

**DEEPAK SPINNERS LIMITED**

**CIN NO. L17111HP1982PLC016465**



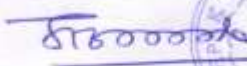

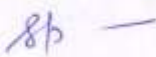

Regd. Office: 121 Industrial Area, Baddi, Tehsil Nalagarh  
District Solan, Himachal Pradesh-173205

Telephone nos. 0172 2790973, 2790974, Fax - 0172 2790977

Website: [www.dsl-india.com](http://www.dsl-india.com) Email: [share@dsl-india.com](mailto:share@dsl-india.com)

**FORM A**

**COVERING LETTER OF THE ANNUAL AUDIT REPORT**

1	Name of the Company	M/s. Deepak Spinners Limited
2	Annual Financial Statements for the year ended	31 <sup>st</sup> March 2015
3	Type of Audit Observation	No Audit Qualification
4	Frequency of Observation	Not Applicable.
5	To be signed by -	
	(P. K. DAGA) Chairman and Managing Director	 
	(S. B. SHARDA) Chief Financial Officer	 
	(B. K. SIPANI) Partner M. No. 088926 Singhi & Co. Chartered Accountants Firm Reg. no. 302049E AUDITOR OF THE COMPANY	For SINGHI & CO. Chartered Accountants  B. K. SIPANI Partner (M. No. 88926) FRN No. 302049E
	(VIKRAM PRAKASH) Chairman - Audit Committee	



*33rd ANNUAL REPORT*  
&  
*ACCOUNTS*  
*2014 - 2015*

**DEEPAK SPINNERS LIMITED**

**Board of Directors**

Shri Pradip Kumar Daga, *Chairman & Managing Director*  
Shri Vikram Prakash  
Shri Yashwant Kumar Daga  
Shri Pradeep Kumar Drolia  
Smt. Nilu Agrawal

Notice for Annual General Meeting is being sent separately through Speed Post/Registered Post as required under the Companies Act, 2013 & Rules made thereunder.

**Administrative Office**

SCO 16, II Floor, Sector 26,  
Madhya Marg, Chandigarh – 160019.

Shri S. B. Sharda, *President & Chief Financial Officer*  
Shri R. A. Sharma, *Vice President (Purchase)*  
Shri M. S. Shekhawat, *Vice President (Sales)* Shri  
P. C. Sharma. *Asst. Vice President (Accounts)*

**Baddi Works**

121, Industrial Area, Baddi  
Tehsil Nalagarh, Dist. Solan  
Himachal Pradesh – 173205

Shri Sudesh Tiwari, *Sr. Vice President (Technical)*  
Shri S. K. Thakur, *Sr. Vice President (Engineering)*

**Guna Works**

Village : Pagara  
Tehsil & Distt. Guna - 473 001  
Madhya Pradesh

Shri Ashok Kumar Gupta, *Sr. Vice President (Works)*  
Shri Onkar Nath Singh, *Vice President (Personnel & Admn.)* Shri V. K. Shrivastav, *Vice President (Engineering)*

**Company Secretary**

Smt. Puneeta Arora

**Bankers**

State Bank of India

**Auditors**

Messrs. Singhi & Co., Chartered Accountants  
New Delhi.

**Registered office**

121, Industrial Area, Baddi  
Tehsil Nalagarh, Distt. Solan  
Himachal Pradesh – 173205

**Corporate Office**

16, Hare Street  
Kolkata – 700001

## BOARD'S REPORT

Dear Shareholders,

Your Directors are pleased to present their Report together with the Audited Accounts for the year ended 31st March 2015.

<b>1. FINANCIAL RESULTS</b>	<b>(` in Lacs)</b>
Profit before Depreciation & Tax	2565.74
Less : Depreciation	1599.17
Provision for Tax	
- Current year	195.70
- Deferred Tax	<u>(121.47)</u>
Net Profit	<u>892.34</u>
<b>Transfers and Appropriations :</b>	
Balance carried forward to	
Reserves and Surplus	<u>892.34</u>

### 2. DIVIDEND

Keeping in view the need of textile industry to continuously upgrade, and modernise, it is considered prudent to conserve funds to achieve cost effectiveness, to provide margin money for expansion and to service the increased debt. Your Directors, therefore, regret their inability to recommend any dividend this year.

### 3. GENERAL REVIEW

Major renovation / replacement of machinery at both plants were successfully completed at a cost of ` 10.00 crores financed by term loan from State Bank of India (SBI) and partly by internal accruals.

In the current year, capacity expansion at Guna plant as planned by installing 14,112 spindles together with related machinery and accessories, at a capital cost of ` 62.00 crores, is presently under implementation and is expected to be completed by March 2016. This is being financed by term loan of ` 43.00 crores from SBI, the balance being funded by internal accruals.

The sluggish off take coupled with wide fluctuations in prices of raw materials has been witnessed throughout the year. This situation continues and should hopefully improve later in the year.

### 4. INTERNAL FINANCIAL CONTROL SYSTEMS

The Company has an adequate Internal Control

System commensurate with the size, scale and nature of its operations. Internal Audit is conducted by independent Chartered Accountants, on quarterly basis. To maintain its objectivity and independence, the Internal Auditors report directly to the Audit Committee of the Board. Based on the report of the Internal Audits, functional heads undertake corrective action and thereby strengthening the controls in their respective areas.

### 5. STATUTORY AUDITORS

M/s. Singhi & Co, Chartered Accountants (Registration no. 302049E), New Delhi, who are Statutory Auditors of the Company hold office up to the forthcoming Annual General Meeting and are recommended for re-appointment to audit the accounts of the Company for the Financial Year 2015-16.

As required under the provisions of Section 139 of the Companies Act, 2013, the Company has obtained written confirmation from M/s. Singhi & Co. that their appointment, if made, would be in conformity with the limits specified in the said Section.

### 6. AUDITORS' REPORT

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

### 7. SECRETARIAL AUDIT

Pursuant to the provisions of Section 204 of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Company had appointed M/s. A. Arora & Co., a firm of Company Secretaries in Practice to undertake the Secretarial Audit of the Company. The Secretarial Audit Report is annexed with this report as **Annexure – 'I'**.

### 8. COST AUDIT

Pursuant to Section 148 of the Companies Act, 2013 read with the Companies (Cost Records and Audit) Amendment Rules, 2014, qualified Cost Auditors, M/s Shakti K. & Associates, Cost Accountants have been appointed to conduct cost audit relating to the products manufactured by the Company.

As required under the Companies Act, 2013, the remuneration payable to the cost auditor is required to be placed before the members

in a general meeting for their ratification. Accordingly, a resolution seeking members' ratification for remuneration payable to Cost Auditors is included in the Notice convening the ensuing Annual General Meeting of the Company.

## **9. DIRECTORS**

### **a) Changes in Directors**

Shri Pradip Kumar Daga was reappointed as Managing Director of the Company with effect from 16th April 2015 for a period of three years, at the Annual General Meeting held on 6th September 2014.

In accordance with the provisions of Companies Act, 2013 and Articles of Association of the Company, Shri Pradip Kumar Daga, retires by rotation at the forthcoming Annual General Meeting and being eligible, offers himself for re-appointment.

The Board of Directors had appointed Ms. Nilu Agrawal as Additional Director of the Company in the category of Independent Directors with effect from 1st April 2015 for a period of five years till 31st March 2020 subject to consent of shareholders in the ensuing Annual General Meeting. Ms. Nilu Agrawal has a rich business experience, which will be beneficial for the Company. This will also fulfill the requirement of having a woman Director on the Board of Directors under the Companies Act, 2013 and Clause 49 of the Listing Agreement.

### **b) Statement on declaration given by Independent Directors**

All Independent Directors have given declarations that they meet the criteria of independence as laid down under Section 149(6) of the Companies Act 2013 and Clause 49 of the Listing Agreement.

### **c) Meetings**

During the year, five Board Meetings and four Audit Committee meetings were convened and held, the details of which are given in the Corporate Governance Report.

### **d) 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 are material for evaluating the performance of the Committees and of the Board were discussed in detail.

Evaluation of the performance of individual Directors including the Chairman of the Board was carried out, evaluation being made on parameters such as level of engagement and contribution, independence of judgement, safeguarding the interest of the Company and its minority shareholders, etc. The performance evaluation of the Independent Directors was 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 have expressed their satisfaction with the evaluation process.

## **10. KEY MANAGERIAL PERSONNEL**

During the year, Shri S. B. Sharda, who is already the President of the Company was appointed as the Chief Financial Officer (CFO) of the Company. Mrs. Puneeta Arora, Company Secretary was appointed as such before the Companies Act, 2013 came into force. They are Key Managerial Personnel of the Company.

## **11. DIRECTORS' RESPONSIBILITY STATEMENT**

In terms of the provisions of Section 134(5) of the Companies Act, 2013, your Directors confirm as under –

- a) That in the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures;
- b) That 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) That the Directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;

- d) That the Directors had prepared the annual accounts on a going concern basis; and
- e) That 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.
- f) That 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.

#### **12. CORPORATE SOCIAL RESPONSIBILITY**

The Company is committed to discharging its social responsibility as a good corporate citizen. The CSR Policy has been framed and posted on the website of the Company, [www.dsl-india.com](http://www.dsl-india.com). As required by Section 134(3)(o) of the Companies Act, 2013 and Rule 9 of the Companies (Corporate Social Responsibility) Rules, 2014, Annual Report on CSR activities is annexed as **Annexure – 'II'** to form part of this report.

#### **13. VIGIL MECHANISM**

The Company has a Vigil Mechanism to provide an avenue for Directors and employees to raise concerns of any fraud, mismanagement, negligence, violations of legal or regulatory requirement. The policy of Vigil Mechanism is an internal policy, to make protected disclosures in good faith and to raise concerns to be appropriately dealt by Vigil Officer or the Audit Committee as the case may be. Complaints received by Vigil Officer are investigated by the Vigil Officer and a report thereon is submitted to the Audit Committee.

Although no personnel was denied access to the Vigil Officer and the Audit Committee, no complaints were received during 2014-15.

To ensure that this mechanism is adhered to, and to assure that the concern will be acted upon seriously, the Company will:

1. Ensure that the Complainant and/or the person processing the Protected Disclosure is not victimized for doing so.
2. Ensure complete confidentiality.
3. Take disciplinary action, if any one destroys or conceals evidence of the Protected Disclosure made/to be made.
4. Provide an opportunity of being heard to the persons against whom the complaint is

received.

The Policy on Vigil Mechanism is also posted on the website of the Company.

#### **14. RISK MANAGEMENT POLICY**

The Company has an efficient Risk Management framework to identify and evaluate business risks and opportunities. Risk Management forms an integral part of the Company's Mid-Term Planning cycle. It defines the risk management approach across the enterprise at various levels. The Audit Committee has been delegated the responsibility for monitoring and reviewing risk management, assessment and minimization procedures.

#### **15. NOMINATION AND REMUNERATION POLICY**

The Board has on the recommendations of the Nomination and Remuneration Committee framed a policy for selection and appointment of Directors, KMP and Senior Management and their remuneration. The Company's Remuneration Policy is attached as **Annexure – 'III'** and forms part of this report of the Directors.

#### **16. RELATED PARTY TRANSACTIONS**

All related party transactions that were entered into during the financial year were on an arm's length basis and were in the ordinary course of business.

There were no materially significant transactions with related parties during the financial year which were in conflict with the interest of the Company and hence, form AOC 2 is not required.

All related party transactions are placed before the Audit Committee as also the Board for approval. Prior omnibus approval of the Audit Committee is obtained for transactions which are of foreseen and repetitive nature for a period of one year. The transactions entered into pursuant to the omnibus approval so granted are placed before the Audit Committee on a quarterly basis. Where the need for Related Party Transactions cannot be foreseen, the Audit Committee has granted omnibus approval for such transactions subject to their value not exceeding ` 1 crore per transaction, which is valid for a period of one year.

The Policy on Related Party Transactions, as approved by the Board is uploaded on the Company's website.

None of the Directors has any pecuniary relationships or transactions vis-à-vis the Company.

**17. PARTICULARS OF EMPLOYEES**

- a) The prescribed particulars of employees required under Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 is attached as **Annexure – ‘IV’** and forms a part of this Board’s Report.
- b) No employee of the Company was in receipt of remuneration in excess of limits laid down in Rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014. Also, no employee, by himself or along with his spouse and dependent children holds 2% or more of the equity shares of the Company.

**18. FIXED DEPOSITS**

During the year, the Company has not accepted any deposits from the public and as such, there are no outstanding deposits in terms of the Companies (Acceptance of Deposits) Rules, 2014.

**19. LOANS, GUARANTEES AND INVESTMENTS**

The Company has not given loans, directly or indirectly to any person or other body corporate or given guarantee or provided any security in connection with a loan to any other body corporate or person. The Company has also not made any investments as per the provisions of Section 186 of the Companies Act, 2013.

**20. CORPORATE GOVERNANCE**

A report on Corporate Governance and Management Discussion and Analysis as required under Clause 49 of the Listing Agreement is annexed herewith. Compliance certificate regarding compliance of Corporate Governance as stipulated in Clause 49 of the Listing Agreement is also annexed.

**21. EXTRACT OF ANNUAL RETURN**

The extract of annual return in Form MGT-9 is annexed herewith as **Annexure – ‘V’**.

**22. CASH FLOW ANALYSIS**

In conformity with Clause 32 of the Listing Agreement, the Cash Flow Statement for the year ended 31.3.2015 is annexed hereto.

**23. ENERGY CONSERVATION, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO.**

As required by Section 134(3)(m) of the Companies Act, 2013 and Rule 8(3) of the Companies (Accounts) Rules, 2014, information with regard to conservation of energy, technology absorption and foreign exchange earnings and outgo are annexed as **Annexure – ‘VI’** to form part of this report.

**24. 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 and its future operations.

**25. ACKNOWLEDGEMENT**

Your Directors place on record their deep appreciation of the co-operation extended by our Bankers, financial institutions, stakeholders, business associates, Central and State Governments and district level authorities for their co-operation and support and look forward to their continued support in future. They also record their appreciation of the dedicated services rendered by the executives, staff members and workers of the Company.

**26. CAUTIONARY STATEMENT**

Statements in the Board’s Report and the Management Discussion & Analysis describing the Company’s objectives, expectations or forecasts may be forward looking within the meaning of 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.

Place : New Delhi  
Date : 29.05.2015

**P. K. DAGA**  
*Chairman and  
Managing Director*

**VIKRAM PRAKASH  
YASHWANT KUMAR DAGA**  
*Directors*

**P. K. DROLIA  
NILU AGRAWAL**  
*Director*

## **MANAGEMENT DISCUSSION AND ANALYSIS REPORT**

### **INDUSTRY STRUCTURE & DEVELOPMENT**

The Indian Textile Industry has the potential to grow five fold over the next ten years on the back of growing demand for man made fibres. Due to stability in crude oil prices, the man made fibre industry is likely to see a growth rate of five to seven percent. Manufacturers of readymade apparels, home textiles and technical textiles are expected to increase the usage of synthetic fibres during 2015-16. A supportive policy regime and the absolute commitment of private enterprise add strength to Indian prospects.

The year 2014-15 saw a decline in demand for most man-made fibres due to decline in prices of cotton yarn. This year also saw a rise in labour cost and power cost and thus offsetting the lower cost of raw material.

Technology Upgradation Fund Schemes (TUFS) for providing maximum subsidy in interest rates on loans to Textile Industry has been the flagship programme of government for textile industry. It shall continue in current year.

### **OPPORTUNITY AND THREATS**

Due to rising labour and production costs, China is losing its place as low cost production centre of the world. The prospects for increase in demand for Indian products are high not only from China but from other countries as well.

There is also improvement in demand for textile products in domestic market which is expected to grow. Increased local sourcing by global brands and retailers in India offer avenues to textile industry to grow.

Increase in power costs, higher transaction costs and high cost of labour may pose a threat to progress of textile industry.

### **SEGMENTAL REVIEW AND ANALYSIS**

At present, the Company has only one reportable segment, and that is synthetic yarn. The financial performance of our Company is steadily improving. In the past year, we have focused on energy conservation measures and modernisation of our production processes. This has helped us improve quality and increase our production and has enabled us to meet our commitments to our customers more efficiently.

The problem of lack of skilled and unskilled labour is under control. Increased automation technologies in our production process have reduced dependence on labour to some extent.

Having in-house power generation has helped us to some extent to contain our power costs.

### **RISKS AND CONCERNS**

Fluctuations in foreign exchange affect long term booking of export orders. Countries like Pakistan, Bangladesh, Sri Lanka and Vietnam having duty free access are able to control larger share of export market than India. The currencies of most third world countries have depreciated more than the Indian Rupee and as such competitiveness of countries, such as Pakistan and Bangladesh is a growing concern. Further, High labour and energy costs and continued inflation are a cause for concern.

### **OUTLOOK**

Manmade fibres have evolved and are more breathable. Also, being more durable and reasonably priced are gradually increasingly replacing cotton in many areas.

The global and domestic man made fibre market will continue to grow. The main drivers are increasing population, economic growth, consumer aspirations, new applications, & infrastructure projects.

Our Company has competitive edge in terms of quality and ability to be flexible on the face of changing requirements of the market.



#### **INTERNAL CONTROL SYSTEM AND ADEQUACY**

The Company has in place adequate internal control systems and procedures commensurate with the size and nature of its business. Internal Audit is conducted by independent Chartered Accountants, on a quarterly basis. Independence of the Internal Audit and compliance function is ensured by the direct reporting of the internal audits to the Audit Committee of the Board. The Audit Committee periodically reviews internal control systems with help of the internal and statutory auditors and reports to the Board on its adequacy.

#### **FINANCIAL PERFORMANCE**

The report of the Board of Directors may be referred to for financial performance.

#### **HUMAN RESOURCES**

The employees on roll in the Company as on 31st March 2015 were 2064.

The core of our corporate philosophy is centered on our employees. We consider people as our biggest assets and believe that the strength of an organisation is its employees as a dedicated, enlightened and contented work force is the life line for any business to achieve its goals. The focus of the Company is that rewards and recognition should commensurate with performance and employees should have opportunity to develop and grow for future responsibilities in terms of professional skills as well as business skills.

Industrial relations remained normal at all levels. Customized training programs that enhance both personal as well as career growth are conducted on a continuing basis.

#### **CAUTIONARY STATEMENT**

Statements in this Management Discussions and Analysis Report describing the Company objectives, projections, estimates, expectations or predictions may be 'forward looking statements' within the meaning of applicable security laws or regulations. These statements are based on reasonable assumptions and expectations of future events. Actual results could however, differ materially from those expressed or implied. Factors that could make a difference to the Company's operations include market price both domestic and overseas availability and cost of raw materials, change in Government regulations and tax structure, economic conditions affecting demand / supplies and other factors over which the Company does not have any control. The Company takes no responsibility for any consequence of decisions made based on such statements and holds no obligation to update these in future.

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**SECRETARIAL AUDIT REPORT**

FOR THE FINANCIAL YEAR ENDED MARCH 31, 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 Spinners Limited  
#121, Industrial Area, Baddi  
Tehsil: Nalagarh, Dist: Solan  
Himachal Pradesh

I have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by DEEPAK SPINNERS LIMITED (hereinafter called "the Company"). Secretarial Audit was conducted in a manner that provided me a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon.

Based on my verification of the DEEPAK SPINNERS 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 representatives during the conduct of secretarial audit, I hereby report that in my opinion, the company has, during the audit period covering the financial year ended on March 31, 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:

I have examined the books, papers, minute books, forms and returns filed and other records maintained by DEEPAK SPINNERS LIMITED ("the Company") for the financial year ended on March 31, 2015 according to the provisions of :

- (i) The Companies Act, 2013 (the Act) and the rules made thereunder;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder

to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;

- (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 and The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) (Amendment) Regulations, 2013.
  - 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- Not applicable as the company has not issued any securities during the financial year under review.
  - d) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999- Not applicable as the company has not granted any options to its employees during the financial year under review.
  - e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008- Not applicable as the company has not issued any debt securities during the financial year under review.
  - f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client- Not applicable as the company is not registered as Registrar to an Issue and Share Transfer Agent during the financial year under review.

- g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009- Not applicable as the company has not delisted any securities from any stock exchange during the financial year under review.
- h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998- Not applicable as the company has not bought back any of its securities during the financial year under review.
- (vi) The major provisions and requirements have also been generally complied with as prescribed under all applicable Labour laws viz. The Factories Act, 1948, The Payment of Wages Act, 1936, The Minimum Wages Act, 1948, The Payment of Bonus Act, 1965, Industrial Dispute Act, 1947, Employee State Insurance Act, 1948, The Employee's Provident Fund and Miscellaneous Provisions Act, 1952, The Payment of Gratuity Act, 1972, The Industrial Employment (Standing Order) Act, 1946, Equal Remuneration Act, 1976, The Employment Exchange (Compulsory Notification of Vacancies) Act, 1956.
- (vii) Environment Protection Act, 1986 and other environmental laws.
- (vii) Hazardous Waste (Management and Handling) Rules, 1989 and the Amendments Rules, 2003.
- (viii) The Air(Prevention and Control of Pollution) Act, 1981
- (ix) The Water (Prevention and Control of Pollution) Act, 1974

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

- a) Secretarial Standards issued by The Institute of Company Secretaries of India- Not notified hence not applicable for the audit period.
- b) The Listing Agreements entered into by the Company with National Stock Exchange of India Limited and Bombay Stock Exchange Limited;

During the period under review the Company has generally complied with the provisions of the act, rules, regulations, guidelines, standards, etc. mentioned above.

Based on our examination and the information received and records maintained, I further report that :

1. 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.
2. Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent well 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.
3. All decision is carried through majority while the dissenting members' views, if any, are captured and recorded as part of the minutes.
4. The company has proper board processes.

Based on the compliance mechanism established by the company and on the basis of the compliance certificate(s) issued by the Company Secretary/ Officers and taken on record by the board of directors in their meeting(s), I am of an opinion that :

1. 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.
2. On examination of the relevant documents and records, on test check basis, the company has complied with the following laws specifically applicable to the company:
  - a) The Indian Electricity Act, 2003 and Indian Electricity Rules, 2005.
  - b) The Boilers Act, 1923
  - c) The Perform Achieve Trade Scheme.

I further report that during the audit period :

1. The company passed a Special Resolution under Section 180(1)(a) of Companies Act, 2013 to authorise the directors to create a charge or mortgage on the property of the company.
2. The company passed a special resolution under Section 180(1)(c) of Companies Act, 2013 to authorise the directors to exercise borrowing powers upto a limit of Rs. 300.00 Crores over and above the aggregate of the paid-up share capital and free reserves of the company.

3. The company passed a Special Resolution under Section 14(1) of Companies Act, 2013 amending its Articles of Association in compliance with the provisions of Companies Act, 2013.
4. The company offered to its members, a facility of voting through postal ballot as well as through e-voting for all the matters transacted at the Annual General Meeting.
- (ii) Redemption / buy-back of securities.  
(iii) Merger / amalgamation / reconstruction etc.  
(v) Foreign technical collaborations.

For **A. ARORA & COMPANY**

**AJAY K. ARORA**

*Proprietor*

FCS No. 2191

C P No. : 993

Apart from the business stated above, there were no instances of:

Place : Chandigarh

Date : 29.05.2015

- (i) Public / Rights / Preferential issue of shares / debentures / sweat equity.

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This report is to be read with our letter of even date which is annexed as "Annexure A" and forms an integral part of this report.

**"Annexure-A"**

To,  
The Members,  
Deepak Spinners Limited  
#121, Industrial Area, Baddi  
Tehsil: Nalagarh, Dist: Solan  
Himachal Pradesh

Our report of even date is to be read along with this letter.

1. Maintenance of secretarial records is the responsibility of the management of the company. Our responsibility is to express an opinion on these secretarial records, based on our audit.
2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of secretarial records. The verification was done on test basis to ensure that the 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 the management. Our examination was limited to the extent of 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 **A. ARORA & COMPANY**

**AJAY K. ARORA**

*Proprietor*

FCS No. 2191

C P No. : 993

Place : Chandigarh

Date : 29.05.2015

**ANNUAL REPORT ON CORPORATE SOCIAL RESPONSIBILITY (CSR) ACTIVITIES**

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

Pursuant to Section 135 of the Companies Act, 2013 and rules framed there under, the Company has formulated a Corporate Social Responsibility (CSR) Policy. The 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 the weaker sections of the society.

CSR Policy can be perused on the following weblink : [http://www.dsl-india.com/wp-content/uploads/2014/09/csr\\_policy.pdf](http://www.dsl-india.com/wp-content/uploads/2014/09/csr_policy.pdf)

2. **The Composition of the CSR Committee :**

Sr. No.	Name of the Member	Category
1.	Shri Yashwant Kumar Daga (Chairman)	Non-Executive
2.	Shri Vikram Prakash	Non-Executive Independent
3.	Shri Pradeep Kumar Drolia	Non-Executive Independent

3. **Average net profit of the Company for last three financial years = ` 1733 Lakhs**  
 4. **Prescribed CSR Expenditure (two per cent of the amount as in item 3 above) = ` 34.66 Lakhs**  
 5. **Details of CSR spent during the financial year :**

- (a) Total amount to be spent for the financial year: Rs. 34.66 Lakhs  
 (b) Amount unspent, if any : Rs. 34.66 Lakhs  
 (c) Manner in which the amount spent during the financial year is detailed below.

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
Sl. No.	CSR project or activity identified	Sector in which the Project is covered	Projects or programs (1) Local area or other (2) Specify the State and district where projects or programs was undertaken	Amount outlay (budget) project or programs wise	Amount spent on the projects or programs Sub – heads: (1) Direct expenditure on projects or programs (2) Overheads	Cumulative expenditure upto to the reporting period	Amount spent : Direct or through implementing agency*
----- NIL -----							
	TOTAL	----- NIL -----					

6. **In case the Company has failed to spend the two per cent 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.**

The Company is still at planning stage to identify projects for CSR Activities. Efforts shall be intensified to take up a suitable project to fulfill the requirement of CSR activities.

7. **A responsibility statement of the CSR Committee that the implementation and monitoring of CSR Policy, is in compliance with CSR objectives and Policy of the Company.**

The Company recognizes that it cannot prosper in isolation from the community and environment in which it operates. It aims to take up CSR initiatives focusing on holistic development of local communities, and create social, environmental and economic value to the society.

**Pradip Kumar Daga**  
 (Chairman and Managing Director)

**Yashwant Kumar Daga**  
 (Chairman CSR Committee)

**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 textile industry.
- 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 6th August, 2014.

**Effective Date :**

This policy shall be effective from the date of approval by the Board on 6th August 2014.

**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 Spinners 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;

- (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 personnel of the Company occupying the position of Chief Executive Officer (CEO) of any unit / division, functional head or President, Sr. Vice President or Vice President of any unit / division or department of the Company. Unless the context otherwise requires, words and expressions used in this policy and not defined herein but defined in the Companies Act, 2013 as may be amended from time to time shall have the meaning respectively assigned to them therein.

**Applicability :**

The Policy is applicable to -

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

**General :**

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

**PART – A**

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

The Committee shall :

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

**PART – B**

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

**Guiding Principles**

- Remuneration policy and arrangements for Directors, KMPs and Senior Management Personnel, shall be determined by the Committee on the basis of Company's financial position, pay and employment conditions prevailing in peer companies or elsewhere in competitive market to ensure that the remuneration and the other terms of employment shall be competitive to ensure that the Company can attract, retain and motivate competent executives.

- Remuneration packages may be composed of fixed and incentive pay depending on short and long term performance objectives appropriate to the working of the Company.
- The Committee considers that a successful remuneration policy must ensure that a significant part of the remuneration package is linked to the achievement of corporate performance targets and a strong alignment of interest with stakeholders.
- **Appointment criteria and qualifications :**
  1. The Committee shall identify and ascertain the integrity, qualification, expertise and experience of the person for appointment as Director, KMP or at Senior Management level and recommend to the Board his / her appointment.
  2. A person should possess adequate qualification, expertise and experience for the position he / she is considered for appointment. The Committee has discretion to decide whether qualification, expertise and experience possessed by a person is sufficient / satisfactory for the concerned position.
  3. The Company may appoint or continue the employment of any person as Whole-time Director who has attained the age of seventy years and the term of the person holding this position may be extended beyond the age of seventy years with the approval of shareholders by passing a special resolution based on the explanatory statement annexed to the notice for such motion indicating the justification for extension of appointment beyond seventy years.
  4. Every whole-time Key Managerial Personnel of the Company shall be appointed by means of a resolution of the Board containing the terms and conditions of the appointment including the remuneration.

Provided that the appointment of whole time director(s) shall require approval of shareholders as per the provisions of the Companies Act, 2013.
  5. A whole time KMP shall not hold office in more than one company except in its subsidiary company, if any, at the same time. However, such KMP can be a director of any Company with the permission of the Board.
  6. The Managing Director or Manager of the Company may be the Managing Director or Manager of one and not of not more than one other Company and such appointment should be approved by a resolution passed at a meeting of the Board with the consent of all the directors present at the meeting and of which meeting, and of the resolution to be moved thereat, specific notice has been given to all the directors then in India.
- **Term / Tenure :**
  1. Managing Director/Whole-time Director :
    - The Company shall appoint or re-appoint any person as its Managing Director or Whole Time Director for a term not exceeding five years at a time. No re-appointment shall be made earlier than one year before the expiry of term.
  2. Independent Director :
    - An Independent Director shall hold office for a term up to five consecutive years on the Board of the Company and will be eligible for re-appointment on passing of a special resolution by the Company and disclosure of such appointment in the Board's report.
    - No Independent Director shall hold office for more than two consecutive terms, but such Independent Director shall be eligible for appointment after expiry of three years of ceasing to become an Independent Director. Provided that an Independent Director shall not, during the said period of three years, be appointed in or be associated with the Company in any other capacity, either directly or indirectly. However, if a person who has already served as an



Independent Director for 5 years or more in the Company as on 1st October, 2014 or such other date as may be determined by the Committee as per regulatory requirement, he / she shall be eligible for appointment for one more term of 5 years only.

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

3. Key Managerial Personnel (KMP)

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

• **Evaluation :**

The Committee shall carry out evaluation of performance of every Director, KMP and Senior Management Personnel at regular interval and recommend to the Board appointment / removal or improvement in remuneration based on his / her performance.

**Criteria for Performance Evaluation of Independent Directors :**

The Committee shall ensure that the Independent Directors carry out the following duties-

- i) Regularly update and refresh their skills, knowledge and familiarity with the company;
- ii) Seek appropriate clarification or amplification of information and where necessary, take and follow appropriate professional advice and opinion of outside experts at the expense of the Company;
- iii) Strive to attend all meetings of the Board of Directors and of the Board Committees of which they are member;
- iv) Participate constructively and actively in the committees of the Board in which they are chairpersons or members;
- v) strive to attend the general meetings of the company;
- vi) where they have concerns about the running of the company or a proposed action, ensure that these are addressed by the Board and to the extent that they are not resolved, insist that their concerns are recorded in the minutes of the Board meetings;
- vii) keep themselves well informed about the company and the external environment in which it operates;
- viii) not to unfairly obstruct the functioning of an otherwise proper Board or committee of the Board;
- ix) pay sufficient attention and ensure that adequate deliberations are held before approving related party transactions and assure themselves that the same are in the interest of the company;
- x) ascertain and ensure that the company has an adequate and functional vigil mechanism and to ensure that the interest of a person who uses such mechanism are not prejudicially affected on account of such use;
- xi) report concerns about unethical behavior, actual or suspected fraud or violation of the company's code of conduct or ethics policy;
- xii) acting within his authority, assist in protecting the legitimate interests of the Company, shareholders and its employees;
- xiii) not disclose confidential information, including commercial secrets, technologies, advertising and sales promotion plans, unpublished price sensitive information, unless such disclosure is expressly approved by the Board or required by law.

- **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 to 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 textile industry and performance of such KMP and Senior Management Personnel.
6. Increments will be effective from 1st July in respect of the KMP and Senior Management Personnel of the Company.
7. 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.
8. An Independent Director shall not be entitled to any stock option of the Company.

This policy shall be disclosed in the Board's Report forming a part of the Annual Report of the Company.

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**DETAILS PERTAINING TO REMUNERATION AS REQUIRED UNDER SECTION 197(12) OF THE COMPANIES ACT, 2013 READ WITH RULE 5(1) OF THE COMPANIES (APPOINTMENT AND REMUNERATION OF MANAGERIAL PERSONNEL) RULES, 2014.**

- i) The ratio of the remuneration of each director to the median remuneration of the employee of the company for the financial year.

Sr. No.	Name of Director	Remuneration of Director for financial year 2014-15 ( ` In Lacs)	Ratio of remuneration of each Director to median remuneration of employees
1.	Shri Pradip Kumar Daga, Chairman and Managing Director	Nil	Nil
2.	Shri Yashwant Kumar Daga	3.80	3.91
3.	Shri Vikram Prakash	3.80	3.91
4.	Shri Pradeep Kumar Drolia	3.80	3.91

- 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.

Directors - N.A.

Key Managerial Personnel :

Shri S. B. Sharda, Chief Financial Officer - 30% and Smt. Puneeta Arora, Company Secretary - 34%

- iii) The percentage increase in the median remuneration of employees in the financial year 2014-15 was - 0.78%

- iv) There were 2064 number of permanent employees on the roll of the Company as on 31.03.2015.

- v) The explanation on the relationship between average increase in remuneration and Company's performance.

Average increase in remuneration of all employees was 6.88% which was in line with the increase in remuneration in the industry. The average increase of 6.88% in remuneration was given on the basis of individual performance of the concerned employee taking into account the inflation. The total income earned during the financial year 2014-15 increased by 11.60% since previous year.

- vi) Comparison of the remuneration of the Key Managerial Personnel against the performance of the Company.

The total remuneration of Key Managerial Personnel increased by 30% in 2014-15 as compared to the year 2013-14. The total income earned during the financial year 2014-15 increased by 11.60% since previous year. The increase in the remuneration of Chief Financial Officer, and Company Secretary's remuneration is higher due to higher and additional responsibilities taken up by them.

- vii) Variations in the market capitalisation of the Company, at the closing date of the current financial year and previous financial year.

The market capitalization as on 31st March 2015 was Rs. 3109 Lacs (Rs. 2700 Lacs as on 31st March 2014).

- viii) Variations in the price earnings ratio of the Company at the closing date of the current financial year and previous financial year.

Price Earning Ratio of the Company was 3.48 as at March 31,2015, and was 2.35 as at March 31, 2104.

- ix) 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 the year.

The company has not made any public issue or rights issue of securities since last 22 years, so comparisons have not been made of current share price with public offer price.

- x) Average percentile increase already made in the salaries of employees other than the Managerial Personnel in the last Financial Year and its comparison with percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration.

Average salary increase of employees other than Key Managerial Personnel in the last financial year, i.e. 2014-15 was 6.74%. Average increase in the remuneration of Key Managerial Personnel was 30%. There are, no exceptional circumstances for increase in managerial remuneration.

- xi) Comparison of the each remuneration of the Key Managerial Personnel against' the performance of the Company.

Same as in (vi) above

- xii) The key parameters for any variable component of remuneration availed by the Directors.

The Non-executive Directors are paid commission. The amount of commission is decided by the Board of Directors, considering the performance of the Company. at a rate not exceeding 1% of the net profits of the Company calculated in accordance with the relevant provisions of the Act and other applicable laws in a financial year.

The ratio of the 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.

- xiii) The ratio of the remuneration of the highest paid Director to that of average remuneration of employees, who are not directors but receive remuneration in excess of highest paid Director during the year is - 1 : 1.78

- xiii) It is hereby affirmed that the remuneration paid is as per the Remuneration Policy of the Company.
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**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	L17111HP1982PLC016465
ii)	Registration Date	25th March 1982
iii)	Name of the Company	DEEPAK SPINNERS LIMITED
iv)	Category / Sub-Category of the Company	Public Limited Company
v)	Address of the Registered office and contact details	121, Industrial Area, Baddi, Tehsil Nalagarh, District Solan 173205 (Himachal Pradesh) Telephone nos. 0172 2790973, 2790974, Fax – 0172 2790977 Website : www.dsl-india.com Email : share@dsl-india.com
vi)	Whether Listed company	Yes, BSE Limited and Calcutta Stock Exchange Limited
vii)	Name, Address and Contact details of Registrar and Transfer Agent, if any	M/s MAHESHWARI DATAMATICS PRIVATE LIMITED 6, MANGOE LANE, 2ND FLOOR KOLKATA – 700 001 Telephone : (033)22435029, (033)22433809 (033) 22482248 e-mail : mdplc@yahoo.com

**II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY**

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

Sl. No.	Name and Description of main products / services	NIC Code of the Product / Service	% to total turnover of the Company
1.	Synthetic Yarn	5509-10	100%

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

Sl. No.	Name and Address of the Company	CIN/ GLN	Holding / Subsidiary/ Associate	%ge of shares held	Applicable Section
The Company does not have any holding, subsidiary or associate company.					

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

## i) Category-wise Share Holding

Category of Shareholders		No of Shares held at the beginning of the year [As on 01-April-2014]				No of Shares held at the end of the year [As on 31-March-2015]				% change during the Year
		Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
<b>A.</b>	<b>Promoters</b>									
<b>1.</b>	<b>Indian</b>									
	a) Individual/HUF	1155936	--	1155936	16.08	1155936	--	1155936	16.08	0.00
	b) Central Govt									
	c) State Govt(s)									
	d) Bodies Corp.	1796799	--	1796799	24.99	1796099	--	1796099	24.98	-0.01
	e) Banks/FI									
	f) Any other									
	<b>Sub-total (A)(1)</b>	2952735	--	2952735	41.07	2952035	--	2952035	41.06	-0.01
<b>2.</b>	<b>Foreign</b>									
	a) NRIs - Individuals	--	--	--	--	--	--	--	--	--
	b) Other - Individuals	--	--	--	--	--	--	--	--	--
	c) Bodies Corp.	--	--	--	--	--	--	--	--	--
	d) Banks/FI	--	--	--	--	--	--	--	--	--
	e) Any other	--	--	--	--	--	--	--	--	--
	<b>Sub-total (A)(2)</b>	--	--	--	--	--	--	--	--	--
	<b>Total shareholding of Promoter (A)=(A)(1)+(A)(2)</b>	2952735	--	2952735	41.07	2952035	--	2952035	41.06	-0.01
<b>B.</b>	<b>Public Shareholding</b>									
<b>1.</b>	<b>Institutions</b>									
	a) Mutual Funds	--	5400	5400	0.08	--	5400	5400	0.08	0.00
	b) Banks/FI	319210	570	319780	4.45	319210	570	319780	4.45	0.00
	c) Central Govt	--	--	--	--	--	--	--	--	--
	d) State Govt(s)	--	--	--	--	--	--	--	--	--
	e) Venture Capital Funds	--	--	--	--	--	--	--	--	--
	f) Insurance Companies	3700	--	3700	0.05	3700	--	3700	0.05	0.00
	g) FIs	--	--	--	--	--	--	--	--	--
	h) Foreign Venture Capital Funds	--	--	--	--	--	--	--	--	--
	i) Others (specify)	--	--	--	--	--	--	--	--	--
	<b>Sub-total (B)(1)</b>	322910	5970	328880	4.58	322910	5970	328880	4.58	0.00

Category of Shareholders		No of Shares held at the beginning of the year [As on 01-April-2014]				No of Shares held at the end of the year [As on 31-March-2015]				% change during the Year
		Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
<b>2.</b>	<b>Non-Institutions</b>									
a)	Bodies Corp.									
	i) Indian	127389	8361	135750	1.89	157392	8361	165753	2.31	0.42
	ii) Overseas	-	-	-	-	-	-	-	-	-
b)	Individuals									
	i) Individual shareholders holding nominal share capital upto Rs. 1 lakh	1450571	629171	2079742	28.93	1300972	609686	1910658	26.58	-2.35
	ii) Individual shareholders holding nominal share capital in excess of Rs. 1 lakh	1549741	-	1549741	21.55	1691975	-	1691975	23.53	1.97
c)	Others (Specify)									
	Non Resident Indians	37934	102840	140774	1.96	36646	101640	138286	1.92	-0.04
	Qualified Foreign Investor									
	Custodian of Enemy Property									
	Foreign Nationals	100	-	100	0.00	100	-	100	0.00	0.00
	Clearing Members	1646	-	1646	0.02	1681	-	1681	0.02	0.00
	Trusts									
	Foreign Bodies-D R									
	<b>Sub-total(B)(2) :</b>	3167381	740372	3907753	54.35	3188766	719687	3908453	54.36	0.01
	<b>Total Public Shareholding (B)=(B)(1)+ (B)(2)</b>	3490291	746342	4236633	58.93	3511676	725657	4237333	58.94	0.01
	<b>C. Shares held by Custodian for GDRs &amp; ADRs</b>									
	<b>Grand Total (A+B+C)</b>	6443026	746342	7189368	100.00	6463711	725657	7189368	100.00	0.00

## (ii) Shareholding of Promoters

Sl No	Shareholder's Name	Shareholding at the beginning of the Year			Shareholding 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	Mangalam Engineering Projects Limited	918929	12.78	0.00	918929	12.78	0.00	0.00
2	Pradip Kumar Daga	495649	6.90	0.00	495649	6.90	0.00	0.00
3	Contransys Pvt Ltd	402100	5.59	0.00	402100	5.59	0.00	0.00
4	Jalpaiguri Holdings Private Limited	400770	5.57	0.00	400070	5.56	0.00	0.01
5	Asha Devi Daga	364062	5.06	0.00	364062	5.06	0.00	0.00
6	Yashwant Kumar Daga	215910	3.00	0.00	215910	3.00	0.00	0.00
7	Coplama Products Private Limited	49500	0.69	0.00	49500	0.69	0.00	0.00
8	Shantanu Daga	29615	0.41	0.00	29615	0.41	0.00	0.00
9	Longview Tea Company Ltd	25500	0.36	0.00	25500	0.36	0.00	0.00
10	Yashwant Kumar Daga	25110	0.35	0.00	25110	0.35	0.00	0.00
11	Nandini Daga	18850	0.26	0.00	18850	0.26	0.00	0.00
12	Pradip Kumar Daga	4830	0.07	0.00	4830	0.07	0.00	0.00
13	Pradip Kumar Daga	1910	0.03	0.00	1910	0.03	0.00	0.00
	<b>TOTAL</b>	<b>2952735</b>	<b>41.07</b>	<b>0.00</b>	<b>2952035</b>	<b>41.06</b>	<b>0.00</b>	<b>0.01</b>

## (iii) Change in Promoters' Shareholding

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
<b>1</b>	<b>Jalpaiguri Holdings Private Limited</b>				
	At the beginning of the year	400770	5.57	400770	5.57
	As on 30/05/2014 - Transfer			400070	5.57
	At the end of the year			400070	5.57
<b>2</b>	<b>Longview Tea Company Ltd</b>				
	At the beginning of the year	25500	0.36	25500	0.36
	At the end of the year			25500	0.36
<b>3</b>	<b>Pradip Kumar Daga</b>				
	At the beginning of the year	1910	0.03	1910	0.03
	At the end of the year			1910	0.03



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
<b>4</b>	<b>Yashwant Kumar Daga</b>				
	At the beginning of the year	25110	0.35	25110	0.35
	At the end of the year			25110	0.35
<b>5</b>	<b>Contransys Pvt Ltd</b>				
	At the beginning of the year	402100	5.59	402100	5.59
	At the end of the year			402100	5.59
<b>6</b>	<b>Coplama Products Private Limited</b>				
	At the beginning of the year	49500	0.69	49500	0.69
	At the end of the year			49500	0.69
<b>7</b>	<b>Mangalam Engineering Projects Limited</b>				
	At the beginning of the year	918929	12.78	918929	12.78
	At the end of the year			918929	12.78
<b>8</b>	<b>Pradip Kumar Daga</b>				
	At the beginning of the year	4830	0.07	4830	0.07
	At the end of the year			4830	0.07
<b>9</b>	<b>Asha Devi Daga</b>				
	At the beginning of the year	364062	5.06	364062	5.06
	At the end of the year			364062	5.06
<b>10</b>	<b>Yashwant Kumar Daga</b>				
	At the beginning of the year	215910	3.00	215910	3.00
	At the end of the year			215910	3.00
<b>11</b>	<b>Pradip Kumar Daga</b>				
	At the beginning of the year	495649	6.90	495649	6.90
	At the end of the year			495649	6.90
<b>12</b>	<b>Nandini Daga</b>				
	At the beginning of the year	18850	0.26	18850	0.26
	At the end of the year			18850	0.26
<b>13</b>	<b>Shantanu Daga</b>				
	At the beginning of the year	29615	0.41	29615	0.41
	At the end of the year			29615	0.41

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

Sl No	Name	Shareholding		Date	Increase/Decrease in shareholding	Reason	Cumulative Shareholding during the year (01.04.2015 to 31.03.2015)	
		No. of shares at the beginning (01.04.2014) / end of the year	% of total shares of the company				No. of shares	% of total shares of the company
1	M P State Industrial Development Corporation Limited							
		319160	4.44	01.04.2014	0.00	Nil movement during the year	319160	4.44
		319160	4.44	31.03.2015	0.00		319160	4.44
2	Kunj Bihari Kasat ( H U F )							
		157000	2.18	01.04.2014	0.00	Nil movement during the year	157000	2.18
		157000	2.18	31.03.2015	0.00		157000	2.18
3	Santosh Sitaram Goenka							
		71639	1.00	01.04.2014	0.00		71639	1.00
				16.05.2014	+910	Transfer	72549	1.01
				23.05.2014	-15294	Transfer	57255	0.80
				30.05.2014	+2500	Transfer	59755	0.83
				06.06.2014	-685	Transfer	59070	0.82
				13.06.2014	+3710	Transfer	62780	0.87
				30.06.2014	-1626	Transfer	61154	0.85
				04.07.2014	-3000	Transfer	58154	0.81
				11.07.2014	+1705	Transfer	59859	0.83
				01.08.2014	+951	Transfer	60810	0.85
				14.11.2014	-3688	Transfer	57122	0.80
				21.11.2014	-4445	Transfer	52677	0.73
				19.12.2014	+500	Transfer	53177	0.74
				31.12.2014	+2675	Transfer	55852	0.78
				02.01.2015	-4827	Transfer	51025	0.71
				09.01.2015	-1680	Transfer	49345	0.69
				23.01.2015	0		49435	0.69
				06.02.2015	+1889	Transfer	51324	0.71
				20.02.2015	+2445	Transfer	53769	0.75
				27.02.2015	-7615	Transfer	46154	0.64
		46154	0.64	31.03.2015	0		46154	0.64

Sl No	Name	Shareholding		Date	Increase/Decrease in shareholding	Reason	Cumulative Shareholding during the year (01.04.2015 to 31.03.2015)	
		No. of shares at the beginning (01.04.2014) / end of the year	% of total shares of the company				No. of shares	% of total shares of the company
4	<b>B K Garg (HUF)</b>							
		108084	1.50	01.04.2014	0		108084	1.50
				19.09.2014	-65	Transfer	108019	1.50
				30.09.2014	+9824	Transfer	117843	1.64
				07.11.2014	+11258	Transfer	129101	1.80
				21.11.2014	+12374	Transfer	141475	1.97
				05.12.2014	+14140	Transfer	155615	2.17
				12.12.2014	-370	Transfer	155245	2.16
				02.01.2015	+500	Transfer	151745	2.11
				09.01.2015	-5103	Transfer	146642	2.04
				16.01.2015	-8046	Transfer	138596	1.93
				23.01.2015	-4500	Transfer	134096	1.87
				30.01.2015	+13725	Transfer	147821	2.06
				27.02.2015	+13023	Transfer	160844	2.24
		160844	2.24	31.03.2015	0		160844	2.24
5	<b>Devyani Dharmesh Rathod</b>							
		73022	1.06	01.04.2014	0.00	Nil movement during the year	73022	1.06
		73022	1.06	31.03.2015	0.00		73022	1.06
6	<b>Baldev Garg</b>							
		90617	1.26	01.04.2015	0		90617	1.26
				02.05.2014	+26996	Transfer	117613	1.64
				20.06.2014	-26000	Transfer	91613	1.27
				29.08.2014	+16993	Transfer	108606	1.51
				31.12.2014	+34820	Transfer	143426	2.00
				02.01.2015	+7605	Transfer	151031	2.10
				27.02.2015	+34837	Transfer	185868	2.59
				20.03.2015	+7106	Transfer	192974	2.68
		192974	2.68	31.03.2015	0		192974	2.68
7	<b>Muktial Ganulal Paldiwal</b>							
		78304	1.09	01.04.2014	0		78304	1.09
				20.06.2014	-500	Transfer	77804	1.08
				30.06.2014	-3080	Transfer	74724	1.04
		74724	1.04	31.03.2015	0		74724	1.04

**DEEPAK SPINNERS LIMITED**

Sl No	Name	Shareholding		Date	Increase/Decrease in shareholding	Reason	Cumulative Shareholding during the year (01.04.2015 to 31.03.2015)	
		No. of shares at the beginning (01.04.2014) / end of the year	% of total shares of the company				No. of shares	% of total shares of the company
<b>8</b>	<b>Usha Vimal Poddar</b>							
		78970	1.10	01.04.2014	0		78970	1.10
				30.06.2014	-15000	Transfer	63970	0.89
				04.07.2014	-3970	Transfer	60000	0.83
		60000	0.83	31.03.2015	0		60000	0.83
<b>9</b>	<b>Santosh Garg</b>							
		81063	1.13	01.04.2014	0		81063	1.13
				30.09.2014	+250	Transfer	81313	1.13
				14.11.2014	-3500	Transfer	77813	1.08
				21.11.2014	-800	Transfer	77013	1.07
				28.11.2014	+125	Transfer	76888	1.07
				31.12.2014	+3131	Transfer	80019	1.11
				02.01.2015	-1000	Transfer	79019	1.10
				30.01.2015	+769	Transfer	79788	1.11
				13.02.2015	-3000	Transfer	76788	1.07
				20.02.2015	-2636	Transfer	74152	1.03
		74152	1.03	31.03.2015	0		74152	1.03
<b>10</b>	<b>S Sathya</b>							
		216790	3.02	01.04.2014	0		216790	3.02
				06.06.2014	+3836	Transfer	220626	3.07
				30.06.2014	-3626	Transfer	217000	3.02
				14.08.2014	+1800	Transfer	218800	3.04
				10.10.2014	+3600	Transfer	222400	3.10
				17.10.2014	+800	Transfer	223200	3.11
				24.10.2014	+1315	Transfer	224515	3.12
				14.11.2014	+1053	Transfer	225568	3.14
				21.11.2014	+1800	Transfer	227368	3.16
		227368	3.16	31.03.2015	0		227368	3.16
<b>11</b>	<b>Sangeetha S</b>							
		27250	0.38	01.04.2015	0		27250	0.38
				06.06.2014	+1709	Transfer	28959	0.40
				18.07.2014	-359	Transfer	28600	0.40
				01.08.2014	+1800	Transfer	30400	0.42
				08.08.2014	+8108	Transfer	38508	0.54
				29.08.2014	+2782	Transfer	41290	0.57
				05.09.2014	+900	Transfer	42190	0.59

Sl No	Name	Shareholding		Date	Increase/Decrease in shareholding	Reason	Cumulative Shareholding during the year (01.04.2015 to 31.03.2015)	
		No. of shares at the beginning (01.04.2014) / end of the year	% of total shares of the company				No. of shares	% of total shares of the company
				12.09.2014	+3600	Transfer	45790	0.64
				30.09.2014	+3600	Transfer	49390	0.69
				17.10.2014	+3740	Transfer	53130	0.74
				24.10.2014	+2270	Transfer	55400	0.77
				07.11.2014	+2000	Transfer	57400	0.80
				14.11.2014	+2000	Transfer	59400	0.83
				06.02.2015	+812	Transfer	60212	0.84
		60212	0.84	31.03.2015	0		60212	0.84
<b>12</b>	<b>Tanvi J Mehta</b>							
		72110	1.00	01.04.2014	0		72110	1.00
				30.05.2014	-2110	Transfer	70000	0.97
				06.06.2014	-1200	Transfer	68800	0.96
				13.06.2014	-1289	Transfer	67511	0.94
				01.08.2014	-4539	Transfer	62972	0.88
				14.08.2014	-150	Transfer	62822	0.87
				29.08.2014	-822	Transfer	62000	0.86
				05.09.2014	-1985	Transfer	60015	0.83
				12.12.2014	-6010	Transfer	54005	0.75
				19.12.2014	-7800	Transfer	46205	0.64
				31.12.2014	-16000	Transfer	30205	0.42
				09.01.2015	-5293	Transfer	24912	0.35
				16.01.2015	-2257	Transfer	22655	0.32
				30.01.2015	-22655	Transfer	0	0
		0	0	31.03.2015	0		0	
<b>13</b>	<b>Ritesh Garg</b>							
		80275	1.12	01.04.2014	0		80275	1.12
				30.09.2014	+250	Transfer	80525	1.12
				07.11.2014	+7106	Transfer	87631	1.22
				21.11.2014	+4334	Transfer	91965	1.28
				05.12.2014	+11101	Transfer	103066	1.43
				12.12.2014	-1080	Transfer	101986	1.42
				19.12.2014	-700	Transfer	101286	1.41
				30.01.2015	+11401	Transfer	112687	1.57
				13.02.2015	-250	Transfer	112437	1.56
				27.02.2015	+950	Transfer	113387	1.58
		113387	1.58	31.03.2015	0		113387	1.58

## (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
	At the beginning of the year	CFO and Company Secretary do not hold any shares in the Company.			
	Date wise Increase / Decrease in Shareholding during the year specifying the reasons for increase / decrease (e.g allotment / transfer/ bonus/sweat equity etc):	The Independent Directors- Shri Vikram Prakash and Shri Pradeep Kumar Drolia do not hold any shares in the Company. As regards Shri Pradip Kumar Daga and Shri Yashwant Kumar Daga, the details required under this section are provided under Clause IV (iii) of this form under Change in Promoters' Shareholding.			
	At the End of the year.				

## V. INDEBTEDNESS

Indebtedness of the Company Including Interest outstanding / accrued but not due for payment.

in Lakhs

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
<b>Indebtedness at the beginning of the financial year</b>				
i) Principal Amount	13807.48	-	-	13807.48
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	-	-
<b>Total (i+ii+iii)</b>	<b>13807.48</b>	<b>-</b>	<b>-</b>	<b>13807.48</b>
<b>Change in Indebtedness during the financial year</b>				
i) Addition	721.32	-	-	721.32
ii) Reduction	2460.60	-	-	2460.60
<b>Net Change Indebtedness at the end of the financial year</b>				
i) Principal Amount	12068.20	-	-	12068.20
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	-	-
<b>Total ( i+ii+iii)</b>	<b>12068.20</b>	<b>-</b>	<b>-</b>	<b>12068.20</b>

**V. 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 Managing Director				Total Amount
		Shri Pradip Kumar Daga				
1.	Gross Salary					
	(a) Salary as per provision contained in section 17(1) of the Income-tax Act, 1961	-	-	-	-	-
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	-	-	-	-	-
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	-	-	-	-	-
2.	Stock Option	-	-	-	-	-
3.	Sweat Equity	-	-	-	-	-
4.	Commission					
	- As % of profit					
	- Others, specify	-	-	-	-	-
5.	Others, please	-	-	-	-	-
	Specify Total (A)	-	-	-	-	-
	Ceiling as per the Act	Not Applicable, as Shri Pradip Kumar Daga is not taking any remuneration from the Company				

**B. Remuneration to other directors :**

Sl. No.	Particulars of Remuneration	Name of Directors			Total Amount
		Shri Yashwant Kumar Daga	Shri Vikram Prakash	Shri Pradeep Kumar Drolia	
1.	Independent Directors				
	Fee for attending board / committee meetings	-	1,80,000	1,80,000	3,60,000
	Commission	-	2,66,667*	2,66,667*	5,33,334
	Others, please specify				
	<b>Total (1)</b>	-	4,46,667	4,46,667	8,93,334
2.	Other Non-Executive Directors				
	Fee for attending board / committee meetings	1,80,000	-	-	1,80,000
	Commission	2,66,666*	-	-	2,66,666
	Others , please specify				
	<b>Total (2)</b>	4,46,666	-	-	4,46,666
	<b>Total (B)=(1+2)</b>	4,46,666	-	-	13,40,000
	<b>Total Managerial Remuneration</b>				8,00,000
	<b>Overall Ceiling as per the Act</b>				248,00,000

- Commission is taken on payment basis. During the year 2014-15, Commission payable for the year 2013-14 was paid.

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

Sl. No.	Particulars of Remuneration	Key Managerial Personnel			
		CEO	Company Secretary	CFO	Total
1.	Gross salary				
	(a) Salary as per provisions contained in section 17(1) of the Income – tax Act, 1961	-	4,28,626	25,42,000	29,70,626
	(b) Value of perquisites u/s 17(2) Income –tax Act, 1961	-	32,280	1,36,800	1,69,080
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	-	-	-	-
2.	Stock Option	-	-	-	-
3.	Sweat Equity	-	-	-	-
4.	Commission –as % of profit – others, specify	-	-	-	-
5.	Others, please specify	-	-	-	-
	<b>Total</b>	-	4,60,906	26,78,800	31,39,706

**VI. PENALTIES / PUNISHMENT / COMPOUNDING OF OFFENCES :**

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.</b>	<b>COMPANY</b>				
	Penalty				
	Punishment			- NIL -	
	Compounding				
<b>B.</b>	<b>DIRECTORS</b>				
	Penalty				
	Punishment			- NIL -	
	Compounding				
<b>C.</b>	<b>OTHER OFFICERS IN DEFAULT</b>				
	Penalty				
	Punishment			- NIL -	
	Compounding				



Information as required under Rule 8(3) the Companies (Accounts) Rules, 2014.

**1. CONSERVATION OF ENERGY**

**a) Steps Taken or Impact on Conservation of Energy**

**i) Baddi Works**

- Installed steam line LRSB insulation in Dye House steam line and R.F. Drier,.
- Replaced the old Autoconer machines with new energy efficient Autoconer machines with higher productivity and efficiency.
- Replaced CFL and conventional tubelights with LED tubelights.
- Increased the Lux level in Unit 1&2 Post-Spinning and Ring Frame Department.
- Replaced the electric bulbs with CFL in Labour Colony.
- Replaced the old PCC Panel Unit No.1 & Unit no 2 Ring Frame dept. in Power House to save the Power losses over old SFU, resulting saving in energy.
- Replaced the electric heater in R. F. Drier and Siezer with steam heater.
- Acrylic Transparent sheet used in the Raw Material & Yarn Godown to receive the sun light in day time and save the electrical energy.
- Arrested compressed air leakage.
- Conducted detailed studies of energy optimization by installing frequency drives in D/H machines, TFO&H plant.

**ii) Guna Works**

- Replaced 360 nos. of conventional tubelights of 40W with LED lights of 18W. 30 KW motor of WCS replaced with 22 KW motor.
- In humidification plant, inverter provides for spray pump.
- Arrested compressed air leakage.

**b) Steps taken by the Company for utilizing alternate sources of energy**

**i) Baddi Works**

- Reuse the steam by adopting the Condensate Recovery System in Dye House.
- Reuse the heat by installing of Heat Exchanger which is generated from effluent waste water from Dye House.
- Recycle and reuse the ETP water in the gardening and irrigation.
- Turbo ventilators used in place of Exhaust fan in dye house and packing department to save the energy.
- Re-injection of pet coke ash to reduce consumption of pet coke in boiler.
- Optimisation of suction pressure in Waste Collection System by installing VFDs.
- Optimisation of motor speeds by installing frequency drives.

**ii) Guna Works**

- Part of energy requirements of Guna Unit is met by way of solar energy.
- Optimisation of motor speeds by installing frequency drives.

**c) The Capital Investment on Energy Conservation Equipments**

**i) Baddi Works**

- Installation of New PCC Panel.
- Installation of new high efficiency machines to reduce the energy and increase the production efficiency.

ii) **Guna Works**

- Installation of inverter for spray pump in humidification plant.

**2. TECHNOLOGY ABSORPTION**

a) **Efforts Made Towards Technology Absorption**

i) **Baddi Works**

- Air Audit steps taken for reducing the air volume for saving in energy.
- Establishment of ETP Lab for in-house checking and monitoring the BOD, COD, TDS, PH and Temperature etc.
- Various electrical study to be conducted along with the load manager for the verification of energy saving.

ii) **Guna Works**

- Uni spray installed on four mixing blenders thereby, one process of mixing is reduced.
- Packing cost is reduced by using HDPE bags in place of PP bags and 3 ply cartons.
- Developed SIRO YARN (Two tone) in 100%, 32s Poly, which is substitute of compact yarn.

b) **Benefits Derived Like Product Improvement, Cost Reduction, Product Development or Import Substitution**

- (i) Development of new market segment.
- (ii) Quality and productivity improvement.
- (iii) Cost reduction.
- (iv) Improved safety measures and pollution control.
- (v) Energy conservation.
- (vi) Labor & packing cost saving

c) **In the Case of Imported Technology (imported during the last three years reckoned from the beginning of the financial year)-**

- i) The details of technology imported; - NIL
- ii) The year of import; - NIL
- iii) Whether the technology been fully absorbed; - NIL
- iv) If not fully absorbed, areas where absorption has not taken place and the reasons thereof and - NIL

d) **The Expenditure Incurred on Research and Development (R & D) = Nil**

e) **Foreign Exchange Earnings and Outgo :**

The Foreign Exchange earned in terms of actual inflows during the year and Foreign Exchange outgo during the year in terms of actual outflows.

		(` In Lacs)
Foreign Exchange earned (inflow)	:	2584.73
Foreign Exchange used (outflow)	:	507.68

## REPORT ON CORPORATE GOVERNANCE

A report on Corporate Governance is set out in compliance with the Corporate Governance requirements as stipulated in Clause 49 of the Listing Agreement with the Stock Exchanges.

### 1) COMPANY'S PHILOSOPHY ON CODE OF CORPORATE GOVERNANCE

The Company believes in adopting the best practices in the area of Corporate Governance, to promote integrity, transparency, accountability and compliance with laws in the management of the Company.

### 2) BOARD OF DIRECTORS

#### a) Composition of Board of Directors

Names of Directors, details of other Directorships / Committee memberships held by them in other companies –

Name of the Director	DIN	Category	*Number of Directorships in Indian public limited companies	**Committee(s) position	
				As Member	As Chairman
Shri Pradip Kumar Daga (Chairman and Managing Director)	00040692	Promoter/ Executive	4	4	–
Shri Yashwant Kumar Daga	00040632	Promoter / Non- Executive	7	8	–
Shri Vikram Prakash	00027732	Non-Executive Independent	5	3	2
Shri Pradeep Kumar Drolia	00291966	Non-Executive Independent	2	–	–

\* Excludes Directorships in Private Limited Companies, Foreign companies and Section 8 Companies.

\*\* Committee positions only of the Audit Committee and Stakeholders Relationship Committee have been considered as per Clause 49 of the Listing Agreement.

As on 31st March 2015, in compliance with the Corporate Governance norms, the Company's Board of Directors headed by Executive Chairman, Shri Pradip Kumar Daga, comprised 3 other Directors, out of which 2 are Independent Non-executive Directors. In compliance with Clause 49 of the Listing Agreement with Stock Exchanges, 50% of the total number of Directors are Independent Directors.

Membership of the Directors in various committees are within the permissible limits of the Listing Agreement.

None of the Independent Directors of the Company serve as Independent Director in more than 7 listed companies and none of the Independent Director is serving as Whole Time Director in any listed Company.

None of the Directors of the Company was a member of more than ten Board level Committees, or a Chairman of more than five such Committees across all companies, in which he was a Director.

The Shareholders in the 32nd Annual General Meeting held on 6th September 2014, approved appointment of Independent Directors to hold office for five consecutive years upto 30th September 2019. The Company issued letter of appointment to all the Independent Directors as per Schedule IV to the Companies Act, 2013 and the terms and conditions of their appointment have been disclosed on the website of the Company.

**b) Familiarisation Programmes for Independent Directors**

In accordance with requirements of clause 49 of the Listing Agreement, the Company has put in place a system to familiarize its Independent Directors about the Company, its product, the industry and business model of the Company. Familiarisation Programme is available on the website of the Company (weblink : <http://www.dsl-india.com/wp-content/uploads/2014/12/FPI-Directors-DSL.pdf>).

**c) Relationships of Directors interse**

Shri Pradip Kumar Daga, Chairman and Managing Director and Shri Yashwant Daga are related to each other. Shri Yashwant Kumar Daga is son of Shri Pradip Kumar Daga.

**d) Board Meetings held during the year**

During the financial year ended 31st March 2015, six meetings of the Board of Directors were held on 15th May 2014, 06th August 2014, 23rd September 2014, 13th November 2014, 10th February 2015 and 31st March 2015.

Dates for the Board Meetings are decided well in advance and communicated to the Directors. The Agenda along with the explanatory notes are sent in advance to the Directors.

The information as required under Annexure 1A to Clause 49 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.

**Attendance of Directors at Board Meetings and Annual General Meeting :-**

Name of the Member	Attendance at the Board Meetings held on						Attendance at the AGM held on 6th Sep. 2014
	15th May 2014	06th August 2014	23rd Sept. 2014	13th Nov. 2014	10th Feb. 2015	31st March 2015	
Shri Pradip Kumar Daga (Chairman)	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Shri Vikram Prakash	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Shri Yashwant Kumar Daga	Yes	Yes	Yes	Yes	Yes	Yes	Yes (By Proxy)
Shri Pradeep Kumar Drolia	Yes	Yes	Yes	Yes	Yes	Yes	No

**e) Code of Conduct**

The Company has adopted Code of Conduct for Directors and Senior Management Personnel of the Company. The Company has received confirmations from the Directors as well as Senior Management Personnel regarding compliance of the Code during the year under review. The declaration by Shri P. K. Daga, Chairman and Managing Director of the Company in this regard is given as **Annexure 'A'** to this report. The Code is posted on the website of the Company.

**f) Independent Directors Meeting**

During the year under review, the Independent Directors met on 10th February 2015 to discuss –

- Evaluation of the performance of Non-Independent Directors and the Board of Directors as a whole.
- Evaluation of the performance of the Chairman of the Company taking into account, the views of other Non-independent Directors.
- Evaluation of the quality, content and timelines of flow of information between the management and the Board that is necessary for the Board to effectively and reasonably perform its duties.

### 3) AUDIT COMMITTEE

The Audit Committee comprised of three Non - Executive Directors namely Shri Vikram Prakash, Chairman, Shri Yashwant Kumar Daga and Shri Pradeep Kumar Drolia as members. The Members have adequate knowledge of accounts and financial matters. One member, Shri Pradeep Kumar Drolia, has accounting and related financial management expertise. Smt. Puneeta Arora, Company Secretary is Secretary to the Committee.

The role and terms of reference of the Audit Committee cover the matters specified for Audit Committees under Clause 49 of the Listing Agreement as well as Section 177 of the Companies Act, 2013.

The Composition of the Audit Committee as at 31st March 2015 and the details of Members' participation at the meetings of the Committee are as under:-

Name of the Member	Category	Attendance at the Audit Committee Meetings held on			
		15th May 2014	06th August 2014	13th Nov. 2014	10th Feb. 2015
Shri Vikram Prakash (Chairman)	Non-Executive Independent	Yes	Yes	Yes	Yes
Shri Yashwant Kumar Daga	Non-Executive	Yes	Yes	Yes	Yes
Shri Pradeep Kumar Drolia	Non-Executive Independent	Yes	Yes	Yes	Yes

The necessary quorum was present at the meetings. At the invitation of the Company, representatives from various divisions of the Company, Internal Auditors, Cost Auditors, Statutory Auditors and President also try to attend the Meeting to respond to queries raised at the Committee meetings.

### 4) NOMINATION AND REMUNERATION COMMITTEE

The Nomination and Remuneration Committee was constituted on 15th May 2014 in place of Remuneration Committee and Selection Committee. It is governed by the Companies Act, 2013 , Clause 49 of the Listing Agreement and Nomination & Remuneration Policy which is displayed on the website of the Company.

The role and terms of reference of the Nomination and Remuneration Committee cover the matters specified for this Committee under Clause 49 of the Listing Agreement as well as Section 178 of the Companies Act, 2013.

- a) The Composition of the Nomination and Remuneration Committee as at 31st March 2015 and the details of Members' participation at the meetings of the Committee are as under:-

Name of the Member	Category	Attendance at the Nomination and Remuneration Committee Meetings held on		
		15.5.2014	06.08.2014	31.03.2015
Shri Vikram Prakash (appointed Chairman w.e.f. 06.08.2014)	Non-Executive Independent	Yes	Yes	Yes
Shri Yashwant Kumar Daga	Non-Executive	Yes	Yes	Yes
Shri Pradeep Kumar Drolia	Non-Executive Independent	Yes	Yes	Yes

- b) Remuneration to Non-Executive Directors as decided by Board of Directors is within the limits set out in Sections 309 and 198 of the Companies Act, 1956 or any re-enactment thereof. The members of the Company have through special resolution passed through Postal Ballot result of which was declared on 22nd January 2014, authorised the Board of Directors of the Company to pay commission to Non-Executive Directors with in the limits as set out in Section 309 of the Companies Act, 1956 or any re-enactment thereof.

Details of remuneration paid to Whole Time Director and other Directors are given below: -

**Particulars of remuneration paid :-**

Name of the Director	Salary	Perquisi tes/ LTA	Commission **	Sitting Fee	Total
Shri P. K. Daga (Chairman and Managing Director)	-	-	-	-	-
Shri Yashwant Kumar Daga	-	-	266666	180000	446666
Shri Vikram Prakash	-	-	266667	180000	446667
Shri Pradeep Kumar Drolia	-	-	266667	180000	446667

(\*The commission paid is in respect of financial year 2013-14, but actual payment is made in 2015-16)

The Board of Directors of the Company determines the quantum of commission payable to Non-Executive Directors considering the performance of the Company for the said year.

The Company pays sitting fees of ` 15,000/- per meeting to the Non-Executive Directors for attending the meetings of the Board and ` 7,500/- per meeting for attending the meetings of the Committees of the Board.

**c) Shareholdings of Non Executive Directors in the Company as on 31st March 2015 :-**

Non-Executive Directors	No of ordinary shares @ ` 10/- held singly and/or jointly
Shri Yashwant Kumar Daga	241020

The Company does not have any Stock Option Scheme.

**d) Nomination and Remuneration Policy**

The aim of the Nomination and Remuneration Policy is to harmonize the aspirations of human resources consistent with the goals of the Company. It lays down criteria and terms and conditions with regard to identifying persons, who are qualified to become Directors and persons who may be appointed in Senior Management and Key Managerial Positions. This policy is directed towards –

- Determination of remuneration based on the Company’s size and financial position, trends and practices on remuneration prevailing in peer companies.
- Remuneration linked directly to the efforts, performance, dedication and achievement.

**e) Criteria for Performance Evaluation**

The Nomination and Remuneration Committee lays down the criteria for performance evaluation of Independent Directors and other Directors, Board of Directors and the Committees of the Board of Directors. The criteria for performance evaluation covers the areas relevant to their functioning as Independent Directors or other Directors or as a member of Board and is based on the expectation that they are performing their duties in a manner which should create and continue to build sustainable value for shareholders and in accordance with the duties and obligations imposed upon them.

**5) STAKEHOLDERS RELATIONSHIP COMMITTEE**

In compliance of provisions of Section 178 of the Companies Act, 2013 and the Listing Agreement, the Board has renamed the existing ‘Shareholders/Investors Grievance Committee’ as the ‘Stakeholders Relationship Committee’.

Smt. Puneeta Arora, Company Secretary has been designated as the Compliance Officer by the Board.

The Committee deals with stakeholders’ complaints and grievances etc. and all other matters incidental or related to shares and securities of the Company.

- a) During the financial year ended 31st March 2015, 6 (Six) complaints were received and all were satisfactorily disposed off. As on 31.03.2015, pendency is Nil.
- b) There were no pending requests for Share transfers as on 31st March 2015.
- c) The Composition of the Stakeholders Relationship Committee as at 31st March 2015 and the details of Members' participation at the meetings of the Committee are as under:-

Name of the Member	Category	Attendance at the Stakeholders Relationship Committee Meetings held on		
		15.5.2014	06.08.2014	31.03.2015
Shri Vikram Prakash (Chairman)	Non-Executive Independent	Yes	Yes	Yes
Shri Yashwant Kumar Daga	Non-Executive	Yes	Yes	Yes
Shri Pradeep Kumar Drolia	Non-Executive Independent	Yes	Yes	Yes

**6) CORPORATE SOCIAL RESPONSIBILITY COMMITTEE**

This Committee was constituted on 15th May 2014. The role and terms of reference of the Corporate Social Responsible Committee cover the matters relating to –

- i) formulation and review of CSR Policy and to make it comprehensive so as to indicate the activities to be undertaken by the Company as specified in Schedule VII of the Companies Act, 2013;
- ii) to ensure adherence to CSR Policy; and
- iii) to provide guidance on various CSR activities to be undertaken by the Company and to monitor its progress.

The Composition of the Corporate Social Responsibility Committee as at 31st March 2015 and the details of Members' participation at the meetings of the Committee are as under:-

Name of the Member	Category	Attendance at the Corporate Social Responsibility Committee Meetings held on	
		15.5.2014	10.02.2015
Shri Yashwant Kumar Daga (Chairman)	Non-Executive	Yes	Yes
Shri Vikram Prakash	Non-Executive Independent	Yes	Yes
Shri Pradeep Kumar Drolia	Non-Executive Independent	Yes	Yes

**7) SUBSIDIARY COMPANIES**

The Company does not have any subsidiary Company.

**8) DISCLOSURES**

**i) RELATED PARTY TRANSACTIONS**

All transactions 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 Section 188 of the Companies Act, 2013. The appointment of Shri Shantanu Daga to the Office of Profit, being relative of Director was duly approved by Special Resolution passed by Shareholders in General Meeting.

There were no materially significant transactions with related parties during the financial year which were in conflict with the interest of the Company. Suitable disclosures as required by the Accounting Standards (AS-18) has been made in the notes to the Financial Statements.

All related party transactions are placed before the Audit Committee as also the Board for approval. Prior omnibus approval of the Audit Committee is obtained for transactions which are of foreseen and repetitive nature for a period of one year. The transactions entered into pursuant to the omnibus approval so granted are placed before the Audit Committee on a quarterly basis. Where the need for

Related Party Transactions can not be foreseen, the Audit Committee has granted omnibus approval for such transactions subject to their value not exceeding ` 1 crore per transaction, which is valid for a period of one year.

The Board has approved a **Policy for Related Party Transactions** which has been uploaded on the Company's website. (weblink:[http://www.dsl-india.com/wp-content/uploads/2014/11/Policy\\_on\\_Related\\_Party\\_Transactions.pdf](http://www.dsl-india.com/wp-content/uploads/2014/11/Policy_on_Related_Party_Transactions.pdf))

- ii) The Company has fully complied with all the requirements of regulatory authorities on Capital Markets and consequently, no penalties/strictures have been imposed on the Company by Stock Exchange, SEBI or any other statutory authority on any matter relating to the capital markets, during the last three years.
- iii) All Accounting Standards mandatorily required have been followed without exception in preparation of the financial statements.
- iv) Procedures for assessment of risk and its minimization have been laid down by the Company and reviewed by the Board. These procedures are periodically reassessed to ensure that management can control risks.
- v) No money was raised by the Company through any public issue, rights issue, preferential issue, etc. during the financial year 2014-15.
- vi) Management Discussion and Analysis forms part of the Annual Report to the shareholders and it includes discussion on matters as required under Clause 49 of the Listing Agreement with Stock Exchanges.
- vii) There were no material financial and commercial transactions by Senior Management as defined in Clause 49 of the Listing Agreement where they have personal interest that may have a potential conflict with the interest of the Company at large requiring disclosure by them to the Board of Directors of the Company.

viii) **VIGIL MECHANISM**

The Company has a Vigil Mechanism to provide an avenue for Directors and employees to raise concerns of any fraud, mismanagement, negligence, violations of legal or regulatory requirement. The Policy on Vigil Mechanism is also posted on the website of the Company.

Although no personnel was denied access to the Vigil Officer and the Audit Committee, no complaints were received during 2014-15.

**9) GENERAL BODY MEETINGS**

- a) Location, date and time of last three Annual General Meetings is as follows :

Particulars	Location	Date	Time	Whether any Special Resolution passed
30th AGM	121, Industrial Area, Baddi, Tehsil Nalagarh, Dist – Solan, Pin – 173 205 (H.P)	21.09.2012	12.30 P.M	1
31st AGM	– do –	16-08-2013	12.30 P.M	–
32nd AGM	– do –	06-09-2014	11.30 A.M	4

The following Special Resolutions were taken up in the previous Annual General Meetings and were passed with requisite majority :-

**30th AGM held on 21.09.2012**

- To carry on the business activity, that is generation and distribution of solar energy, covered under the other objects of the Memorandum of Association.

**32nd AGM held on 06.09.2014**

As required voting was conducted electronically with M/s. Central Depository Services (India) Limited



facilitating the e-voting and also by physical ballot and all the resolutions were passed with requisite majority.

1. Borrowing powers over and above the aggregate of paid up capital and free reserves of the Company.
2. Creation of charges over and above the aggregate of the paid up share capital and free reserves of the Company.
3. Amendment of Articles of Association.
4. Re-appointment of Shri Pradip Kumar Daga as Managing Director of the Company.

**b) (i) Extra Ordinary General Meeting**

No Extra Ordinary General Meeting was held during the year.

**c) Postal Ballot**

**i) Whether any special resolution passed last year through postal ballot and details of voting pattern -**

Special Resolution passed at the Annual General Meeting of the Company was not put through postal ballot.

**ii) Person who conducted the postal ballot exercise.**

Not applicable.

**iii) Whether any special resolution is proposed to be conducted through postal ballot?**

Special Resolutions to be passed at the ensuing Annual General meeting of the Company are not proposed to be put through postal ballot. However, for other special resolutions, if any, in the future, the same will be decided at the relevant time.

**iv) Procedures for Postal Ballot**

The procedure for postal ballot, if any, will be as per the provisions of the Companies Act, 2013 and rules made thereunder.

**10) MEANS OF COMMUNICATION**

Quarterly/ Half Yearly Financial Results are published in the following newspapers :-  
Dainik Jagran or Aaj Samaj(regional newspapers) and Economic Times (National - English)

**Website where displayed : [www.dsl-india.com](http://www.dsl-india.com)**

The Company does not display the official news release on its web site.

**11) GENERAL SHAREHOLDER INFORMATION**

**a) Annual General Meeting to be held**

**: Date, time and location :**

Day : Wednesday

Date : 23rd September, 2015

Time : at 2.30 P.M.

Venue : at the Registered Office of the Company :  
121, Industrial Area, Baddi,  
Tehsil Nalagarh, Dist – Solan 173205 (HP)

**b) Financial Calendar (2015-16) –**

- |   |                                   |
|---|-----------------------------------|
| First Quarter Results                               | – On or before 14th August 2015   |
| Second Quarter Results                              | – On or before 14th November 2015 |
| Third Quarter Results                               | – On or before 14th February 2016 |
| Audited results for the year ending 31st March 2016 | – On or before 30th May 2016.     |

**c) Dates of Book closure :**

19th September, 2015 to 23rd September, 2015 ( both days inclusive )

**d) Listing on Stock Exchanges :**

Name & address of the Stock Exchanges	Stock Code / Scrip Code	ISIN no. for NSDL / CDSL
BSE Limited Phiroze Jeejeebhoy Towers Dalal Street, Mumbai – 400001	514030	INE272C01013
The Calcutt Stock Exchange Association Limited		
The Calcutt Stock Exchange Association Limited	10014004	

**Note :** Annual listing fees for 2015-16 has been paid to the above Stock Exchanges.

**e) Market Price Data**

The details of monthly highest and lowest closing quotations of the equity shares of the Company during financial year 2014-15 are as under :- (In ` per share)

Month	BSE Limited		Month	BSE Limited	
	High	Low		High	Low
April 2014	43.70	37.00	October 2014	43.00	38.05
May 2014	42.75	31.10	November 2014	47.00	36.50
June 2014	55.75	31.60	December 2014	43.50	29.00
July 2014	54.00	40.50	January 2015	45.90	33.10
August 2014	48.40	38.10	February 2015	43.00	32.35
September 2014	46.00	38.65	March 2015	48.75	34.00

There was NIL trading in equity shares of the Company at Calcutta Stock Exchange during the period from 1st April 2014 to 31st March 2015.

**(f)** The performance of the Company's shares cannot be compared to BSE Sensex for reasons of low liquidity.

**(g) Registrars & Transfer Agents in Physical and Electronic (DEMAT) Mode**

M/s MAHESHWARI DATAMATICS PRIVATE LIMITED 6,  
MANGOE LANE, 2ND FLOOR, KOLKATA – 700 001  
Telephone : (033) 22435029, (033)22433809, (033) 22482248.

**(h) Designated Exclusive email-id :**

**The following e-mail ids have been designated exclusively for investor servicing –**

a) mdplc@yahoo.com b) share@dsl-india.com

**(i) Share Transfer System**

Share transfers are registered and returned within a maximum period of 15 days from the date of receipt, if the documents are clear in all respects. Executives of the Company have been authorized to approve transfers.

**(j) Pattern of Shareholding as on 31.03.2015**

Sr. No.	Category	No. of Shares held	% of Paid up Share Capital
1	Promoters	29,52,035	41.07
2	Mutual Funds and Insurance Companies	9,100	0.14
3	Financial Institutions and Banks	3,19,780	4.44
4	Bodies Corporates	1,67,434	2.32
5	NRIs and OCBs	1,38,386	1.92

6	Other Resident Individuals	36,02,633	50.11
	<b>Total</b>	<b>71,89,368</b>	<b>100.00</b>

**(k) Distribution of Shareholding as on 31.03.2015**

From – to	No. of Shares held	% of total paid Up Capital	No. of Share holders	% of total No. of Shareholders
Upto – 500	11,74,947	16.34	8,105	92.40
501-1000	2,97,552	4.13	380	4.33
1001-10000	6,92,813	9.64	240	2.74
10001 & above	50,24,056	69.89	47	0.53
<b>Total</b>	<b>71,89,368</b>	<b>100.00</b>	<b>9,098</b>	<b>100.00</b>

**(l) Dematerialisation of shares and liquidity**

The equity shares of the Company are under compulsory Demat trading for all categories of investors. The Company's shares are available for Demat trading with both the depositories i.e. CDSL and NSDL. As on 31st March 2015, 89.90% equity shares of the Company stood dematerialized.

**(m) Plant locations**

- i) 121, Industrial Area, Baddi, Tehsil Nalagarh, District Solan 173205 (HP)
- ii) Village Pagara, Tehsil & District Guna - 473001 (MP)

**(n) Address for correspondence**

Deepak Spinners Limited,  
S.C.O. 16, 2nd Floor, Sector - 26, Chandigarh -  
160019. Telephone: (0172) 2790974, (0172) 2790973

**(o) CEO/CFO Certification**

As required by sub-clause IX of Clause 49 of the Listing Agreement with the Stock Exchanges, the CEO and CFO have certified to the Board about compliance by the Company with the requirements of the said sub-clause for the financial year ended on 31st March 2015.

**(p) Mandatory and Non Mandatory Requirements**

The Company has complied with all the mandatory requirements of Clause 49 of the Listing Agreement with the Stock Exchanges.

The status of adoption of the non-mandatory requirements of Clause 49 of the Listing Agreement is as under :-

**1. Shareholders' Rights –**

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

**2. Audit Qualifications –**

There are no qualifications in the Auditors' report on the financial statements to the shareholders of the Company.

**3. Separate posts of Chairman and CEO**

The posts of Chairman and CEO is held by a single individual.

**4. Reporting of Internal Auditor**

The Internal Auditors report directly to the Audit Committee.

**12) Compliance Certificate**

Compliance Certificate for Corporate Governance from Auditors of the Company is given as 'Annexure - B' to this report.

The above report was adopted by the Board of Directors at its meeting held on 29th May 2015.

**'Annexure – A'**

**DECLARATION REGARDING COMPLIANCE OF THE CODE OF CONDUCT**

To,  
The Members of  
Deepak Spinners Limited

The Company had framed Code of Conduct for the members of the Board of Directors and Senior Management personnel of the Company pursuant to clause 49 of the Listing Agreement with Stock Exchanges.

All the members of the Board and Senior Management Personnel of the Company have affirmed due observance of the said Code of Conduct in so far as it is applicable to them and there is no non-compliance thereof during the year ended 31st March 2015.

Place : New Delhi  
Date : 29.05.2015

**P. K. DAGA**  
*Chairman and  
Managing Director*

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**'Annexure – B'**

**AUDITOR'S CERTIFICATE ON CORPORATE GOVERNANCE**

To,  
The Members of  
Deepak Spinners Limited

We have examined the compliance of the conditions of Corporate Governance by M/s Deepak Spinners Limited for the year ended 31st March 2015 as stipulated in Clause 49 of the Listing Agreement of the said Company with stock exchanges.

The compliance of conditions of corporate governance is the responsibility of the management. Our examination was limited to review of the procedures and implementation thereof, adopted by the Company for ensuring the compliance with the conditions of the 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 and based on the representations made by the Directors and the management, we certify that the Company has complied, in all material respects, with the conditions of 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.

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

**B. K. Sipani**  
*Partner*  
Membership No. 088926

Place : New Delhi  
Date : 29th May, 2015

## **INDEPENDENT AUDITOR'S REPORT**

### **TO THE MEMBERS OF DEEPAK SPINNERS LIMITED**

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

We have audited the accompanying financial statements of DEEPAK SPINNERS 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.

#### **Management's Responsibility for the 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 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 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 thereunder.

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 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 control 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 financial statements.

#### **Opinion**

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Companies Act, 2013 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.

**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 Companies Act, 2013 we give in the Annexure a statement on the matters specified in paragraphs 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 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.
  - (d) In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014
  - (e) 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.
  - (f) With respect to the other matters to be 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 16A to the financial statements.
    - ii. The Company has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts.
    - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.

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

**B. K. Sipani**  
*Partner*  
Membership No. 088926

Place : New Delhi  
Date : 29th May, 2015

**Annexure referred to in paragraph 1 of our report of even date on the other legal and regulatory requirements (Re : Deepak Spinners Limited)**

- (i) a. The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- b. Fixed Assets of the Company have been physically verified by the management during the year. In our opinion, the frequency of physical verification is reasonable having regard to the size of the Company and nature of its assets. No material discrepancies were noticed on such verification.
- (ii) a. As explained to us inventories were physically verified during the year by the management at reasonable intervals.
- b. In our opinion and according to the information and explanations given to us, the procedures of physical verification of inventories followed by the management are 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 is maintaining proper records of inventory and no material discrepancies were noticed on physical verification.
- (iii) The Company has not granted any loan to companies covered in the register maintained under Section 189 of the Companies Act, 2013. Therefore, clause (iii)(a) and (b) of the order is not applicable.
- (iv) 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, for the purchase of inventory and fixed assets and for the sale of goods .The company do not provide any service. During the course of our audit, we have not observed any major weakness or continuing failure to correct any major weakness in the internal control system of the Company in respect of these areas.
- (v) The company has not accepted any deposit during the year. Therefore, clause (v) of the order is not applicable.
- (vi) We have broadly reviewed the books of accounts maintained by the Company pursuant to the rules made by the Central Government for the maintenance of cost records under section 148 (1)of the Companies Act, 2013 and are of the opinion that prima facie the prescribed accounts and records have been made and maintained. We have not, however, made a detailed examination of the same.
- (vii) a. According to the records of the Company, the Company is generally regular in depositing undisputed statutory dues including provident fund, employees' state insurance, income-tax, sales-tax, service tax, wealth tax, duty of customs , duty of excise, value added tax, cess and other material statutory dues wherever applicable to it with the appropriate authorities. There was no undisputed outstanding statutory dues as at the year ended for a period of more than six months from the date they became payable.
- b. According to the records of the Company, there are no dues outstanding of income tax , sales tax, wealth tax, service tax, duty of customs , duty of excise, value added tax and cess on account of any dispute, other than the followings :

<b>Name of Statute</b>	<b>Nature of Dues</b>	<b>Amount ( ` In Lakhs)</b>	<b>Forum where Dispute is Pending</b>	<b>Related Period</b>
The Central Excise Act, 1944	Classification of Goods supplied to handloom society	0.03	High Court, Shimla	1998-1999 and 1999-00

The Central Excise Act, 1944	Demand for Service Tax, Penalty and Interest	11.92	CESTAT	2004-05 to 2007-08
The Central Excise Act, 1944	Demand for Excise Duty	22.78	CESTAT	2004-05 To 2007-08
Himachal Pradesh Tax on Entry of Goods into Local Area Act-2010	Entry Tax	352.67	Additional Commissioner of Central Excise, Jammu	2010-11 to 2014-15
Income Tax Act, 1961	Demand for excess credit allowed u/s 115JAA	19.74	CIT (Appeals) Kolkata	Assessment year 2002-03
Income Tax Act, 1961	Short Allowance of Credit of TDS and Excess charge of Interest u/s 234B&C	6.25	CIT (Appeals) Kolkata	Assessment year 2011-12
Madhya Pradesh Upker Adhinyam 1981	Cess on Electricity Duty	62.63	Jabalpur High Court	2012-13 and 2013-14

- c. The amount required to be transferred to investor education and protection fund in accordance with the relevant provisions of the Companies Act, 1956 (1 of 1956) and rules made there under have been transferred to such funds within time.
- (viii) The Company has no accumulated losses at the end of the financial year and it has not incurred any cash loss in the current and immediately preceding financial year.
- (ix) Based on our audit procedures and on the basis of information and explanations given by the management, we are of the opinion that the company has not defaulted in repayment of dues to financial institutions, banks and debenture holders.
- (x) 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.
- (xi) According to the information and explanations given to us, term loans obtained were applied for the purpose for which loans were obtained.
- (xii) Based on our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practice in India and according to the information and explanations given to us, no fraud on or by the Company has been noticed or reported during the year.

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

Place : New Delhi  
Date : 29th May, 2015

**B. K. Sipani**  
Partner  
Membership No. 088926



## BALANCE SHEET AS AT 31ST MARCH, 2015

	Note	As at 31st March, 2015 (` In lakhs)	As at 31st March, 2014 (` In lakhs)
<b>I EQUITY AND LIABILITIES</b>			
<b>(1) Shareholders' Funds</b>			
(a) Share Capital	'1'	720.11	720.11
(b) Reserves and Surplus	'2'	8,398.59	7,506.25
		9,118.70	8,226.36
<b>(2) Non-Current Liabilities</b>			
(a) Long-term Borrowings	'3'	6,579.25	7,304.38
(b) Deferred Tax Liabilities (Net)	'4'	1,990.17	2,111.64
(c) Other Long-term Liabilities	'5'	-	2.60
(d) Long-term Provisions	'6'	269.94	230.63
		8,839.36	9,649.25
<b>(3) Current Liabilities</b>			
(a) Short-term Borrowings	'7'	4,042.50	4,917.30
(b) Trade Payables	'8'	708.11	2,088.74
(c) Other Current Liabilities	'9'	2,119.28	2,232.09
(d) Short-term Provisions	'6'	618.01	544.63
		7,487.90	9,782.76
<b>Total</b>		<b>25,445.96</b>	<b>27,658.37</b>
<b>II ASSETS</b>			
<b>(1) Non-Current Assets</b>			
<b>(a) Fixed Assets</b>			
(i) Tangible Assets	'10'	15,472.78	15,836.84
(ii) Capital Work-in-Progress		127.65	337.78
(b) Long-term Loans and Advances	'11'	583.05	792.95
(c) Trade Receivables	'12'	-	-
(d) Other Non-Current Assets	'13'	14.92	14.92
		16,198.40	16,982.49
<b>(2) Current Assets</b>			
(a) Inventories	'14'	5,057.74	5,759.27
(b) Trade Receivables	'12'	3,035.50	3,781.80
(c) Cash and Bank Balances	'15'	28.67	72.23
(d) Short-term Loans and Advances	'11'	540.51	545.11
(e) Other Current Assets	'13'	585.14	517.47
		9,247.56	10,675.88
<b>Total</b>		<b>25,445.96</b>	<b>27,658.37</b>
Contingent Liabilities and Commitments	'16'		
Summary of Significant Accounting Policies and Other Notes on Accounts	'26'		

The accompanying notes are an integral part of the financial statements  
In terms of our Report of even date attached.

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

**B.K SIPANI**  
Partner  
Membership No. 88926  
Place : New Delhi  
Dated : 29th May, 2015

**S. B SHARDA**  
Chief Financial Officer & President  
  
**PUNEETA ARORA**  
Company Secretary

**P. K DAGA**  
Chairman and Managing Director  
**VIKRAM PRAKASH**  
**YASHWANT KUMAR DAGA**  
**P. K. DROLIA**  
**NILU AGRAWAL**  
Directors

## STATEMENT OF PROFIT &amp; LOSS FOR THE YEAR ENDED 31ST MARCH, 2015

	Note	For the Year ended 31st March, 2015 (` In lakhs)	For the Year ended 31st March, 2014 (` In lakhs)
<b>I. REVENUES</b>			
Revenue from Operations	'17'	43,459.20	39,236.61
Less: Excise Duty		1.78	15.50
Revenue from Operations (Net)		43,457.42	39,221.11
<b>II Other Income</b>	'18'	627.42	282.59
<b>III Total Revenues (I + II)</b>		<b>44,084.84</b>	<b>39,503.70</b>
<b>IV EXPENSES</b>			
Cost of Materials Consumed	'19'	28,362.57	27,629.23
Changes in Inventories of Finished Goods, Work-in-Progress and Waste	'20'	876.87	(1,950.19)
Employees' Benefit Expenses	'21'	3,706.64	3,096.47
Other Expenses	'22'	6,972.26	6,206.96
<b>V Total</b>		<b>39,918.34</b>	<b>34,982.47</b>
<b>VI Profit before Finance Cost, Depreciation, Exceptional Item and Tax (III - V)</b>		<b>4,166.50</b>	<b>4,521.23</b>
Finance Cost	'23'	1,600.76	1,205.72
Depreciation Expenses	'24'	1,411.76	1,060.43
<b>VII Profit before Exceptional item and Tax</b>		<b>1,153.98</b>	<b>2,255.08</b>
Exceptional Item	'24'	187.41	—
<b>VIII Profit before Tax</b>		<b>966.57</b>	<b>2,255.08</b>
<b>IX Tax Expense</b>			
Current Tax	'25'	195.70	475.75
Deferred Tax		(121.47)	628.33
<b>X Profit after Tax for the year (VIII- IX)</b>		<b>892.34</b>	<b>1,151.00</b>
Basic & Diluted Earnings Per Equity Share (of ` 10 each)	'26.7'	12.41	16.01
Summary of Significant Accounting Policies and Other Notes on Accounts	'26'		

The accompanying notes are an integral part of the financial statements

In terms of our Report of even date attached.

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

**B.K SIPANI**  
Partner  
Membership No. 88926  
Place : New Delhi  
Dated : 29th May, 2015

**S. B SHARDA**  
Chief Financial Officer & President

**PUNEETA ARORA**  
Company Secretary

**P. K DAGA**  
Chairman and Managing Director  
**VIKRAM PRAKASH**  
**YASHWANT KUMAR DAGA**  
**P. K. DROLIA**  
**NILU AGRAWAL**  
Directors

## CASH FLOW STATEMENT FOR THE YEAR ENDED 31st MARCH, 2015

	Year ended 31st March, 2015	Year ended 31st March, 2014
( ` In lakhs)		
<b>A CASH FLOW FROM OPERATING ACTIVITIES :</b>		
Net Profit /(Loss) before Tax	966.57	2255.08
Adjustment for-		
Depreciation Expenses	1,599.17	1060.43
Finance Cost	1,600.76	1205.72
Interest Subsidy from State Govt.	(191.88)	-
Profit on sale/discard of Fixed Assets (Net)	(55.29)	6.37
Interest Income	(207.77)	(154.05)
<b>Operating Profit before Working Capital Changes</b>	<b>3,711.56</b>	<b>4,373.55</b>
Adjustment for -		
Trade Receivable, Loans & Advances and Other Assets	817.13	(763.19)
Inventories	701.53	(1958.65)
Trade Payables, Provisions & Other Liabilities	(993.95)	1090.09
	<b>4,236.27</b>	<b>2,741.80</b>
Direct Taxes (Paid)/Refunds	(498.26)	(592.63)
<b>Net Cash from Operating Activities</b>	<b>(A) 3,738.01</b>	<b>2,149.17</b>
<b>B CASH FLOW FROM INVESTING ACTIVITIES :</b>		
Purchase of Fixed Assets	(949.34)	(3006.91)
Sale of Fixed Assets	129.38	38.19
Movement in Fixed Deposits	46.49	0.43
Interest Received (including Subsidy from State Govt).	408.62	147.07
<b>Net Cash from Investing Activities</b>	<b>(B) (364.85)</b>	<b>(2,821.22)</b>
<b>C CASH FLOW FROM FINANCING ACTIVITIES :</b>		
Increase in Long Term Borrowings	(817.50)	1372.13
Increase in Short Term Borrowings	(874.80)	614.11
Interest Expense (including capitalised ` 73.25 lakhs, previous year ` 198.75 lakhs)	(1,674.01)	(1404.47)
<b>Net Cash from Financing Activities</b>	<b>(C) (3,366.31)</b>	<b>581.77</b>
<b>Net Increase/Decrease in Cash and Cash Equivalents</b>	<b>(A+B+C) 6.85</b>	<b>(90.28)</b>
Cash and Cash Equivalents as at (Opening Balance)	16.56	106.84
Cash and Cash Equivalents as at (Closing Balance)	<b>23.41</b>	<b>16.56</b>
<b>Components of Cash and Cash Equivalents</b>		
Cash in hand	9.0	10.36
Balance with Banks		
In Current Accounts	14.41	6.20
Fixed Deposit Account (maturing within one year)	3.92	50.41
Unclaimed Dividend Accounts	- 3.92	
Employees Security Deposits Accounts	1.34	1.34
	<b>28.67</b>	<b>72.23</b>
Less: Employee Security Deposit & Unclaimed Dividend & Fixed Deposit lying with Bank	5.26	55.67
	<b>23.41</b>	<b>16.56</b>

The aforesaid statement is prepared on Indirect Method.

As per our Report of even date attached.

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

**B.K SIPANI**  
Partner  
Membership No. 88926  
Place : New Delhi  
Dated : 29th May, 2015

**S. B SHARDA**  
Chief Financial Officer & President

**PUNEETA ARORA**  
Company Secretary

**P. K DAGA**  
Chairman and Managing Director

**VIKRAM PRAKASH**  
**YASHWANT KUMAR DAGA**

**P. K. DROLIA**  
**NILU AGRAWAL**  
Directors

**NOTES ANNEXED TO AND FORMING PART OF BALANCE SHEET AS AT 31ST MARCH, 2015**

	As at 31st March, 2015 (` In lakhs)	As at 31st March, 2014 (` In lakhs)
<b>1. Share Capital :</b>		
<b>Authorised :</b>		
80,00,000 (Previous year 80,00,000) Equity Shares of ` 10/- each	800.0	800.00
60,00,000 (Previous year 60,00,000) Unclassified Shares of ` 10/- each	600.0	600.00
	1,400.00	1,400.00
<b>Issued :</b>		
72,12,868 (Previous year 72,12,868) Equity Shares of ` 10/- each	721.29	721.29
	721.29	721.29
<b>Subscribed and Fully Paid-up Shares</b>		
71,89,368 (Previous year 71,89,368) Equity Shares of ` 10/- each fully paid-up	718.94	718.94
Add: Forfeited Shares (Amount originally Paid-up)	1.17	1.17
	<b>720.11</b>	<b>720.11</b>

**Terms / Rights attached to Equity Shares**

Each holder of equity shares is entitled to one vote per share. In the event of liquidation of the company, the holders of equity shares will be entitled to receive remaining assets of the company. The distribution will be in proportion to the number of equity shares held by the shareholders. There is no restriction on distribution of dividend. However same other than interim dividend, is subject to the approval of the shareholders in the Annual General Meeting.

**Reconciliation of the number of Equity Shares outstanding :**

Equity Shares outstanding at the beginning of the year	71,89,368	71,89,368
Equity Shares allotted during the year	-	-
Equity Shares outstanding at the end of the year	71,89,368	71,89,368

**Shareholders holding more than 5 percent Equity shares of the Company :**

S.No.	Name of shareholder	As at 31st March, 2015		As at 31st March, 2014	
		Numbers of Shares held	Percentage of Holding	Numbers of Shares held	Percentage of Holding
1	M/s. Mangalam Engineering Projects Ltd.	9,18,929	12.78	9,18,929	12.78
2	Sh. Pradip Kumar Daga	5,02,389	6.99	5,02,389	6.99
3	M/s. Contransys Pvt. Ltd	4,02,100	5.59	4,02,100	5.59
4	M/s. Jalpaiguri Holdings Pvt. Ltd.	4,00,070	5.56	4,00,770	5.57
5	Smt. Asha Devi Daga	3,64,062	5.06	3,64,062	5.06

	As at 31st March, 2015 (` In lakhs)	As at 31st March, 2014 (` In lakhs)
<b>2 Reserves and Surplus:</b>		
<b>(i) Capital Reserve</b>		
Balance as per last financial statement	35.75	35.75
<b>(ii) Securities Premium Account</b>		
Balance as per last financial statement	217.81	217.81
<b>(iii) General Reserve</b>		
Balance as per last financial statement	2,809.79	2,809.79
<b>(iv) Statement of Profit &amp; Loss - Balance</b>		
Balance as per last financial statement	4,442.90	3,291.90
Add: Profit for the year	892.34	1,151.00
	<u>5,335.24</u>	<u>4,442.90</u>
<b>Total (i to iv)</b>	<b><u>8,398.59</u></b>	<b><u>7,506.25</u></b>

	Non-current portion		Current maturities	
	As at 31st March, 2015 (` In lakhs)	As at 31st March, 2014 (` In lakhs)	As at 31st March, 2015 (` In lakhs)	As at 31st March, 2014 (` In lakhs)
<b>(i) Secured</b>				
(a) Term Loans from a Bank	6,095.25	6,710.67	1,375.00	1,496.00
(b) Term Loans from a Bank	482.71	586.00	112.00	84.00
(c) Vehicle Loans				
(a) From a Bank	0.16	2.35	2.19	1.95
(b) From Others	1.13	5.36	4.24	3.85
	<u>6,579.25</u>	<u>7,304.38</u>	<u>1,493.43</u>	<u>1,585.80</u>
(ii) Amount disclosed under the head "other current liabilities" (Refer Note No. 9)	-	-	(1,493.43)	(1,585.80)
<b>(Total i-ii)</b>	<b><u>6,579.25</u></b>	<b><u>7,304.38</u></b>	<b><u>-</u></b>	<b><u>-</u></b>

- a Term Loan from a bank is secured by first charge on the Plant & Machineries, other movable fixed assets and extension of equitable mortgage on all immovable fixed assets and second charge on current assets of the textile business. These Loans are further secured by personal guarantee of the Chairman and Managing Director and a Director.
- b Term Loan from a bank is secured by Plant & Machinery and other fixed assets and extension of equitable mortgage of the immovable fixed assets of the Solar Power Plant and second charge on current assets of the company. This Loan is further secured by personal guarantee of the Chairman and Managing Director and a Director.
- c Secured by hypothecation of vehicles financed.

(ii) Terms of Repayments of Non-Current Portion :

Current Year

Previous Year

a.

As at 31st March,2015 (` In lakhs)	Rate of Interest	Installments Outstanding	Repayment Periodicity	As at 31st March,2014 (` In lakhs)	Rate of Interest	Installments Outstanding	Repayment Periodicity
282.00	13.45% linked with Base Rate	4	Quarterly Equal Annually Graded	552.00	13.40% to 13.45% linked with Base Rate	8	Quarterly Equal Annually Graded
11.70	13.45% linked with Base Rate	1	Quarterly Equal Annually Graded	111.70	13.40% to 13.45% linked with Base Rate	5	Quarterly Equal Annually Graded
-	-	-	-	30.00	13.40% to 13.45% linked with Base Rate	1	Quarterly Equal Annually Graded
2,100.68	13.45% linked with Base Rate*	22	Quarterly Equal	2,437.41	13.40% to 13.45% linked with Base Rate	26	Quarterly Equal
2,979.56	13.45% linked with Base Rate*	16	Quarterly Equal	3,579.56	13.40% to 13.45% linked with Base Rate	20	Quarterly Equal
721.31	12.50% linked with Base Rate	-	Quarterly installment will commence from 30.06.2017	-	-	-	-
<b>6,095.25</b>				<b>6,710.67</b>			

\* Including ` 2,200 Lacs converted into foreign currency loan for a year at the interest rate of 4.38% per annum.

b.

482.71	13.45% linked with Base Rate*	16	Quarterly Equal	586.00	13.40% to 13.45% linked with Base Rate	20	Quarterly Equal
<b>482.71</b>				<b>586.00</b>			

\* Converted into Foreign Currency loan for a year at the interest rate of 4.38% per annum.

c.

0.16	11.51%	1	Monthly Graded	2.35	11.51%	13	Monthly Graded
-	-	-	Monthly Graded	2.07	9.30%	12	Monthly Graded
1.13	8.43%	6	Monthly Graded	3.29	8.43%	18	Monthly Graded
<b>1.29</b>				<b>7.71</b>			

	As at 31st March, 2015 (` In lakhs)	As at 31st March, 2014 (` In lakhs)
<b>4 Deferred Tax Liabilities (Net)</b>		
Deferred Tax Liabilities on account of : Depreciation	2,342.02	2,303.24
	<u>2,342.02</u>	<u>2,303.24</u>
<b>Deferred Tax Assets on account of :</b>		
Provisions for Employees Benefits	102.40	90.84
Other Timing Differences	249.45	100.76
	<u>351.85</u>	<u>191.60</u>
Deferred Tax Liabilities/(Assets) Net	<u><b>1,990.17</b></u>	<u><b>2,111.64</b></u>

#### 5 Other Long-term Liabilities

Trade Deposits	-	2.00
Employee Security Deposits	-	0.60
	<u>-</u>	<u><b>2.60</b></u>

#### 6 Provisions

	Long-term		Short-term	
	As at 31st March, 2015 (` In lakhs)	As at 31st March, 2014 (` In lakhs)	As at 31st March, 2015 (` In lakhs)	As at 31st March, 2014 (` In lakhs)
	Provision for Employee Benefits	269.94	230.63	25.95
Provision for Disputed Statutory Matters	-	-	352.67	214.90
Provision for Other Statutory Matters	-	-	239.39	-
Provision for Current Tax	-	-	-	293.11
	<u><b>269.94</b></u>	<u><b>230.63</b></u>	<u><b>618.01</b></u>	<u><b>544.63</b></u>

Disclosure as per AS-29 for Provision  
for Disputed & Other Statutory Matters

	Current year	Previous Year
Opening Balance	214.90	141.28
Addition During the Year	454.53	104.89
Paid During the Year	77.37	31.27
Closing Balance	592.06	214.90

#### 7 Short-term Borrowings

##### A Secured

##### Loan repayable on demand

From a Bank	4,042.50	4,917.30
	<u><b>4,042.50</b></u>	<u><b>4,917.30</b></u>

(i) Secured by first charge on current assets and additionally secured by way of second charge on fixed assets and extension of equitable mortgage on immovable fixed assets of the textile business. The same is further secured by personal guarantee of the Chairman and Managing Director and a Director.

#### 8 Trade Payables \*

Others	708.11	2,088.74
	<u><b>708.11</b></u>	<u><b>2,088.74</b></u>

\*The Company has not received any information from its suppliers being registered under the Micro, Small and Medium Enterprises Development Act, 2006. Hence, the information required to be given in accordance with section 22 of the said Act, is not ascertainable, hence not disclosed.

**DEEPAK SPINNERS LIMITED**

	As at 31st March, 2015 (` In lakhs)	As at 31st March, 2014 (` In lakhs)
<b>9 Other Current Liabilities</b>		
Current maturities of long-term debts	1,493.43	1,585.80
Unpaid Dividends	-	3.92
Customers' Credit Balances and Advances against orders	62.67	154.80
Security Deposits	7.59	6.12
Statutory Dues	104.11	81.64
Directors Commission	5.40	7.20
Employees liabilities	446.08	392.61
	<b>2,119.28</b>	<b>2,232.09</b>

**10 Fixed Assets**

(` In lakhs)

Description	GROSS BLOCK				DEPRECIATION				NET BLOCK	
	As at 01.04.14	Additions	Deductions/ Adjustments	Total as at 31.03.15	Up to 31.03.14	During the Year	Deductions/ Adjustments	Total as on 31.03.15	As at 31.03.15	As at 31.03.14
<b>TANGIBLE ASSETS</b>										
FreeHold Land *	33.40		-	<b>33.40</b>	-	-	-	-	<b>33.40</b>	33.40
Lease hold Land	34.45	39.95	-	<b>74.40</b>	9.72	0.97	-	<b># 10.69</b>	<b>63.71</b>	24.73
Buildings	5,102.14	70.14	-	<b>5,172.28</b>	1,318.67	242.07	-	<b>1,560.74</b>	<b>3,611.54</b>	3,783.47
Plants & Equipments	20,541.05	1,176.11	715.54	<b>21,001.62</b>	8,682.39	1,321.59	641.60	<b>9,362.38</b>	<b>11,639.24</b>	11,858.66
Office Equipments	165.54	15.09	1.15	<b>179.48</b>	96.83	18.85	1.00	<b>114.68</b>	<b>64.80</b>	68.71
Furniture & Fixtures	94.93	7.91	-	<b>102.84</b>	80.54	5.61	-	<b>86.15</b>	<b>16.69</b>	14.39
Vehicles	115.98	-	-	<b>115.98</b>	62.50	10.08	-	<b>72.58</b>	<b>43.40</b>	53.48
<b>Total</b>	<b>26,087.49</b>	<b>1,309.20</b>	<b>716.69</b>	<b>26,680.00</b>	<b>10,250.65</b>	<b>1,599.17</b>	<b>642.60</b>	<b>11,207.22</b>	<b>15,472.78</b>	<b>15,836.84</b>
<b>Previous Year</b>	<b>18,972.40</b>	<b>7,402.75</b>	<b>287.66</b>	<b>26,087.49</b>	<b>9,433.32</b>	<b>1,060.43</b>	<b>243.10</b>	<b>10,250.65</b>	<b>15,836.84</b>	

\* Includes land ` 2.42 Lakhs (Previous year ` 2.42 lakhs) for which registration is pending.

# Represents Amortisation of Lease Rent.

11 Loans and Advances :	Non-Current		Current	
	As at 31st March, 2015 (` In lakhs)	As at 31st March, 2014 (` In lakhs)	As at 31st March, 2015 (` In lakhs)	As at 31st March, 2014 (` In lakhs)
	<b>(Unsecured, Considered Good)</b>			
Capital Advances	3.37	79.85	-	-
Security Deposits	231.67	196.93	-	-
Advance Current Tax (Net of Provision)	-	-	154.90	145.45
Balances with Excise & Custom Department	348.01	516.17	150.00	125.00
Advances Recoverable in Cash or in Kind	-	-	208.77	260.29
Prepaid Expenses	-	-	26.84	14.37
	<b>583.05</b>	<b>792.95</b>	<b>540.51</b>	<b>545.11</b>



	Non-Current		Current	
	As at	As at	As at	As at
	31st March, 2015 (` In lakhs)	31st March, 2014 (` In lakhs)	31st March, 2015 (` In lakhs)	31st March, 2014 (` In lakhs)
<b>12 Trade Receivables :</b>				
(Unsecured, Considered Good unless otherwise stated)				
(a) Outstanding for more than six months (from due date)				
Considered Good	–	–	–	178.95
Considered Doubtful	–	–	12.16	12.16
	–	–	12.16	191.11
Less : Provision for Doubtful	–	–	12.16	12.16
	–	–	–	178.95
(b) Other Receivables	–	–	3,035.50	3,602.85
	–	–	<b>3,035.50</b>	<b>3,781.80</b>

<b>13 Other Assets :</b>				
(Unsecured, Considered Good)				
Export Benefits and other Incentives Receivable	14.92	14.92	577.89	501.25
Interest Accrued on Fixed Deposits	–	–	0.20	0.55
Interest Accrued on others	–	–	7.05	15.67
	<b>14.92</b>	<b>14.92</b>	<b>585.14</b>	<b>517.47</b>

	As at		As at	
	31st March, 2015 (` In lakhs)	31st March, 2014 (` In lakhs)	31st March, 2015 (` In lakhs)	31st March, 2014 (` In lakhs)
<b>14 Inventories:</b>				
(As certified by the Management)				
Raw Materials (Including in Transit ` 156.00 lakhs) (Previous Year ` 129.91 lakhs)		1,571.83		1,365.54
Work-in-Progress		548.57		531.90
Finished Goods		2,612.05		3,507.98
Stores and Spares (Including in Transit ` 43.42 lakhs) (Previous Year ` 49.06 lakhs)		319.64		350.59
Waste		5.65		3.26
		<b>5,057.74</b>		<b>5,759.27</b>

**Basis of Valuation of Inventories are as under :**

Inventories are valued at cost or net realisable value whichever is lower except waste which is valued at estimated net realisable value.

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**DEEPAK SPINNERS LIMITED**

	As at 31st March, 2015 (` In lakhs)	As at 31st March, 2014 (` In lakhs)
<b>15 Cash and Bank Balances :</b>		
<b>(a) Cash and Cash Equivalents</b>		
Cash Balance on hand	9.00	10.36
Balance with Banks :		
Current Accounts	14.41	6.20
<b>(b) Other Bank Balances</b>		
Fixed Deposit (maturity within one year) *	3.92	50.41
(*Pledged as Margin with Bank)		
<b>(c) Earmarked Balances with Banks</b>		
Unpaid Dividend Account	-	3.92
Employees Security Deposit Accounts	1.34	1.34
	<b>28.67</b>	<b>72.23</b>
<b>16 Contingent Liabilities and Commitments</b>		
A. Contingent Liabilities not provided for in respect of		
i) Demand for Excise duty, being contested by the Company (Amount deposited ` 9.00 lakhs, Previous year ` 9.00 lakhs)	43.73	43.73
ii) Demand for Income Tax, being contested by the Company (Amount deposited ` 23.56 lakhs, Previous year ` 64.42 lakhs)	48.16	67.97
iii) Legal Cases (Employees)	3.68	3.00
iv) Demand for Cess on own generation of electricity The management believes that the Company has a strong chance of favourable decision in above cases, hence no provision has been considered necessary.	44.89	44.89
B. Capital Commitments (Net of Advance paid)	16.83	85.91

**NOTES ANNEXED TO AND FORMING PART OF STATEMENT OF PROFIT AND LOSS FOR  
THE YEAR ENDED 31ST MARCH, 2015**

	For the Year ended 31st March, 2015 (` In lakhs)	For the Year ended 31st March, 2014 (` In lakhs)
<b>17 Revenue from Operations :</b>		
<b>Sale of Manufactured goods :</b>		
Man Made Synthetic Yarn *	43,240.64	38,920.90
Sale of Electricity	66.49	108.76
<b>Other Operating Income</b>		
Export incentives & benefits	152.07	206.95
	<u>43,459.20</u>	<u>39,236.61</u>
<b>Less: Excise Duty</b>	1.78	15.50
<b>Revenue from Operations (Net)</b>	<u><b>43,457.42</b></u>	<u><b>39,221.11</b></u>
*Sales includes Export Sales of ` 2,674.93 lakhs (Previous year ` 3,280.05 lakhs )		
<b>18 Other Income :</b>		
Interest Subsidy from State Govt.	191.88	-
Interest	207.77	154.05
Profit on sale/discard of Fixed Assets (Net)	55.29	-
Scrap Sales	59.32	114.39
Miscellaneous Income	59.37	10.50
Net Gain on Foreign Currency transactions and translation (Net) (other than considered as finance cost)	51.57	-
Sundry credit balances written back	2.22	3.65
	<u><b>627.42</b></u>	<u><b>282.59</b></u>
<b>19 Cost of Materials Consumed :</b>		
Man Made Fibres	27,497.81	26,984.93
Dyes & Chemicals	864.76	644.30
	<u><b>28,362.57</b></u>	<u><b>27,629.23</b></u>
<b>20 Changes in Inventories of Finished Goods, Work-in-Progress and Waste</b>		
<b>Inventories as at 31st March, 2015</b>		
Work-in-Progress	548.57	531.90
Finished Goods	2,612.05	3,507.98
Waste	5.65	3.26
	<u>3,166.27</u>	<u>4,043.14</u>
<b>Inventories as at 31st March, 2014</b>		
Work-in-Progress	531.90	253.57
Finished Goods	3,507.98	1,830.23
Waste	3.26	9.15
	<u>4,043.14</u>	<u>2,092.95</u>
	<u><b>876.87</b></u>	<u><b>(1,950.19)</b></u>
<b>21 Employees' Benefit Expenses</b>		
Salaries, Wages and Bonus	3,295.52	2,795.38
Contribution to Provident and other Funds*	237.48	138.18
Employee Welfare	173.64	162.91
	<u><b>3,706.64</b></u>	<u><b>3,096.47</b></u>

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**DEEPAK SPINNERS LIMITED**

	For the Year ended 31st March, 2015 (` In lakhs)	For the Year ended 31st March, 2014 (` In lakhs)
<b>22 Other Expenses</b>		
Consumption of Stores & Spares	1,187.71	1,164.41
Consumption of Packing Material	769.30	673.12
Job Charges	150.49	139.35
Power & Fuel*	3,413.56	2,859.15
Rent	34.17	29.61
Insurance	27.46	32.22
Rates & Taxes	11.28	9.76
Repair and Maintenance		
Buildings	57.13	77.39
Machinery	118.15	107.93
Freight & Forwarding (Net)	647.54	544.12
Commission and Brokerage	155.61	141.99
Net Gain on Foreign Currency transactions and translation (Net) (other than considered as finance cost)	–	56.13
Miscellaneous Expenses*	371.04	332.83
Auditor's Remuneration (including service tax)		
For Audit Fee	6.80	5.62
For Limited Review	1.69	1.35
For Certification and other matters	0.84	1.91
Reimbursement of Expenses	0.43	0.69
Cost Auditor's fee	–	0.65
Commission to Directors	6.00	8.00
Prior Period Expenses	–	1.70
Loss on sale/discard of Fixed Assets (Net)	–	6.37
Bad debts & Advances written off	3.06	2.45
Donation	10.00	10.21
	<b>6,972.26</b>	<b>6,206.96</b>
<b>23 Finance Cost</b>		
Interest Expenses*	1,577.57	1,388.47
Other Borrowing cost	78.42	16.00
Loss on foreign Currency translations & transactions considered as finance cost	18.02	–
Less : Amount transferred to Capital Work-in-Progress/Capitalised	1,674.01	1,404.47
	73.25	198.75
	<b>1,600.76</b>	<b>1,205.72</b>
<p>*Net of Interest subsidies ` 258.24 lakhs (Previous Year ` 269.39 lakhs) under TUF (Technology Upgradation Fund) scheme and includes ` 11.27 lakhs to Income Tax department for earlier year.</p>		
<b>24 Depreciation Expenses</b>		
On Tangible Assets (Refer Note No. 10)	<b>1,411.76</b>	<b>1,060.43</b>

Consequent upon implementation of Schedule II to the Company Act, 2013 w.e.f. 01.04.2014, Depreciation for the year is higher by ` 417.98 lakhs. This includes carrying amount of tangible fixed assets ` 187.41 lakhs (after retaining the residual value), whose remaining useful lives have been reassessed to be nil as at April 1, 2014, has been recognised in as exceptional item.

	For the Year ended 31st March, 2015 (` In lakhs)	For the Year ended 31st March, 2014 (` In lakhs)
<b>25 Current Tax</b>		
Current Tax for the year	520.00	475.00
Less MAT Credit Entitlement	<u>324.30</u>	<u>-</u>
	195.70	475.00
Income Tax related to earlier year	<u>-</u>	<u>0.75</u>
Total Current Tax	<u><b>195.70</b></u>	<u><b>475.75</b></u>

\*Power & Fuel includes ` 180.30 lakhs, Miscellaneous expenses includes ` 21.70 lakhs, Contribution to Provident and other Funds ` 28.41 lakhs and interest expenses includes ` 59.09 lakhs related to prior period but demand received during the year.

## 26 Summary of Significant Accounting Policies And Other Notes on Accounts :

### 26.1 Nature of Operations

The Company is a manufacturer of Synthetic Man Made Yarn. It has two spinning units at Baddi (H.P) and Guna (M.P). The company is generating electricity from it's Solar Power Plant at Rajgarh (M.P)

### 26.2 Summary of Significant Accounting Policies

#### (A) Basis of Accounting

The financial statements have been prepared to comply in all material respects with the mandatory Accounting Standards prescribed under section 133 and other relevant provisions of the Companies Act, 2013. The financial statements have been prepared under the historical cost convention on accrual basis except in case of claims lodged with Insurance Companies but not settled, interest on overdue debts from customers due to uncertainty in the realisation and export and other benefits doubtful of recovery are accounted for on receipt/ settlement.

#### (B) Use of Estimates

The preparation of financial statements requires estimates and assumptions to be made that affect the reported amount of assets and liabilities on the date of the financial statements and the reported amount of revenues and expenses during the reporting period. Difference between the actual results and estimates are recognised in the period in which the results are known/ materialised.

#### (C) Classification of Assets and Liabilities as Current and Non Current

All assets and liabilities are classified as current or non-current as per the Company's normal operating cycle and other criteria set out in Schedule III to the Companies Act, 2013 . Based on the nature of products and the time between the acquisition of assets for processing and their realisation in cash and cash equivalents, 12 months has been considered by the Company for the purpose of current/ non-current classification of assets and liabilities.

#### (D) Fixed Assets

Fixed assets are stated at cost less accumulated depreciation and impairment losses, if any. Cost comprises the purchase any attributable cost of bringing the asset to its working condition for its intended use. The carrying price and amounts are reviewed at each Balance Sheet date, if there is any indication of impairment based on internal/external factors. An impairment loss is recognised wherever the carrying amount of an asset exceeds its recoverable amount. The recoverable amount is greater of the assets net selling price and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value at the weighted average cost of capital.

#### (E) Expenditure on New Projects, Substantial Expansion And During Construction Period

Expenditure directly relating to construction activity is capitalised. Indirect expenditure incurred during construction period is capitalised as part of the indirect construction cost to the extent to which the expenditure is indirectly related to construction or is incidental thereto. Other indirect expenditure incurred during the construction period, which is not related to the construction activity nor is incidental thereto is charged to the Statement of Profit & Loss. Income earned during construction period is deducted from the total of the indirect expenditure.

All direct capital expenditure on expansion is capitalised. As regards indirect expenditure on expansion, only that portion is capitalised which represents the marginal increase in such expenditure as a result of capital expansion. Both direct and indirect expenditure are capitalised only if they increase the value of the asset beyond its originally assessed standard of performance.

Expenditure during construction/installation period is included under capital work-in-progress and the same is allocated to respective fixed assets on the completion of its construction.

**(F) Investments**

Long term investments are stated at cost. The Company provides for diminution other than temporary, in the value of long term investments. Current investments are valued at lower of cost or fair value.

**(G) Inventories**

(i) Inventories are valued as follows :

Raw materials, stores and spares	Lower of cost and net realisable value. Cost is determined on FIFO basis. Materials and other items held for use in the production of inventories are not written down below costs, if finished goods in which they will be incorporated are expected to be sold at or above cost.
Work-in-progress and finished goods	Lower of cost and net realisable value. Cost includes direct materials, labour and a proportion of manufacturing overheads.
Waste	At net realisable value.

Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and to make the sale.

(ii) Work-in-progress and finished goods have been valued as per the principles and basis consistently followed.

(iii) Provision for obsolete/ old inventories is made, wherever required.

(iv) In view of substantially large number of items in work-in-progress, it is not feasible to maintain the status of movement of each item at shop floor on perpetual basis. The Company, however, physically verifies such stocks at the end of every month and valuation is made on the basis of such physical verification.

**(H) Provisions**

A provision is recognised when an enterprise has a present obligation as a result of past event 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, except those disclosed elsewhere in the notes to the financial statements, are not discounted to its present value and are determined based on 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.

**(I) Revenue Recognition**

(i) Revenue from sales is recognised when significant risks and rewards of ownership of the goods have passed to the buyer, which generally coincides with the delivery.

(ii) Net Sales are exclusive of excise duty and net of sales return, discounts, claims and rebates.

(iii) Revenue (other than sale) is recognised to the extent that it is probable that the economic benefits will flow to the company and the revenue can be reliably measured.

(iv) Interest other than interest on overdue debts from customers, is recognised on time proportion basis.

**(J) Government Grants and Subsidies**

Grants and subsidies from the government are recognised when there is reasonable assurance that the grant/subsidy will be received and all attaching conditions will be complied with. When the grant

or subsidy relates to an expense item, it is recognised as income or deducted from the relevant expense. Grant and Subsidy related to specific fixed asset is deducted from the gross value of the asset.

**(K) Retirement and other employee benefits**

- (i) Retirement benefits in the form of provident fund, which are defined contribution plans, are charged to the Statement of Profit and Loss of the year when the contributions to the respective funds are due.
- (ii) Gratuity and leave encashment which are defined benefits, are accrued based on actuarial valuation at the Balance Sheet date carried out by an independent actuary using the projected unit credit method.

**(L) Foreign Currencies**

Foreign currency transactions are recorded in the reporting currency, by applying to the foreign currency amount the exchange rate between the reporting currency and the foreign currency at the date of the transaction. Monetary items related to foreign currencies transactions are restated at year end exchange rates. All exchange differences arising from such conversion including gain or loss on cancellation of foreign currency forward covers are included in the Statement of Profit and Loss. Premium/Discount on forward contracts covered by AS-11 is recognised over the length of the contract.

**(M) Borrowing Costs**

Borrowing costs attributable to the acquisition or construction of qualifying fixed assets, are capitalised as part of the cost of such assets upto the date of commencement of commercial production/put to use of plant. Other borrowing costs are charged to revenue.

**(N) Depreciation**

Depreciation on Building and Plant & Machinery have been charged on straight line method on the following economic useful life as determined by technical evaluation

Buildings (All type)	60 years
Plant and Machinery	30 years
Power Plant	36 years
Solar Power Plant	15 years

In case of other assets, depreciation has been provided on straight line method on the economic useful life prescribed by Schedule II to the Companies Act, 2013. Depreciation on additions due to machinery spares is provided retrospectively from the date the related assets are put to use. Depreciation on additions to or on disposal of assets is calculated on pro-rata basis. Leasehold land is being amortised over the period of lease tenure.

**(O) Carbon Credit**

Sale of Certified Emission Reductions (CERs) is recognized as income on the delivery of the CERs to the buyer's account as evidenced by the receipt of confirmation on execution of delivery instruction.

**(P) Taxation**

Current tax is measured at the amount expected to be paid to the revenue authorities, using the applicable tax rates and laws. Deferred tax for timing differences between the book and taxable income for the year is accounted for using the tax rates and laws that have been enacted or substantively enacted as of the Balance Sheet date. Deferred tax assets arising from temporary timing differences are recognised to the extent there is reasonable certainty that the assets can be realised in future and the same is reviewed at each Balance Sheet date.

Minimum alternate tax (MAT) credit is recognised as an asset only when and to the extent there is convincing evidence that the Company will pay normal income tax during the specified period. In the year in which the MAT credit becomes eligible to be recognised as an asset in accordance with the recommendations contained in Guidance Note issued by Institute of Chartered Accountants of India,

the said asset is created by way of a credit to the Statement of Profit and Loss and shown as MAT Credit Entitlement. The Company reviews the same at each Balance Sheet date and written down the carrying amount of MAT Credit Entitlement to the extent there is no longer convincing evidence to the effect that Company will pay normal income tax during the specified period.

**26.3** Balances of debtors, creditors and others loans & advances are subject to confirmation.

<b>26.4</b> (a) Foreign currency exposure not hedged by derivative instrument or otherwise :	As at 31st March, 2015 (` In Lakhs)	As at 31st March, 2014 (` In Lakhs)
i) Receivable	42.38	201.25
ii) Payable	-	-
(b) Outstanding Derivative contracts to hedge foreign currency Exposure.		
Cross Currency	Nature	Currency
USD/INR	Buy	in US \$
	43.50	-

**26.5** Borrowing cost capitalised during the year ` 73.25 lakhs (Previous year ` 198.75 lakhs).

	Current Year (` in lakhs)	Previous Year (` in lakhs)
--	------------------------------	-------------------------------

**26.6 Disclosure as per Accounting Standard - 15**

**Defined Contribution Plan -**

The Company has recognised the following amounts in the Statement of Profit and Loss

Contribution to Employees Provident Fund	237.48	138.18
--	--------	--------

**Defined Benefit Plan**

The following table set out the status of the gratuity plan as required under AS -15 (revised 2005)

**(a) A reconciliation of opening and closing balances of the present value of the defined benefits obligation (DBO)**

Opening DBO as on 1st April, 2014	290.28	244.97
Current Service Cost	58.63	45.07
Past Service Cost	-	-
Interest Cost	24.67	19.60
Actuarial (Gain)/Loss	31.13	12.37
Benefits Paid	(21.93)	(31.73)
Closing DBO as on 31st March, 2015	382.78	290.28

**A reconciliation of opening and closing balances of the Fair value plan assets :**

Opening Fair value of plan assets	128.30	91.94
Expected return	11.23	8.05
Actuarial (Gain)/Loss	0.97	(0.14)
Contribution by the employer	104.44	60.18
Benefits Paid	(21.93)	(31.73)
Closing fair value of plan assets	223.01	128.30

**A reconciliation of present value of the defined benefit obligation and the fair value of the plan assets recognised in the Balance Sheet :**

Present value of define benefit obligation at the end of the period	382.78	290.28
Less: Fair value of the plan assets at the end of the year	<u>223.01</u>	<u>128.30</u>
Liability recognised in Balance Sheet	<u>159.77</u>	<u>161.98</u>



	Current Year (` in lakhs)	Previous Year (` in lakhs)
<b>The total expenses recognised in the Statement of Profit and Loss :</b>		
Current Service Cost	58.63	45.07
Past Service Cost	–	–
Interest Cost	24.67	19.60
Expected return on Plan assets	(11.23)	(8.05)
Actuarial Gain/ (Loss)	30.15	12.51
Net Gratuity Cost	102.22	69.13
<b>Following is the percentage that each major category constitutes of the fair value of the total plan assets :</b>		
Qualifying Insurance Policy	100.00%	100.00%

The fund is invested in a Group Gratuity-cum-life Assurance Cash Accumulation policy offered by Life Insurance Corporation of India.

The information on the allocation of the fund into major asset classes and expected return on each major class are not available.

**Following are the Principal Actuarial Assumptions used as at the Balance Sheet date:**

	Current Year	Previous Year
Discount rate	7.75%	8.50%
Expected rates of return on any plan assets	8.75%	8.75%
Average Salary escalation rate	6.00%	6.00%

The estimates of the future salary increases, considered in actuarial valuation, take account of inflation, seniority, promotion and other relevant factors.

**(b) The amount for the current and previous four periods in respect of gratuity plan are as follows :**

Particulars	(` In lakhs)				
	2014-15	2013-14	2012-13	2011-12	2010-11
Defined benefit obligation	382.78	290.28	244.97	186.70	153.85
Plan Assets	280.56	221.15	165.73	142.31	106.65
Surplus/(Deficit)	(102.22)	(69.13)	(79.24)	(44.39)	(47.20)
Experience adjustment on plan Assets-gain/(loss)	0.98	(0.51)	(0.36)	(0.24)	(0.32)
Experience adjustment on plan Liabilities-gain/(loss)	(3.12)	(27.61)	(20.34)	0.22	(29.19)

**26.7 Earning Per Share**

	Current Year	Previous Year
Profit after tax (` In Lakhs)	892.34	1,151.00
Weighted average number of Equity Shares	7189368	7189368
Basic & Diluted earning per share of ` 10/- each	12.41	16.01

**26.8 Segment reporting :**

- As per guidelines contain in AS 17 (Segment reporting), the company is operating in a single segment mainly in manufacture and sale of yarn.
- Secondary Segment is geographical Segment which includes export sales (including export incentive) ` 2803.23 lakhs (Previous year ` 3487.00 lakhs) and domestic sales ` 40655.97 lakhs (Previous year ` 35749.61 lakhs) All assets of the Company are Located in India except export debtors ` 42.38 lakhs (Previous year ` 201.25 lakhs).

**26.9 Related Party Disclosures as per AS-18 :**

**a) List of related parties and relationship**

Key Management personnel & his relatives :-

- i) Shri P. K. Daga, Chairman and Managing Director.
- ii) Shri Yashwant Kumar Daga, Director (Son of Shri P. K. Daga).
- iii) Shri Shantanu Daga, Senior Management Executive (Son of Shri Yashwant Kumar Daga).

**b) Enterprises over which Key Management Personnel or his relatives are able to exercise significant influence**

- M/s. Deepak Industries Ltd.
- M/s. Contransys Pvt Ltd.

**c) Related Party Transactions**

(` In lakhs)

Transactions	Name of Related Parties	Relatives of Key Management Personnel		Enterprises over which Key Management Personnel or his relative are able to exercise significant influence.	
		Current Year	Previous Year	Current Year	Previous Year
Remuneration	Shri Shantanu Daga	15.42	12.81	–	–
Director Sitting Fee	Shri Yashwant Kumar Daga	1.80	1.27	–	–
Reimbursement of Expenses	Shri Yashwant Kumar Daga	1.93	0.43	–	–
Directors Commission (On Paid Basis)	Shri Yashwant Kumar Daga	2.67	1.05	–	–
Purchase of Electricity	M/s. Deepak Industries Ltd.	–	–	382.37	150.86
Lease rent for premises leased out	M/s. Contransys Pvt. Ltd.	–	–	1.40	–
<b>Outstanding Balance as on 31st March, 2015</b>					
Payable	M/s. Deepak Industries Ltd.	–	–	36.08	150.86

Apart from above Shri P. K. Daga, Chairman and Managing Director and Shri Yashwant Kumar Daga (Son of Shri P. K. Daga) have given personal guarantees to the bankers of the company for securing various borrowings.

**26.10 Value of Import on CIF basis**

(` In lakhs)

	For the Year 31st March, 2015	For the Year 31st March, 2014
Raw Material	37.20	–
Stores & Spares	26.64	24.87
Capital Goods	443.84	126.72

**26.11 Value of Imported and Indigenous Raw Material Consumed and Percentage Thereof.**

	For the Year 31st March, 2015		For the Year 31st March, 2014	
	(` In lakhs)		(` In lakhs)	
	Value	%	Value	%
Indigenous	28,325.37	99.87	27,629.23	100.00
Imported	37.20	0.13	–	–
	<b>28,362.57</b>	<b>100.00</b>	<b>27,629.23</b>	<b>100.00</b>

**26.12 Value of Imported Consumables and Indigenous Stores & Spare Parts Consumed (Excluding charged to other heads)**

	For the Year 31st March, 2015 (` In lakhs)		For the Year 31st March, 2014 (` In lakhs)	
	Value	%	Value	%
Indigenous	1,158.11	97.51	1,134.49	97.43
Imported	29.60	2.49	29.92	2.57
	<b>1,187.71</b>	<b>100.00</b>	<b>1,164.41</b>	<b>100.00</b>

**26.13 Expenditure in Foreign Exchange**

	For the Year 31st March, 2015 (` In lakhs)	For the Year 31st March, 2014 (` In lakhs)
Traveling	–	0.46

**26.14 Non Resident shareholders etc.**

a) Number of Non Resident shareholders	399	407
b) Number of Shares held by them	1,38,286	1,40,774
c) Amount of Dividend declared,	–	–
d) Amount remitted in foreign currency	–	–

**26.15 FOB Value of exports**

2,584.73                      3,166.59

**26.16** Previous Year's figures have been reclassified/regrouped to conform to current year figure.

In terms of our Report of even date attached.

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

**B.K SIPANI**  
Partner  
Membership No. 88926  
Place : New Delhi  
Dated : 29th May, 2015

**S. B SHARDA**  
Chief Financial Officer & President

**PUNEETA ARORA**  
Company Secretary

**P. K DAGA**  
Chairman and Managing Director

**VIKRAM PRAKASH**  
**YASHWANT KUMAR DAGA**

**P. K. DROLIA**  
**NILU AGRAWAL**  
Directors



# DEEPAK SPINNERS LIMITED

CIN NO. L17111HP1982PLC016465

Regd. Office: 121 Industrial Area, Baddi, Tehsil Nalagarh  
District Solan, Himachal Pradesh-173205 Telephone nos.  
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Website: www.dsl-india.com Email: share@dsl-india.com

Annual  
Report and  
Accounts for  
the year  
2014-15 are  
being  
posted  
separately  
by post as  
per  
Companies  
Act, 2013

## NOTICE

NOTICE is hereby given that the 33rd Annual General Meeting of the Members of Deepak Spinners Limited will be held on Wednesday, the 23rd day of September, 2015 at 2.30 P.M. at Registered Office at 121, Industrial Area, Baddi, Tehsil Nalagarh, Distt. Solan, Himachal Pradesh to transact with or without modifications, as may be permissible, the following business:

### ORDINARY BUSINESS

- To receive, consider and adopt the Financial Statements of the Company for the year ended 31st March, 2015 including audited Balance Sheet as at 31st March, 2015 and the Statement of Profit and Loss for the year ended on that date and the Reports of the Board of Directors and Auditors thereon.
- To appoint a Director in place of Shri Pradip Kumar Daga (holding DIN 00040692), who retires by rotation and is eligible for re-appointment.
- To appoint 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

- To consider and if thought fit, to pass the following resolution as an **Ordinary Resolution**:  
“RESOLVED that pursuant to the provisions of Sections 149, 150, 152, 160 and any other applicable provisions of the Companies Act, 2013 (the “Act”) and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) read with Schedule IV to the Act and Clause 49 of the Listing Agreement, Ms. Nilu Agrawal (DIN 03107052), who was appointed as an Additional Director of the Company by the Board of Directors with effect from 1st April, 2015, in terms of Section 161(1) of the Act and Article 107 of the Articles of Association of the Company, and who has given a declaration that she meets with the criteria of independence and as per Section 149(6) of the Act, qualifies for being appointed as an Independent Director and whose term of office expires at the Annual General Meeting and in respect of whom the

Company has received a notice in writing from a member proposing her candidature for the office of Director, be and is hereby appointed a Director as an Independent Director of the Company to hold office for five consecutive years for a term up to 31st March 2020.”

- To consider and if thought fit to pass the following Resolution as an **Ordinary Resolution**:  
“RESOLVED THAT pursuant to Section 148 and other applicable provisions of the Companies Act, 2013 read with Companies (Audit and Auditors) Rules, 2014 including any statutory modification or re-enactment thereof for the time being in force, M/s. Shakti K. & Associates, Cost Accountants being the Cost Auditors appointed by the Board of Directors of the Company to conduct the cost audit for the financial year ending 31st March 2016, be paid the remuneration of Rs. 65,000/- (Rupees Sixty Five Thousand Only) excluding service tax and out of pocket expenses.”
- To consider and if thought, fit to pass the following resolution as a **Special Resolution** :  
“RESOLVED THAT pursuant to provisions of Section 94 of the Companies Act, 2013 and the Rules made there under, the consent of the members be and is hereby accorded to the Board of Directors of the Company for keeping the Registers required to be maintained under Section 88 of the Companies Act, 2013, at the office of Registrar and Transfer Agent, Maheshwari Datamatics Private Limited, 6, Mangoe Lane, 2nd Floor, Kolkata – 700 001 or at such places, where the Registrar and Transfer Agent may shift its office from time to time, instead of the Registered Office of the Company.”

By Order of the Board  
Sd/-  
PUNEETA ARORA  
Company Secretary

Place: New Delhi  
Date : 29.05.2015

## 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 10 (ten) percent of the total share capital of the Company carrying voting rights. A member holding more than 10 (ten) percent of the total share capital of the Company carrying voting rights may appoint a single person as proxy and such person can not act as a proxy for any other 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 19th September, 2015 to 23rd September, 2015 (both days inclusive) for annual closing.
4. The Company has connectivity with both NSDL and CDSL under **ISIN No INE272C01013**.
5. Under Section 205C of the Companies Act, 1956, the amount of dividend remaining unpaid or unclaimed for a period of seven years from the due date was required to be transferred to the Investor Education and Protection Fund (IEPF), constituted by the Central Government Accordingly, the Company has transferred to IEPF all unclaimed / unpaid dividends in respect of the financial years till 2006-07.
6. The 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: mdplc@yahoo.com and share@dsl-india.com.
7. Members holding shares in the same name under different Ledger Folios are requested to apply for consolidation of such Folios and send the relevant share certificates to M/S Maheshwari Datamatics Private Limited, for their doing the needful.
8. 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.
9. 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.
10. 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.
11. Electronic copy of the Annual Report for 2015 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 2015 is being sent to them by the permitted mode.
12. Electronic copy of the Notice of the General Meetings of the Company inter alia indicating the process and manner of e-voting along with Attendance Slip and Proxy Form, is being sent to all the members whose email IDs are registered with the Company/Depository Participants(s) for communication purposes unless any member has requested for a physical copy of the same. For members who have not registered their e-mail address, physical copies of the Notice of the Annual General Meeting of the Company inter alia indicating the process and manner of

- e-voting along with Attendance Slip and Proxy Form is being sent by the permitted mode.
13. 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, Annual Reports, and other shareholders communication 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.
  14. Those members, holding shares in physical mode, and who have not registered their e-mail IDs are requested to do so by providing their e-mail ID in the attached consent letter.
  15. Members may also note that the Notice of the Annual General Meeting and the Annual Report for 2015 will also be available on the Company's website, [www.dsl-india.com](http://www.dsl-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.
  16. 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 (9.00 am to 5.00 pm) on all working days except Saturdays, up to and including the date of the Annual General Meeting of the Company.
  17. Mr. Ajay Arora, Practising Company Secretary (Membership No. FCS 2191 and Certificate of Practice No. 993) has been appointed as the Scrutinizer for providing facility to the members of the Company to scrutinize the voting and remote e-voting process in a fair and transparent manner.
  18. **VOTING THROUGH ELECTRONIC MEANS**
    - a) In compliance with the provisions of Section 108 of the Companies Act, 2013, Rule 20 of the Companies (Management and Administration) Rules, 2014 as amended by the Companies (Management and Administration) Amendment Rules, 2015 and Clause 35B of the Listing Agreement, the Company is pleased to provide the members the facility to exercise their right to vote on resolutions proposed to be considered at the Annual General Meeting (AGM) by electronic means and the business may be transacted through e-Voting Services. The facility of casting the votes by the members using an electronic voting system from a place other than venue of the AGM ("remote e-voting") will be provided by Central Depository Services (India) Limited (CDSL).
      - b) The facility for voting through ballot paper shall be made available at the AGM and the members attending the meeting who have not cast their vote by remote e-voting shall be able to exercise their right at the meeting through ballot paper.
      - c) The members who have cast their vote by remote e-voting prior to the AGM may also attend the AGM but shall not be entitled to cast their vote again.
      - d) The remote e-voting period commences on 19th September, 2015 (9:00 am) and ends on 22nd September, 2015 (5:00 pm). During this period members of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date of 16th September, 2015, may cast their vote by remote e-voting. The remote e-voting module shall be disabled by CDSL for voting thereafter. Once the vote on a resolution is cast by the member, the member shall not be allowed to change it subsequently.
      - e) **The process and manner for remote e-voting are as under:**
        - (i) The shareholders should log on to the e-voting website [www.evotingindia.com](http://www.evotingindia.com)
        - (ii) Click on Shareholders.
        - (iii) 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.
        - (iv) Next enter the Image Verification as displayed and Click on Login.

- (v) 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.
- (vi) If you are a first time user follow the steps given below :

<b>For Members holding shares in Demat Form and Physical Form</b>	
PAN*	<p>Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders)</p> <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 letters of their name and the 8 digits of the 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 of the name in CAPITAL letters. Eg. If your name is Ramesh Kumar with sequence number 1 then enter RA00000001 in the PAN field.</li> </ul>
Dividend Bank Details OR Date of Birth (DOB)	<p>Enter the Dividend Bank Details or Date of Birth (in dd/mm/yyyy format) as recorded in your demat account or in the company records in order to login.</p> <ul style="list-style-type: none"> <li>If both the 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 (v).</li> </ul>

- (vii) After entering these details appropriately, click on "SUBMIT" tab.
- (viii) Members holding shares in physical form will then directly reach the Company selection screen. However, members holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- (ix) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- (x) Click on the EVSN for the relevant <Company Name> on which you choose to vote.
- (xi) 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.
- (xii) Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.
- (xiii) 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.
- (xiv) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.
- (xv) You can also take a print of the votes cast by clicking on "Click here to print" option on the Voting page.
- (xvi) If a demat account holder has forgotten the login password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
- (xvii) **Note for Non – Individual Shareholders and Custodians**



- Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodian are required to log on to [www.evotingindia.com](http://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 a Compliance User should be created 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 linked in the login 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.
- (xviii) 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).
- f) A copy of this notice has been placed on the website of the Company and the website of CDSL.

**EXPLANATORY STATEMENT IN RESPECT OF THE SPECIAL BUSINESS PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013**

**Item No. 4**

The Board of Directors at their meeting held on 31st March, 2015, on the recommendation of Nomination and Remuneration Committee, appointed Ms. Nilu Agrawal as an Additional Director under Section 161(1) of the Companies Act, 2013 and Article 107

of the Articles of Association of the Company as an Independent Non-executive Director of the Company for five consecutive years under Section 149 of the Companies Act, 2013 with effect from 1st April, 2015. Her appointment is subject to the approval of the shareholders. The Company has received a notice from a member proposing Ms. Agrawal as a candidate for the office of Director of the Company.

Ms. Nilu Agrawal is an experienced business lady based in Kolkata. She does not hold by herself or for any other person, any shares in the Company on beneficial basis.

In terms of Section 149 and other applicable provisions of the Companies Act, 2013, Ms. Nilu Agrawal, being eligible and offering herself for appointment is proposed to be appointed as an Independent Director for a term of five consecutive years with effect from 1st April 2015 up to 31st March, 2020.

The Company has also received declaration from Ms. Agrawal that she meets with the criteria of independence as prescribed under sub-section (6) of Section 149 of the Companies Act, 2013.

After reviewing the declaration submitted by Ms. Agrawal, the Board of Directors of your Company are of the opinion that Ms. Nilu Agrawal fulfils the conditions specified in the Companies Act, 2013 and rules made there under and requirements of Clause 49 of the Listing Agreement with Stock Exchanges, for her appointment as an Independent Director of the Company and is independent of the management.

Copy of the draft letter for appointment of Ms. Nilu Agrawal as an Independent Director setting out the terms and conditions would be available for inspection without any fee by the members at the Registered Office of the Company during normal business hours on any working day, excluding Saturday.

The Board considers that her association would be of immense benefit to the Company and it is desirable to continue to avail services of Ms. Agrawal as an Independent Director. Accordingly, the Board recommends the resolution in relation to appointment of Ms. Agrawal as an Independent Director, for the approval by the shareholders of the Company.

Except Ms. Nilu Agrawal, being an appointee, none of the Directors and Key Managerial Personnel of

the Company and their relatives is concerned or interested, financially or otherwise, in the resolution set out at Item No. 4. This Explanatory Statement may also be regarded as a disclosure under Clause 49 of the Listing agreement with the Stock Exchange.

**Item No. 5**

In pursuance of Section 148 of the Companies Act, 2013 and Rule 14 of the Companies (Audit and Auditors) Rules, 2014, the Board shall appoint an individual who is a Cost Accountant in practice or a firm of Cost Accountants in practice, as Cost Auditor on the recommendations of the Audit Committee. The remuneration recommended by Audit Committee shall be considered and approved by the Board of Directors and ratified by the shareholders.

On recommendation of Audit Committee at its meeting held on 29.5.2015, the Board has considered and approved appointment of M/s. Shakti K. & Associates, Cost Accountants for the conduct of Cost Audit of the Company for the financial year 2015-16 at a remuneration as mentioned in the resolution for this item of the notice.

The resolution at Item no. 5 of the notice is set out as an Ordinary Resolution for approval and ratification by the members in terms of Section 148 of the Companies Act, 2013.

None of the Directors and/or Key Managerial Personnel of the Company and their relatives are concerned or interested, financially or otherwise in the resolution set out at Item no. 5.

**Item No. 6**

Section 94 of the Companies Act, 2013 provides that for keeping the registers required to be maintained under Section 88 thereof, including register of members together with Index of members, etc. at a place other than the registered office of the Company, approval of members by way of Special Resolution is required. Since the register of members together with index of members, etc. will be kept with Maheshwari Datamatics Private Limited, Registrar and Share Transfer Agent of the Company at their office situated at 6, Mangoe Lane, 2nd Floor, Kolkata – 700 001, approval of the members is sought by way of special resolution.

None of the Directors and Key Managerial Personnel of the Company and their relatives is concerned or interested, financially or otherwise, in the resolution set out at Item No. 6. The Board of Directors commends the resolution as set out at Item No. 6 for approval of the members as Special Resolution.

**DEEPAK SPINNERS LIMITED****(viii) DETAILS OF DIRECTORS SEEKING APPOINTMENT/ RE-APPOINTMENT AT THE ENSUING ANNUAL GENERAL MEETING FIXED ON WEDNESDAY, THE 23RD DAY OF SEPTEMBER, 2015 AS REQUIRED UNDER CLAUSE 49 OF THE LISTING AGREEMENT WITH THE STOCK EXCHANGE :**

<b>Name of Director</b>	<b>Shri Pradip Kumar Daga</b>	<b>Smt. Nilu Agrawal</b>
Date of Birth	24-04-1937	20.03.1975
Date of Appointment	25-03-1982	01.04.2015
Qualification	B.Com (Hons.)	
No. of shares held by him in the Company	502389 equity shares of Rs. 10/-	Nil
Experience in Specific Functional Area	Industrialist with rich and varied business experience.	Business lady with extensive business experience.
List of other Directorships held	1 Century Textiles & Industries Ltd 2 Deepak Gears Ltd 3 Longview Tea Company Limited 4 Deepak Industries Ltd.	1. Agra Tradelink Pvt. Ltd. 2. Rotex Commercial Pvt. Ltd. 3. Abhimaan Tie up Pvt. Ltd. 4. Ganpati Plyboards Pvt. Ltd. 5. Vanilla Suppliers Pvt. Ltd. 6. Pigeon Vintrade Pvt. Ltd. 7. Mahek Commodéal Pvt. Ltd.
Chairman /Member of the Committees of Board of Directors of the Company #	Nil	Nil
Chairman / Member of the Committee of Directors of other Companies in which he is a Director #	1. Century Textiles & Industries Ltd. (Member – Audit Committee, Stakeholders Relationship Committee) 2. Longview Tea Company Limited (Member – Audit Committee and Stakeholders Relationship Committee)	Nil
Relationship between Directors interse (as per Companies Act, 2013)	Related to Shri Yashwant Kumar Daga as father.	Nil

# Committee positions only of Audit Committee and Stakeholders Relationship Committee in Public companies have been considered.

Place: New Delhi  
Date : 29.05.2015

By Order of the Board  
Sd/-  
PUNEETA ARORA  
Company Secretary

## **DEEPAK SPINNERS LIMITED**

**CIN NO. L17111HP1982PLC016465**

Regd. Office : 121 Industrial Area, Baddi, Tehsil Nalagarh

District Solan, Himachal Pradesh-173205

Telephone nos. : 0172 2790973, 2790974, Fax : 0172 2790977

Website : [www.dsl-india.com](http://www.dsl-india.com) Email : [share@dsl-india.com](mailto:share@dsl-india.com)

Date : 29th May 2015

Dear Shareholder(s),

### **Sub : Service of Documents through Electronic Mode**

The Ministry of Corporate Affairs, Government of India, has notified the coming into force of Section 101 of the Companies Act, 2013 and the rule under the said Act. As per Rule 18(3)(i) of the Companies (Management & Administration) Rules, 2014 and Rule 11 of the Companies (Accounts) Rules, 2014, the Company is requesting for a positive consent from those of its members who hold shares otherwise than in dematerialized format, to receive Notices of General Meeting/Postal Ballot, Annual Report and other shareholders communication by electronic mode. This will enable these shareholders to receive such notice(s)/Annual report(s)/document(s)/ Communication(s) etc., promptly and without loss in postal transit.

If you are holding the shares of the Company in dematerialized form, you would be receiving the Notice of General Meeting/Postal Ballot, Annual report and other shareholders communication by electronic mode.

Once we receive your positive consent, henceforth, Notices of Meetings, Annual Reports, Directors' report, Auditors' Report and other shareholders communication will be sent to you electronically to your email address as provided by you AND/OR made available to the Company by the Depositories viz. National Securities Depository Limited (NSDL)/Central Depository Services(India) Limited (CDSL).

**As and when there are changes in your e-mail address, you are requested to update the same with your Depository Participant (DP). For shares held in physical form, you can register your e-mail address with the Company's Registrar M/S Maheshwari datamatics Pvt.Ltd at [mdplc@cal.vsnl.net.in](mailto:mdplc@cal.vsnl.net.in) OR the Company at [share@dsl-india.com](mailto:share@dsl-india.com) mentioning your name(s) and Folio Number.**

Please note that if you still wish to get a physical copy of the above documents, the Company will send the same, free of cost, upon receipt of a request from you.

We look forward to your support.

Thanking you,

Yours sincerely

For **DEEPAK SPINNERS LIMITED**

Sd/-

**EPUNEETA ARORAH**

*Company Secretary*

To  
M/S MAHESHWARI DATAMATICS PVT.LTD  
**Unit : Deepak Spinners Limitd**  
6, MANGOE LANE, 2ND FLOOR,  
(SURENDRA MOHAN GHOSE SARANI)  
KOLKATA - 700001

Date :

**Sub : Service of Documents through Electronic Mode**

Dear Sir,

As per your letter dated 29th May, 2015, I/We submit to you as under :

Kindly use my/our Email Id : ..... for serving the documents for  
physical Folio No. ....

Yes

No

Thanking You,

Yours Faithfully,

Name of Sole / First Holder ..... Signature : .....



**DEEPAK SPINNERS LIMITED**  
**CIN No.L17111HP1982PLC016465**

Regd. Office : 121 Industrial Area, Baddi, Tehsil Nalagarh, Dt. Solan, Himachal Pradesh-  
173205 Telephone nos. : 0172 2790973, 2790974, Fax : 0172 2790977  
Website : [www.dsl-india.com](http://www.dsl-india.com) Email : share@dsl-india.com

**ATTENDANCE SLIP**

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

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

I/We hereby record my/our presence at the 33rd Annual General meeting of the Company being held on Wednesday, the 23rd September, 2015 at 2.30 P.M. at Deepak Spinners Limited, 121, Industrial Area, Baddi. Tehsil: Nalagarh, Dt. Solan (H.P.).

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 : L17111HP1982PLC016465

Name of the Company : DEEPAK SPINNERS LIMITED

Registered office : 121 Industrial Area, Baddi, Tehsil Nalagarh, District Solan, Himachal Pradesh-173205

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

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 33rd Annual General Meeting of the Company, to be held on Wednesday, the 23rd September, 2015 at 2.30 P.M. at 121, Industrial Area, Baddi, Tehsil Nalagarh, District Solan, Himachal Pradesh-173205 and at any adjournment thereof in respect of such resolutions as are indicated overleaf:

Sl. No.	RESOLUTIONS	OPTIONAL*	
		(FOR)	(AGAINST)
	<b>ORDINARY BUSINESS</b>		
1.	Ordinary Resolution to Consider and adopt Audited Financial Statement, Reports of the Board of Directors and Auditors.		
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 Auditors and fixing their remuneration.		
	<b>SPECIAL BUSINESS</b>		
4.	Ordinary Resolution under Section 149 of the Companies Act, 2013 for appointment of Smt. Nilu Agrawal as Director.		
5.	Ordinary Resolution under Section 148 of the Companies Act, 2013 for approval of the remuneration of the Cost Auditors.		
6.	Special Resolution to keep Registers under Section 88 of the Companies Act, 2013 at a place other than at Registered Office		

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

Signature of Shareholder : .....

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

Affix 15 Paise Revenue Stamp
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**Note :**

- (1) **This form of proxy in order to be effective should be completed and deposited at the Registered office of the Company, not less than 48 hours before the commencement of the meeting.**
- (2) For the resolutions, Explanatory Statement and Notes, please refer to the Notice of the 33rd 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.