is to be paid, no cess is due and payable by the Company.

For B K Hegde & Co  
Firm Registration No.:  
Chartered Accountants

Place: Hyderabad  
Date: 18th April, 2014

B K Hegde  
Proprietor  
Membership No.: 010455

**ANNEXURE REFERRED TO IN PARAGRAH 1 OF OUR REPORT OF EVEN DATE:**

- (1) The Company has no fixed assets.
- (2) The Company has no inventories.
- (3) The Company has not taken any loans, secured or unsecured from companies, firms or other parties required to be listed in the register maintained Under Section 301 of the Companies Act, 1956 and / or from the Companies under the same management, as defined under sub clause (1B) of Section 370 of the Companies Act, 1956. The Company has not granted any loans secured or unsecured to companies, firms or other parties listed in the register maintained Under Section 301 and/or to the companies under the same management, as defined under section 370(1B) of the Companies Act, 1956. According to the information and explanations given to us, the Company has not given any guarantee for loans taken by others from bank or financial institutions.
- (4) In our opinion and according to the information and explanations given to us, there are adequate internal control procedures commensurate with the size of the company and the nature of its business with regard to purchase of stores, including components, plant and machinery, equipment and other assets and for the sale of goods & services. During the course of our audit, no major weakness has been noticed in the internal control system in respect of these areas.
- (5) The Company has no transactions of Purchase of Goods and materials and service made in pursuance of contracts or arrangements entered in the register maintained Under Section 301 of the Companies Act, 1956 aggregating during the year to Rs.50, 000 or more in respect of each party.
- (6) In our opinion, and according to the information and explanations given to us, the Company has not accepted any deposits as defined under provisions of section 58 and 58 AA or any other relevant provisions of the Companies Act 1956 and the rules made there under.
- (7) The company has no formal internal audit system.
- (8) To the best of our knowledge and as explained, the Central Government has not prescribed maintenance of cost record under Clause (d) of sub – section (1) of Section 209 of the Act, in respect of company's Products. Therefore, the provisions of Clause (viii) of paragraph 4 of the Order are not applicable to the Company.
- (9) (a) Undisputed statutory dues including provident fund, investor education and protection fund, employees' state insurance, income-tax, sales tax, wealth tax, service-tax, custom duty, excise duty, cess and other material statutory dues, as applicable, have generally been regularly deposited with the appropriate authorities.  
  
(b) no undisputed amounts payable in respect of Provident Fund, Investor Education and protection Fund, Employees' State Insurance, Income – Tax, Sales Tax, Service Tax, Wealth Tax, Custom Duty, Excise duty and Cess and other material statutory dues applicable to the company were in arrears as at March, 31 2014 for a period of more than six months from the date they became applicable.  
  
(c) According to the information and explanation given to us, the dues of Sales Tax, Income Tax, Custom Duty, Wealth Tax, Excise duty, Cess, Service Tax and other statutory dues which have not been deposited on account of any dispute.
- (10) In our Opinion, and according to the information and explanations given to us, Provident Fund and Employees State Insurance Schemes are not applicable to the Company.
- (11) Based on our audit procedures and as per the information and explanations given by management, we are of the opinion that the Company has not defaulted in repayment of dues to the bank. There were no dues repayable to financial institutions and debenture holders during the year.

(12) According to the information and explanations given to us, the company has not granted any loans & advances on the basis of security by way of pledge of shares, debentures and other securities. Therefore, the provisions of Clause (xii) of paragraph 4 of the Order are not applicable to the company.

(13) In our opinion, the company is not chit Fund or Nidhi Mutual Benefit fund/Society. Therefore, the provisions of Clause (xiii) of paragraph 4 of the Order are not applicable to the company.

(14) In our opinion, the company is not dealing in or trading in shares, securities, debentures and other investments. Therefore, the provisions of Clause (xiv) of paragraph 4 of the order are not applicable to the company.

(15) In our opinion, and according to the information and explanations given to us, the company has not given any guarantee for loans taken by others from financial institutions/banks.

(16) Based on information and explanations given to us by the management, term loans were applied for the purpose for which the loans were obtained.

(17) In our Opinion and according to the information and explanations given to us and on overall examination of the Balance sheet of the company, we report that no funds raised on a short-term basis have been used for long-term investments.

(18) The company has not made any preferential allotment of shares to parties covered in the register maintained under Section 301 of the Companies Act, 1956.

(19) The Company has not issued any debentures during the period. Accordingly, the provisions of clause 4 (xix) of the companies (Auditors Report) order, 2003 are not applicable to the company.

(20) The company has not raised any money by public issue during the year. Therefore, the provisions of Clause (xx) of paragraph 4 of the Order are not applicable to the company.

(21) Based upon the audit procedures performed for the purpose of reporting the true and fair view of the financial statements and as per the information and explanations given by the management, we report that no fraud on or by the Company has been noticed or reported during the course of our audit.

Place: Hyderabad  
Date : April 18, 2014

For B.K.HEGDE & CO.

(B.K.HEGDE)  
PROPRIETOR  
MEMBERSHIP NO. 010455

## M/s. CHPL Industries Limited

Shop no.2,(AMCO) Budhabhavanam, MCH Complex, M.G. Road, Secunderabad – 500 003.

BALANCE SHEET AS AT 31ST MARCH, 2014.

Particulars	Sch. No.	Figures as at the end of current reporting period	Figures as at the end of previous reporting period
<b>I. EQUITY AND LIABILITIES</b>			
<b><u>(1) Shareholder's Funds</u></b>			
(a) Share Capital	1	30,465,880	25,649,380
(b) Reserves and Surplus	2	-26,882,940	-27,910,393
<b><u>(2) Non-Current Liabilities</u></b>			
(a) Long-Term Borrowings	3	2,522,605	2,522,605
(b) Deferred Tax Liabilities (Net)			
<b><u>(4) Current Liabilities</u></b>			
(a) Other Current Liabilities	4	5,000	-
<b>Total Equity &amp; Liabilities</b>		<b>6,110,545</b>	<b>261,592</b>
<b>II. ASSETS</b>			
<b><u>(1) Non-Current Assets</u></b>			
<b>(a) Fixed Assets</b>			
(i) Gross Block	7	-	-
(ii) Depreciation		-	-
(iii) Net Block		-	-
<b><u>(2) Current Assets</u></b>			
(a) Current investments		-	-
(c) Cash and cash equivalents	5	1,850,941	1,988
(d) Short-term loans and advances	6	4,259,604	259,604
<b>Total Assets</b>		<b>6,110,545</b>	<b>261,592</b>
Schedules referred to above and notes attached there to form an integral part of Balance Sheet			-
This is the Balance Sheet referred to in our Report of even date.			
FOR B K Hegde & Co		FOR CHPL Industries Limited	
CHARTERED ACCOUNTANTS			
(CA. B K Hegde)		VIRAL CHAVDA	S.K.PATHKI
PROPRIETOR		(DIRECTOR)	(DIRECTOR)
Membership No. : 010455			PLACE: Hyderabad
Firm Registration No.: 001111S			DATED: 18 April 2014

## M/s. CHPL Industries Limited

Shop no.2,(AMCO) Budhabhavanam, MCH Complex, M.G. Road, Secunderabad – 500 003.  
PROFIT & LOSS STATEMENT FOR THE PERIOD ENDED ON 31ST MARCH, 2014

Sr. No	Particulars	Sch. No.	Figures as at the end of current reporting period	Figures as at the end of previous reporting period
I	Revenue from operations	8	9,343,593	-
II	II. Total Revenue		9,343,593	-
III	<u>Expenses:</u>			
	Cost of materials	9	8,246,255	-
	Employee Benefit Expense	10	29,150	-
	Financial Costs	11	374	-
	Other Administrative Expenses	12	156,861	-
	Total Expenses (III)		8,432,640	-
IV	Profit before exceptional and extraordinary items and tax	(II - III)	910,953	-
V	Exceptional Items		-	-
VI	Profit before extraordinary items and tax (IV - V)		910,953	-
VII	Extraordinary Items		-	-
VIII	Profit before tax (VI - VII)		910,953	-
IX	<u>Tax expense:</u>			
	(1) Current tax			
	(2) Deferred tax			
	(3) Short / Excess Provision for Taxation		-	
X	Profit(Loss) from the period from continuing operations	(VIII-IX)	910,953	-
XI	Profit/(Loss) from discontinuing operations		-	-
XII	Tax expense of discounting operations		-	-
XIII	Profit/(Loss) from Discontinuing operations (XI - XII)		-	-
XIV	Profit/(Loss) for the period (X + XIII)		910,953	-
XV	Earning per equity share:			
	(1) Basic		0.30	-
	(2) Diluted		0.30	-
<p>Schedules referred to above and notes attached there to form an integral part of Profit &amp; Loss Statement This is the Profit &amp; Loss Statement referred to in our Report of even date.</p>				
FOR B K Hegde & Co		FOR CHPL Industries Limited		
CHARTERED ACCOUNTANTS				
(CA. B K Hegde)		VIRAL CHAVDA		S.K.PATHKI
PROPRIETOR		(DIRECTOR)		(DIRECTOR)
Membership No. : 010455				
Firm Registration No.: 001111S		PLACE: Hyderabad		
		DATED: 18 April 2014		

## M/s. CHPL Industries Limited

Schedules Forming Integral Part of the Balance Sheet as at 31st March, 2014

### Schedule : 1 Share Capital

		₹	₹
Sr. No	Particular	Current Year	Previous Year
1	<u>AUTHORIZED CAPITAL</u> 36,50,000 Equity Shares of Rs. 10/- each.	36500000	36500000
		36500000	36500000
2	<u>ISSUED, SUBSCRIBED &amp; PAID UP CAPITAL</u> To the Subscribers of the Memorandum 30,46,588 Equity Shares of Rs. 10/- each, Fully Paid up Share capital by allotment 30,46,588 Equity Shares of Rs. 10/- each, Fully (P/Y 2553288 nos @Rs.10/- and 23300 @Rs.5/-)	30465880	25649380
	Total in ₹	30465880	25649380
Reconciliation of shares at the beginning and at the end of the review period			
	Number of shares at the beginning of the year	2576588	2576588
	Less: Shares forfeited during the year	23300	-
	Add: Preferential Allotment	493300	-
	Number of shares at the end of the year	3046588	2576588

#### Shareholders having more than 5% Shares

Name of the shareholder	No. of shares as at	
	Current Year	Previous Year
A.V.K.S. Prasad	370951	370951

### Schedule : 2 Reserve & Surplus

		₹	₹
Sr. No	Particular	Current Year	Previous Year
1	Capital Reserve	2350000	2350000
2	General Reserve	116500	-
3	Surplus (Profit & Loss Account)	2466500	2350000
	Balance brought forward from previous year	(30260393)	(30260393)
	Less: Transfer to General Reserve	-	-
	Add: Profit for the period	910953	(30260393)
	Total in ₹	(26882940)	(27910393)

### Schedule : 3 Long Term Borrowings

		₹	₹
Sr. No	Particular	Current Year	Previous Year
1	Loans From Directors	2522605	2522605
	Total in ₹	2522605	2522605

### Schedule : 4 Other Current Liabilities

		₹	₹
Sr. No	Particular	Current Year	Previous Year
1	Audit Fees Payable	5000	-
	Total in ₹	5000	-

## M/s. CHPL Industries Limited

Schedules Forming Integral Part of the Balance Sheet as at 31st March, 2014

Schedule : 7 & 21 Fixed Asset

Sr. No	Particulars	Rate	Gross Block				Depreciation				Net Block	
			Value at the beginning	Addition during the year	Deduction during the year	Value at the end	Value at the beginning	Addition during the year	Deduction during the year	Value at the end	WDV as on 31.03.2013	WDV as on 31.03.2012
I	Tangible Assets				-	-	-	-	-	-	-	-
				-	-	-	-	-	-	-	-	-
			-	-	-	-	-	-	-	-	-	-

## M/s. CHPL Industries Limited

Schedules Forming Integral Part of the Balance Sheet as at 31st March, 2014

Schedule : 5 Cash & Cash Equivalent

Sr. No	Particulars	₹	
		Previous Year	Current Year
1	<u>Cash-in-Hand</u> Cash Balance	11,543	-
	Sub Total (A)	11,543	-
2	<u>Bank Balance</u> With Punjab National Bank	1,837,410	-
	Schedule Bank	1,988	1,988
	Sub Total (B)	1,839,398	1,988
		-	-
	Total [ A + B ]	1,850,941	1,988

Schedule : 6 Short Terms Loans and Advances

Sr. No	Particulars	₹	
		Previous Year	Current Year
1	Loans & Advances from related parties		
2	Others		
	Advance Recoverable in cash or in kind or for value to be considered good		
	ICD - D & C Capstone	1,500,000	-
	ICD - Edge Consultancy Services	2,500,000	-
	Advance Income Tax/Refund Due	131,003	131,003
	Sundry deposit -MCH	111,934	111,934
	Sundry Deposit - Others	16,667	16,667
	Advance other		-
	Total in ₹	4,259,604	259,604

## M/s. CHPL Industries Limited

Schedules Forming Part of the Profit & Loss Accounts as at 31st March, 2014

### Schedule : 8 Revenue from Operations

		₹	₹
Sr. No	Particular	Current Year	Previous Year
1	Sales	8,543,593	-
2	Advisory Services - Revenue	800,000	-
	Total in ₹	9,343,593	-

### Schedule : 9 Cost of Material

		₹	₹
Sr. No	Particular	Current Year	Previous Year
a)	<u>PURCHASES OF RAW MATERIALS</u>		
1	Raw Material	8,246,255	-
		-	-
	Sub-total (a)	8,246,255	-
b)	<u>DIRECT EXPENSES</u>		
	Sub-total (b)	-	-
	Total in ₹	8,246,255	-

### Schedule : 10 Employment Benefit Expenses

		₹	₹
Sr. No	Particular	Current Year	Previous Year
1	Salary & Assisting Charges	29,150	-
	Total in ₹	29,150	-

### Schedule :11 Financial Cost

		₹	₹
Sr. No	Particular	Current Year	Previous Year
1	Bank Interest & charges	374	-
	Total in ₹	374	-

### Schedule : 12 Other Administrative Expenses

		₹	₹
Sr. No	Particular	Current Year	Previous Year
1	Consultancy Fees	21,500	-
2	Listing Fees	126,504	-
3	Printing & Stationery	3,857	-
4	Audit Fees	5,000	-
	Total in ₹	156,861	-



## M/s. CHPL Industries Limited

Shop no.2,(AMCO) Budhabhavanam, MCH Complex, M.G. Road, Secunderabad – 500 003.  
CASH FLOW STATEMENT FOR THE PERIOD ENDED ON 31ST MARCH, 2014

PARTICULARS	As at 31-03-2014		As at 31-03-2013	
<b>A. CASH FLOW FROM OPERATING ACTIVITIES:</b>				
Net profit /(Loss) before tax and Extraordinary items	910953		-	
Operating profit/(Loss) before working capital changes	910953		-	
<b>Adjusted for</b>				
Trade receivables (Increase)/Decrease				
Sundry Creditors Increase/(Decrease)				
Other Liabilities increase/(Decrease)	5000			
Increase in loans and advances			-	
Cash generated from operations				
<b>NET CASH FLOW FROM OPERATING ACTIVITIES - A-</b>	<b>915953</b>		-	
<b>B. CASH FLOW FROM INVESTING ACTIVITIES:</b>				
<b>NET CASH FLOW FROM INVESTING ACTIVITIES - B -</b>				
<b>C. CASH FLOW FROM FINANCING ACTIVITIES:</b>				
Intercompany Deposit	-4000000			
Increase in Share Capital	4816500			
Borrowings (Net)			-	
<b>NET CASH FLOW FROM FINANCING ACTIVITIES - C-</b>	<b>816500</b>		-	
<b>NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS (A+B+C)</b>				
	<b>1732453</b>		-	
Cash and cash equivalents as at 1st April, 2013	1988		1988	
<b>Cash &amp; cash equivalents as at 31st March, 2014</b>	<b>1734441</b>		<b>1988</b>	

FOR B K Hegde & Co  
CHARTERED ACCOUNTANTS

FOR CHPL Industries Limited

(CA. B K Hegde)  
Proprietor  
Membership No. : 010455  
Firm Registration No.: 001111S

PLACE: Hyderabad  
DATED: 18/04/2014

CHPL Industries Limited			
Computation of Deferred Tax Liability			(Rs.)
	As per books	As per IncomeTax	Difference
Depreciation			
Tax 30%			
Education Cess 3%			
<b>Deferred Tax Liability</b>			0.00
Furniture			
P&M			
Computer			
	0		

## COMPANY OVERVIEW

CHPL INDUSTRIES LIMITED is a company domiciled in India and incorporated under the provisions of the Companies Act, 1956 (the Act). The Company is primarily engaged in the business of Trading, selling and purchasing, exports and imports, Manufacturing of Industrial and /or domestic batteries, Real estate and Land development for different kind of projects.

## ACCOUNTING POLICIES AND NOTES FORMING PART OF THE ACCOUNTS FOR THE YEAR ENDED 31ST MARCH, 2014

### I. SIGNIFICANT ACCOUNTING POLICIES

#### A. Basis of accounting and preparation of financial statements

The financial statements are prepared and presented under the historical cost convention, on the accrual basis of accounting and in accordance with the provisions of the Companies Act, 1956 ('the Act'), and the accounting principles generally accepted in India and comply with the accounting standards prescribed in the companies (Accounting Standards) Rules, 2006 issued by the Central Government, in consultation with the National Advisory Committee on Accounting Standards, to the extent applicable.

The Revised Schedule VI has become effective from 1st April, 2011 for the preparations of financial statements. This has significantly impacted the disclosure and preparation made in the financial statements. Previous year's figures have been regrouped / reclassified wherever necessary to correspond with the current year's classification / disclosure.

These financial statements are presented in Indian rupees and rounded off to nearest thousands unless otherwise stated.

#### B. Use of estimates

The preparation of the financial statements in conformity with Indian GAAP requires the Management to make estimates and assumptions considered in the reported amounts of assets & liabilities (including contingent liabilities) and the reported income and expenses during the year. The Management believes that the estimates used in preparation of the financial statements are prudent and reasonable. Future results could differ due to these estimates and the differences between the actual results and the estimates are recognized in the periods in which the results are known / materialize.

#### C. Expenses

It is the Company's policy to provide for all expenses on an accrual basis.

#### D. Depreciation

- a) The Company has policy of providing depreciation on assets on W.D.V basis at the rate specified in Schedule XIV of the Companies Act, 1956.
- b) The Company has policy of providing depreciation on pro- rata basis from the date of addition.

#### E Inventories

The Company values inventories at the lower of cost (on FIFO basis) and the net realizable value after providing for obsolescence and other losses, where considered necessary. Cost includes all charges in bringing the goods to the point of sale, including octroi and other levies, transit insurance and receiving charges.

#### F Cash and cash equivalents (for purposes of Cash flow statements)

Cash comprises cash on hand and demand deposits with banks. Cash equivalents are short- term balances (with an original maturity of three months or less from the date of acquisition). Highly liquid investments that are readily convertible into known amounts of cash and which are subject to insignificant risk of changes in value. Cash and cash equivalents includes fixed deposits which are freely remissible but excludes interest accrued on fixed deposits.

#### G Cash flow statements

Cash flow are reported using the indirect method, whereby profit/ (loss) before extraordinary items and tax is

adjusted for the effects of transactions of non- cash nature and any deferrals or accruals of pasts or future cash receipts or payments. The cash flows from operating, investing and financing activities of the Company are segregated based on the available information.

## **H Revenue Recognition**

### Sale of Goods

Sales are recognized, net of returns and trade discounts, on transfer of significant risks and rewards of ownership to the buyer, which generally coincides with the delivery of goods to customers. Sales exclude Value Added Tax.

### Income from services

Revenues from services rendered are recognized when services are rendered and when the revenue is measurable and there is no uncertainty as to ultimate collection.

## **I Fixed Assets**

The Company has no fixed assets.

## **J Investments**

The Company has no investments

## **K Earnings per share**

Basic earnings per share is computed by dividing the profit/ (loss) after tax (including the post tax effect on extraordinary items, if any) by the weighted average number of equity shares outstanding during the year. Diluted earnings per share is computed by dividing the profit/ (loss) after tax (including the post tax effect of extraordinary items, if any) as adjusted for dividend, interest and other charges to expense or income relating to the dilutive potential equity shares, by the weighted average number of equity shares considered for deriving basic earnings per share and the weighted average number of equity shares which could have been issued on the conversion of all dilutive potential equity shares. Potential equity shares are deemed to be dilutive only if their conversion to equity shares would decrease the net profit per share from continuing ordinary operations. Potential dilutive equity shares are deemed to be converted as at the beginning of the period, unless they have been issued at a later date. The dilutive potential equity shares are adjusted for the proceeds receivable had the shares been actually issued at fair value (i.e. average market value of the outstanding shares). Dilutive potential equity shares are determined independently for each period presented. The number of equity shares and potentially dilutive equity shares are adjusted for shares splits/ reverse share splits and bonus shares, as appropriate.

## **L Taxes on income**

Current tax is the amount of tax payable income for the year as determined in accordance with the provisions of the Income Tax Act, 1961. Minimum Alternate Tax (MAT) paid in accordance with the tax laws, which gives future economic benefits in the form of adjustment to future Income tax liability, is considered as an asset if there is convincing evidence that the company will pay normal income tax. Accordingly, MAT is recognized as an asset in the Balance Sheet when it is probable that future economic benefit associated with it will flow to the Company. Since the Company has carried forward losses and unabsorbed depreciation, MAT was not applicable for the year under review.

Deferred tax is recognized on timing differences, being the differences between the taxable income and the accounting income that originate in one period and are capable of reversal in one or more subsequent periods. Deferred tax is measured using the tax rates and the tax laws enacted or substantially enacted as at the reporting date. Deferred tax liabilities are recognized for all timing differences. Deferred tax assets in respect of unabsorbed depreciation and carry forward of losses are recognized only if there is virtual certainty that there will be sufficient future taxable income available to realize such assets. Deferred tax assets are recognized for timing differences of other items only to the extent that reasonable certainty exists that sufficient future taxable income will be available against which these can be realized. Deferred tax assets and liabilities are offset if such items relate to taxes on income levied by the same governing tax laws and the Company has a legally enforceable right for such set off. Deferred tax assets are reviewed at each Balance sheet date for their realisability. Since the Company has no fixed assets, provision of deferred tax has not been made.

## **M Impairment of assets**

The carrying values of assets/cash generating units at each Balance Sheet date are reviewed for impairment. If any indication of impairment exists, the recoverable amount of such assets is estimated and impairment is recognized, if the carrying amount of these assets exceeds their recoverable amount. The recoverable amount is the greater of the net selling price and their value in use. Value in use is arrived at by discounting the future cash flows to their present value based on an appropriate discount factor. When there is indication that an impairment loss recognized for an asset in earlier accounting periods no longer exists or may have decreased, such reversal of impairment loss is recognized in the Statement of Profit and Loss, except in case of revalued assets.

## **N Provision and contingencies**

A provision is recognized when the company has a present obligation as a result of past events and it is probable that an outflow of resources will be required to settle the obligation in respect of which a reliable estimate can be made. Provisions (excluding retirement benefits) are not discounted to their present value and are determined based on the best estimate required to settle the obligation at the Balance Sheet date. These are reviewed at each Balance Sheet date and adjusted to reflect the current best estimates.

## **II. Notes**

A. Estimated amount of capital commitments not provided for Rs.NIL (net of advance) Previous year Rs.NIL.

B. During the year 09-10, Income tax tribunal has passed orders allowing the tax demand of Rs.10, 01,304/- and Rs.1,10,118/- in favor of department on account of Lease equalization account. However, Tribunal directed department to reduce Lease rent from income giving benefit to the company. The company has taken up with the department to give effect of the Tribunal Order and still waiting for the revised orders. If this adjustment is made, there may not be any demand. Hence, no provision is made in the books of account.

## **C Auditors' Remuneration**

	2013 - 2014 Rupees	2012-2013 Rupees
i. Payment to Auditors (Provided) Audit Fee	5000/-	----

## **D Earning Per Share**

	As at 31-03-2014	As at 31-03-2013
Nominal value of each share	Rs.10/-	Rs.10/-
Basic earnings per share	Rs. 0.30	NA

## **E Related Party Disclosures**

During the year, the Company has not entered into any transactions with related parties.

F Information under clause 3[i][a], 3[ii], 4-C,4-D of Part –II of Schedule VI of the Companies Act ,1956. Since there is no manufacturing activities during the year and in previous year, no information as regards to the production, turnover consumption etc., are given.

G The Company has not received any intimation from “Suppliers” regarding their status under the Micro, Small and Medium Enterprises Development Act, 2006 and hence disclosures, if any, relating to amounts unpaid as at the year and together with interest paid/ payable as required under the said Act have not been given.

I. Current liabilities of Rs.25,22,605/- is on account of amount paid by Directors towards settlement of Andhra Bank Secured Loan which includes cash payment and part from the personal properties of Directors which were sold by the Bank.

Our Report attached  
For B.K. HEGDE & CO.  
Chartered Accountants

for and on behalf of the Board

FOR CHPL Industries Limited

B.K. HEGDE  
PROPRIETOR

VIRAL CHAVDA  
DIRECTOR

S.K. PATHKI  
DIRECTOR

Date: 18/04/2014, Place: Hyderabad

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**Certificate on compliance with the conditions of Corporate Governance under Clause 49 of the Listing Agreement**

To the Members of  
CHPL Industries Limited

We have examined the compliance of conditions of Corporate Governance by CHPL Industries Limited for the year ended March 31, 2014, as stipulated in clause 49 of the Listing Agreement of the said Company with the stock exchanges.

The compliance of conditions of Corporate Governance is the responsibility of the management. Our examination was limited to a review of the procedures and implementation thereof, adopted by the Company for ensuring the compliance of conditions of Corporate Governance as stipulated in the said clause. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us, We certify that the Company has complied with the conditions of the Corporate Governance as stipulated in Clause 49 of the above mentioned Listing Agreement.

We 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: Hyderabad  
Date : April 18, 2014

For B.K. HEGDE & CO.

(B.K. HEGDE)  
PROPRIETOR  
MEMBERSHIP NO. 010455

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**ATTENDANCE SLIP**

**CHPL INDUSTRIES LIMITED**

Registered Office: Shop No. 2, (AMCO) Budha Bhavanam, M.G. Road, Secunderabad - 500003

Please complete this attendance slip and hand it over at the entrance of the meeting hall. Joint Shareholders may obtain additional attendance slips on request.

No. of Shares Held:

L.F. No:

Name and address: \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

I hereby record my presence at the 25th Annual General Meeting of the Company at Shop No. 2, (AMCO) Budhabhavanam, M.G. Road, Secunderabad – 500 003 on Tuesday, 27th May 2014

Signature of the Holder / Proxy

**PROXY FORM**

**CHPL INDUSTRIES LIMITED**

Registered Office: Shop No. 2, (AMCO) Budha Bhavanam, M.G. Road, Secunderabad - 500003

L.F. No:

I/We.....

of ..... being a member / members of CHPL INDUSTRIES LIMITED

hereby appoint .....of .....

or failing him .....

of..... as my / our Proxy to vote for me / us and on my / our behalf, at the 25th Annual General Meeting of the Company to be held at 10.30 a.m. on Tuesday,27th May 2014 and at any adjournment thereof.

As witness my / our hand(s) this .....day of.....2014

.....  
[Signature(s) of the shareholder(s)]

Affix  
one rupee  
revenue  
stamp

Note: The proxy form, duly completed must be returned so as to reach the registered office of the Company not less than 48 hours before the time for holding the aforesaid meeting.

If undelivered, Please return to :



**CHPL INDUSTRIES LIMITED**

Shop No. 2 (AMCO), Budha Bhavanam, MCH Complex, MG Road,  
SECUNDERABAD – 500 003