



**Fairdeal Filaments Ltd.**

**ANNUAL  
REPORT  
2016-17**

**27<sup>th</sup>**

**TWENTY SEVENTH  
ANNUAL REPORT**

**TWENTY SEVENTH ANNUAL REPORT 2016-17**

**BOARD OF DIRECTORS** : Mr. Jayantilal R. Shah Chairman  
: Mr. Dhirajlal R. Shah Managing Director  
: Mr. Arvind R. Shah Whole-time Director  
: Mr. Rajendra K. Desai Independent Director  
: Mr. Nandish S. Vin Independent Director  
: Ms. Sonia P. Khanna Woman Independent Director

**COMPANY SECRETARY** : CS Jitesh R. Varkal

**CFO** : Mr. Satish H. Shah

**AUDITORS** : M/s. Natvarlal Vepari & Co.  
Chartered Accountants, Surat.

**SECRETARIAL AUDITOR** : Mr. Bhairav H. Shukla, Practicing Company Secretary

**BANKERS** : 1. Bank of Baroda, Zampa Bazar, Surat.  
2. ICICI Bank, Ahmedabad.

**PLANT LOCATION** : 1. Mota Borasara, Kim, Taluka : Mangrol, District : Surat  
2. Limodara Patiya, Karanj, Taluka : Mandvi, District : Surat

**REGISTERED OFFICE** : 3rd Floor, Dawer Chambers, Near Sub-Jail, Ring Road, Surat - 395 002.  
Tel. No. (0261) 4190200 Fax No. (0261) 2635550  
E-mail: info@shahlon.com Website: www.shahlon.com

**REGISTRARS AND TRANSFER AGENTS** : MCS SHARE TRANSFER AGENT LIMITED  
88, Sampatrao Colony, 1st Floor, Neelam Apartment,  
Above Chappanbhog Sweet, Alkapuri, Vadodara-390007.  
Tel No.: (0265) 2314757 / 2350490 Fax No.: (0265) 2341639  
E-mail: mcsitdbaroda@yahoo.com

**ISIN for NSDL & CDSL** : INE719D01011

# 27<sup>th</sup>

## ANNUAL REPORT 2016-17

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## NOTICE

Notice is hereby given that the 27th Annual General Meeting of members of FAIRDEAL FILAMENTS LIMITED will be held on Friday, 29th day of September, 2017 at 11:00 A.M. at the Registered Office of the company situated at 3rd Floor, Dawer Chambers, Nr. Sub Jail, Ring Road, Surat- 395002 to transact the following Business:

### Ordinary Business:

1. To receive, consider and adopt the Audited Financial Statement for the year ended 31st March, 2017, together with the Report of the Board of Directors and Auditors thereon.
2. To declare Dividend on Equity Shares for the financial year ended 31st March, 2017.
3. To appoint a Director in place of Shri Jayantilal R. Shah (DIN 00010470), Director who retires by rotation and being eligible, offers himself for re-appointment.
4. **To appoint Auditors and to fix their remuneration:**

To consider and, if thought fit, to pass, the following resolution as an **Ordinary Resolution**:

“RESOLVED THAT pursuant to the provisions of section 139, 142 and other applicable provisions, if any, of the Companies Act, 2013 (the Act), and the Companies (Audit and Auditors) Rules, 2014 (including any amendment or statutory modification thereto for the time being in force) and pursuant to recommendation of the Audit Committee and the Board of Directors, Rangoonwala Associates, Chartered Accountants (Firm Registration No. 108632W), Surat, be and are hereby appointed as Statutory Auditors of the Company at such remuneration as may be fixed by the Board of Directors of the Company, in place of M/s. Natvarlal Vepari & Co., Chartered Accountants (having Firm Registration No.123626W), Surat, whose term ends at the conclusion of the 27th Annual General Meeting of the Company.

“RESOLVED FURTHER THAT Rangoonwala Associates, Chartered Accountants, will hold office as the Statutory Auditors of the Company, for a period of 5 years from the conclusion of the 27th Annual General Meeting until the conclusion of the 32nd Annual General Meeting, subject to the condition that their appointment as the Statutory Auditors shall be placed for ratification at every Annual General Meeting, as required under the Companies Act, 2013, as amended from time to time.”

“RESOLVED FURTHER THAT the Board of Directors of the Company, be and is hereby authorised to do all such acts, deeds, matters and things as may be considered necessary, desirable or expedient to give effect to this resolution.”

### Special Business:

5. **To ratify the Remuneration of Cost Auditors.**

To consider and, if thought fit, to pass the following resolution as an **Ordinary Resolution**:

“RESOLVED THAT pursuant to the provisions of Section 148 and other applicable provisions, if any, of the Companies Act, 2013, Companies (Cost records and Audit Rules) 2014 and The Companies (Audit and Auditors) Rules, 2014 (including any amendment or statutory modification thereto for the time being in force), the remuneration payable to M/s. Kannaujya & Co., Cost Accountants having Firm Registration No.102990 appointed by the Board of Directors as Cost Auditors to conduct the audit of the cost records of the Company pertaining to textile product for the financial year ending 31st March, 2018, amounting to Rs.25,000/- (Rupees Twenty Five Thousand) as also the payment of taxes as applicable and reimbursement of out of pocket expenses incurred by them in connection with the aforesaid audit be and is hereby ratified and confirmed.”

By Order of Board of Directors of  
**Fairdeal Filaments Limited**

Place : Surat

Date : 14<sup>th</sup> August, 2017

**Jitesh R. Varkal**  
Company Secretary

## NOTES

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY/ PROXIES TO ATTEND AND VOTE INSTEAD OF HIMSELF/HERSELF. SUCH A PROXY/ PROXIES NEED NOT BE A MEMBER OF THE COMPANY.

A person can act as proxy on behalf of members not exceeding 50 (fifty) 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 shall 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 time of holding the meeting. A Proxy form is enclosed herewith. Corporate members are requested to send a duly certified copy of the Board resolution/authority letter, authorizing their representative(s) to attend and vote on their behalf at the meeting.

2. The Explanatory statement pursuant to Section 102 of the Companies Act, 2013 setting out material facts relating to Special Businesses to be transacted at the Annual General Meeting (“AGM”) is annexed hereto.
3. Brief details of the directors, who are seeking appointment/re-appointment, are annexed hereto as per requirements of regulation 36(3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.
4. Pursuant to the provisions of section 91 of the Companies Act, 2013, the register of members and share transfer books of the Company shall remain closed from Saturday, 16th September, 2017 to Friday, 29th September, 2017 (both days inclusive) for the purpose of payment of Dividend for financial year ended 31st March, 2017 and the 27th AGM of the Company. The Record date for determining the name of the members eligible for Dividend on Equity share, if declared at this meeting, is Friday, 15th September, 2017.
5. Dividend on equity shares, if declared at the annual general meeting, will be credited/dispatched on or after 29th September, 2017 as under:
  - a. to all those beneficial owners holding shares in electronic form, as per the beneficial ownership data made available to the Company by National Securities Depository Ltd. (NSDL) and the Central Depository Services (India) Ltd. (CDSL) as of the close of business hours on Friday, 15th September, 2017; and
  - b. to all those shareholders holding shares in physical form whose names stand on the Register of Members as on Friday, 15th September, 2017.
6. Members are requested immediately to notify any change in their address:
  - To their Depository Participants (DPs) in respect of shares held electronically and
  - To Company at its Registered Office or MCS Share Transfer Agent Limited, the Registrar and Share Transfer Agent of Company, in respect of shares held physically, by sending duly filled and signed “INTIMATION FORM FOR CHANGE/CORRECTION IN ADDRESS OF COMMUNICATION”, along with all evidential documents as mentioned in the said form. The above said form is available at the end of this Annual Report as well as on the website of the Company.
7. Members, who still hold share certificates in physical form are advised to dematerialise their shareholding to avail the numerous benefits of dematerialisation, which include easy liquidity, ease of trading and transfer, savings in stamp duty and elimination of any possibility of loss of documents etc.
8. The Securities and Exchange Board of India (SEBI) has mandated submission of Permanent Account Number (PAN) by every participant in securities market. Members holding shares in dematerialized form are requested to submit their PAN details to their Depository Participant (DP) and members holding shares in physical form are requested to submit their PAN details to the Company / MCS Share Transfer Agent Limited, Registrar and Share Transfer Agent of Company.

9. **Transfer of Unclaimed / Unpaid Dividend amounts to the Investor Education and Protection Fund (IEPF):**

Pursuant to the provisions of Section 124 of the Act and IEPF Rules 2016, the amount of dividend remaining unpaid or unclaimed for a period of seven years from the date of transfer to the unpaid dividend account of the Company shall be transferred to the Investor Education and Protection Fund ("IEPF") set up by the Central Government.

Please note that Members who have yet not en-cashed their dividend warrant(s) pertaining to dividend declared for the financial year 2009-10 and onwards are requested to lodge their unpaid dividend claims along with claimant's Proof of Identity and address immediately with the Company.

Shareholders are requested to ensure that they claim the dividend(s) from the company before transfer of said dividend amount to the IEPF. Company has uploaded the details of unpaid and unclaimed amounts lying with the Company as on 30/09/2016 on the website of the IEPF viz. [www.iepf.gov.in](http://www.iepf.gov.in) as well as website of the Company. The details of unclaimed dividends for the financial year 2009-10 onwards and the last date for claiming such dividends are given below:

<b>Financial Year</b>	<b>Date of Declaration of Dividend</b>	<b>Unclaimed Amount as on 31st March, 2017 (in Rs.)</b>	<b>Due Date for transfer to IEPF</b>
2009-2010	30/09/2010	2,09,835.00	06/11/2017
2010-2011	30/09/2011	1,74,679.00	06/11/2018
2011-2012	28/09/2012	1,95,403.00	04/11/2019
2012-2013	30/09/2013	2,08,371.00	06/11/2020
2013-2014	30/09/2014	2,23,445.00	06/11/2021
2014-2015	30/09/2015	1,09,515.00	06/11/2022
2015-2016	30/09/2016	2,47,178.75	06/11/2023

It may be noted that no claims shall lie against the Company in respect of any amount of dividend remaining unclaimed/unpaid after period of seven (7) years from the dates of they become due for payment.

10. Attention of Members is invited to the provisions of Section 124(6) of the Companies Act, 2013 read with Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 amended from time to time, which inter alia requires the Company to transfer the equity shares on which the dividend has not been en-cashed or unclaimed for a continuous period of seven years, to a special demat account to be opened by Investor Education and Protection Fund Authority ('IEPF Authority'). The said Shares, once transferred to the said demat account of the IEPF Authority, individual shareholder may claim such shares after following due procedure prescribed under the said IEPF rules.

Adhering to the requirements set out in the Rules, the company has communicated individually to the concerned shareholders whose shares are liable to be transferred to Demat Account of IEPF Authority at their latest available address with the Company and simultaneously published a notice in the English newspaper the Financial Express and in Gujarati newspaper Gujarat Guardian dated 30/03/2017. The Statement of Unclaimed Dividend amount for 7 consecutive years and Shares due for transfer to IEPF is placed on the website of the Company.

11. Members/Proxy Holders should bring Attendance Slips duly filled in for attending the meeting. Members are requested to bring their copy of Annual Report at the Meeting.
12. Members seeking any information concerning the accounts and operations are requested to send their queries to the company at least 10 days before the date of the meeting, so that information required can be made available at the meeting.
13. Members holding shares in dematerialised mode are requested to intimate all changes with respect to their bank details, mandate, nomination, power of attorney, change of address, e-mail address, change in name etc. to their depository participant. These changes will be automatically reflected in the Company's records which will help the Company to provide efficient and better service to the members.

14. Members holding shares in physical form are requested to intimate changes with respect to their bank account (viz. name and address of the branch of the bank, MICR code of branch, type of account and account number), mandate, nomination, power of attorney, change of address, e-mail address, change in name etc. immediately to the Company.
15. In compliance with the provisions of Section 108 of the Act and the Rules framed thereunder, as amended from time to time, and Regulation 44 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Members are provided with the facility to cast their vote electronically, through the e-voting services provided by CDSL, on all the resolutions set forth in this Notice. The instructions for e-voting are given herein below. Resolution(s) passed by Members through e-voting is/are deemed to have been passed as if they have been passed at the AGM.
16. The Board of Directors has appointed Shri Bhairav H. Shukla, Practicing Company Secretary (Membership No. FCS 6212) as the Scrutinizer to scrutinize the voting at the meeting and remote e-voting process in a fair and transparent manner.
17. The facility for voting, either through electronic voting system or ballot or polling paper shall also be made available at the AGM and the Members attending the meeting who have not already cast their vote by remote e-voting shall be able to exercise their right to vote at the AGM.
18. 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.
19. The instructions and manner for availing e-Voting facility are as under:

**The instructions for shareholders voting electronically are as under:**

- (i) The voting period begins on 26th September, 2017 (9.00 AM) and ends on 28th September, 2017 (5.00 PM). During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date (record date) of 22nd September, 2017 may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
- (ii) The shareholders should log on to the e-voting website [www.evotingindia.com](http://www.evotingindia.com).
- (iii) Click on Shareholders.
- (iv) Now Enter your User ID
  - a. For CDSL: 16 digits beneficiary ID,
  - b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
  - c. Members holding shares in Physical Form should enter Folio Number registered with the Company.
- (v) Next enter the Image Verification as displayed and Click on Login.
- (vi) If you are holding shares in demat form and had logged on to [www.evotingindia.com](http://www.evotingindia.com) and voted on an earlier voting of any company, then your existing password is to be used.
- vii) If you are a first time user follow the steps given below:

	<b>For Members holding shares in Demat Form and Physical Form</b>
<b>PAN</b>	<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 sequence number which is printed on Postal Ballot / Attendance Slip indicated in the PAN field.</li> </ul>
<b>Dividend Bank Details OR Date of Birth (DOB)</b>	<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 (iv).</li> </ul>

- (viii) After entering these details appropriately, click on “SUBMIT” tab.
- (ix) Members holding shares in physical form will then directly reach the Company selection screen. However, members holding shares in demat form will now reach ‘Password Creation’ menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- (x) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- (xi) Click on the EVSN for the relevant Fairdeal Filaments Ltd on which you choose to vote.
- (xii) On the voting page, you will see “RESOLUTION DESCRIPTION” and against the same the option “YES/NO” for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
- (xiii) Click on the “RESOLUTIONS FILE LINK” if you wish to view the entire Resolution details.
- (xiv) After selecting the resolution you have decided to vote on, click on “SUBMIT”. A confirmation box will be displayed. If you wish to confirm your vote, click on “OK”, else to change your vote, click on “CANCEL” and accordingly modify your vote.
- (xv) Once you “CONFIRM” your vote on the resolution, you will not be allowed to modify your vote.
- (xvi) You can also take a print of the votes cast by clicking on “Click here to print” option on the Voting page.
- (xvii) 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.
- (xviii) Shareholders can also use Mobile app - “m-Voting” for e voting. m-Voting app is available on IOS, Android & Windows based Mobile. Shareholders may log in to m-Voting using their e voting credentials to vote for the company resolution(s).
- (xix) **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.
- (xx) 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).
- (xxi) Following person responsible to address the grievances connected with facility for voting by electronic means:
- Name: Mr. Rakesh Dalvi  
Designation: Deputy Manager  
Address: Phiroze Jeejeebhoy Towers, 16th Floor, Dalal Street, Fort, Mumbai – 400001.  
Email id: [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com)  
Phone number: 18002005533

- (xxii) Any person, who acquires shares of the Company and becomes member of the Company after dispatch of the notice and holds shares as of the cut-off date i.e. 22nd September, 2017, may obtain the login ID and password by sending a request to helpdesk.evoting@cdslindia.com or Issuer/RTA. However, if person is already registered with CDSL for e voting then existing User ID and password can be used for casting vote.
20. Electronic copy of the Notice of the 27th 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 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 hard copy of the same. For members who have not registered their email address, physical copies of the Notice of the 27th annual general meeting of the Company inter alia indicating the process and manner of e-voting along with Attendance Slip and Proxy Form is being sent in the permitted mode.
21. Pursuant to section 101 and section 136 of the Companies Act, 2013 read with relevant rules made thereunder, Companies can serve annual reports and other communications through electronic mode to those members who have registered their e-mail address with the Company, Share Transfer Agent or with the Depository. Members who have not registered their e-mail address with the Company can now register the same by submitting the duly filled in "E-mail Registration Form", available on the website of the Company, to the Company. Members holding shares in demat form are requested to register their e-mail address with their Depository Participant(s) only. Members of the Company, who have registered their e-mail address, are entitled to receive such communication in physical form upon request.
- The Notice of annual general meeting and the copies of audited financial statements, directors' report, auditors' report etc. will also be displayed on the website (www.shahlon.com) of the Company.
22. The route map showing directions to reach the venue of the twenty-seventh AGM is annexed.

## Annexure to Notice

### **BRIEF RESUME OF DIRECTOR SEEKING RE-APPOINTMENT AT THE ANNUAL GENERAL MEETING PURSUANT TO REGULATION 36(3) OF THE SEBI LISTING REGULATIONS, 2015**

#### **Item No. 3 of the Notice**

As regards re-appointment of Shri Jayantilal R. Shah referred to in Item No. 3 of the notice, following necessary disclosures are made for the information of the shareholders:

- (a) a brief resume of the director AND nature of his expertise in specific functional areas;  
Mr. Jayantilal R. Shah is a commerce graduate aged about 69 years is having rich experience of more than 30 years in textile business. He was appointed as a Promoter Director in 1994. He has having expertise in Accounts and Legal area.
- (b) disclosure of relationships between directors inter-se;  
Brother of Shri Dhirajilal R. Shah, Managing Director of the Company and Shri Arvind R. Shah, Whole-time Director of the Company.
- (c) names of listed entities in which the person also holds the directorship and the membership of Committees of the board: Nil
- (d) shareholding in the company:  
Shri Jayantilal R. Shah holds 2,88,075(4.76%) equity shares of Rs.10/- each.
- (e) Number of Meetings of Board attended during the year:  
Shri Jayantilal R. Shah had attended Five (5) Board Meetings out of Five (5) Board Meetings held during the year.
- (f) Number of other Directorships:  
Shri Jayantilal R. Shah is holding directorship in the following company as on financial year ended 31st March, 2017.
- 1) Shahlon Silk Industries Pvt. Ltd.



**EXPLANATORY STATEMENT PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013:****Item No. 4 of the Notice**

The Explanatory Statement for this Item No. 4 is being provided voluntarily, though strictly not required as per Section 102 of the Companies Act, 2013 ('the Act'). In terms of Section 139(1) of the Companies Act, 2013, no listed company can appoint or re-appoint an audit firm (including its affiliate firm) as auditor for more than two (2) terms of five (5) consecutive years. The Act also provided for additional transition period of three (3) years from the commencement of the Act, i.e. from April 1, 2014.

The Members are informed that M/s. Natvarlal Vepari & Co., Chartered Accountants, having Registration No. 123626W, are Statutory Auditors of the Company since long back. Accordingly, M/s. Natvarlal Vepari & Co., Chartered Accountants have completed period of ten (10) years and will also be completing the additional transition period of three (3) years at the conclusion of ensuing 27th Annual General Meeting, and the Company therefore needs to appoint a new auditor in their place. The Audit Committee and the Board of Directors have placed on record their appreciation for the professional services rendered by Natvarlal Vepari & Co., Chartered Accountants during their long association with the Company.

Pursuant to and in light of the above, the Board of Directors on the recommendation of Audit Committee has appointed M/s. Rangoonwala Associates, Chartered Accountants (Firm Registration Number: 108632W), Surat, as Statutory Auditors of the Company, for a period of five (5) consecutive years from the conclusion of 27th Annual General Meeting till the conclusion of the 32nd Annual General Meeting of the Company, subject to ratification of their appointment by the Members at every Annual General Meeting held after this 27th Annual General Meeting, during the aforementioned term of their appointment.

The proposed auditor, M/s Rangoonwala Associates, Chartered Accountants have confirmed that their Appointment, if made, shall be in accordance with the limits specified under Section 141(3)(g) of the Act and that they are not disqualified to be appointed as statutory auditors in terms of the provisions of the proviso to Section 139(1), Section 141(2) and Section 141(3) of the Act and the provisions of the Companies (Audit and Auditors) Rules, 2014 (as amended).

None of the Directors and/or Key Managerial Personnel of the Company and/or their relatives are concerned or interested, financial or otherwise, in the resolution set out at Item No. 4.

The Board recommends the Ordinary Resolution set out at Item No. 4 for the approval of Members.

**Item No. 5 of the Notice**

The Board of Directors, on the recommendation of the Audit Committee has approved the appointment and remuneration of an amount not exceeding Rs. 25,000 (Rupees Twenty Five thousand only) plus taxes as applicable and reimbursement of out-of-pocket expenses for the financial year ended 31st March, 2018 payable to the Cost Auditors M/s. Kannaujia & Co., Cost Accountants, having Firm Registration No. 102990, to conduct the audit of the cost records of the Company for the aforesaid financial year.

In accordance with the provisions of Section 148 of the Companies Act, 2013 and the Companies (Audit and Auditors), Rules, 2014, the remuneration payable to the Cost Auditors as recommended by the Audit Committee and approved by the Board of Directors of the Company has to be ratified by the members of the Company.

Accordingly, consent of the members is sought for passing an Ordinary Resolution as set out at item No.5 of the Notice for ratification of the remuneration payable to the Cost Auditors for the financial year ending 31st March, 2018.

None of the Directors or Key Managerial Personnel of the Company or their relatives is in any way concerned or interested, financially or otherwise, in the said resolution.

The Board recommends the resolution for approval by the members.

By Order of Board of Directors of  
**Fairdeal Filaments Limited**

**Place :** Surat

**Date :** 14<sup>th</sup> August, 2017

**Jitesh R. Varkal**  
Company Secretary

## Directors' Report

Your Directors are pleased to present 27th Annual Report alongwith the audited financial statements for the Financial Year ended March 31, 2017.

### FINANCIAL RESULTS

(Rs. in Lacs)

Particulars	2016-17	2015-16
Total Revenue	20451.27	19312.50
Profit before interest and depreciation	854.90	843.35
Less : Interest	407.31	414.67
Depreciation	259.34	187.25
Profit before Tax	188.25	241.43
Less : Provision for Current Taxation	39.64	49.22
Provision for Deferred Taxation	(4.39)	13.62
Profit after Tax adjustment	153.00	178.59
Excess/(Short) provision for taxation in earlier year	23.03	(7.73)
Net Profit	176.02	170.86
Add : Balance brought forward from previous year	686.17	606.34
Amount available for Appropriation	862.19	777.19
Less : Proposed Dividend	75.63	75.63
Tax on Dividend	15.40	15.40
Balance Carried to Balance Sheet	771.17	686.17

### OPERATIONAL PERFORMANCE

Your Company has achieved turnover of Rs. 20451.27 lacs during the year under review as compared to Rs.19312.50 lacs for the previous year registering a growth 5.90% compared to previous year. Increase in turnover is on account of capacity addition/improved capacity utilization in manufacturing segment and increase in trading business.

Earnings before Interest, Depreciation and Tax (EBIDTA), during the year under review are Rs.854.90 lacs as compared to Rs.843.35 lacs for the previous year. Profit before tax for the financial year under review has decreased to Rs.188.25 lacs from Rs.241.43 lacs for the previous year. Your Company has earned a Net Profit after tax of Rs.176.02 lacs increase by 3.02% from Rs.170.86 lacs of previous year.

### DIVIDEND

Your Directors have recommended dividend at the rate of 12.50% i.e. Rs.1.25 per share on the Paid-up Equity Share Capital of company (amounting to Rs.75.63 Lacs) for the year ended on 31st March, 2017, subject to the approval of members at the forthcoming Annual General Meeting of Company.

### DEPOSITS

Your Company has neither accepted nor renewed any deposit within the meaning of the Companies (Acceptance of Deposits) Rules, 2014.

### DIRECTORS AND KEY MANAGERIAL PERSONNEL

Pursuant to the provisions of section 152 of the Companies Act, 2013 and in accordance with provisions of Articles of Association of the Company, Shri Jayantilal R. Shah, Director of the Company retires by rotation at the ensuing Annual General Meeting and being eligible, offers himself for re-appointment. Your Directors recommend his re-appointment.

### NUMBER OF MEETINGS HELD

During the financial year 2016-17, the Board of Directors met five(5) times on:

1) 28/05/2016, 2) 12/08/2016, 3) 12/10/2016, 4) 14/11/2016 and 5) 11/02/2017.

The intervening gap between the Meetings was within the period prescribed under the Companies Act, 2013.

Attendance of Directors at Board Meetings and Annual General Meeting:

S. No.	Name of the director	Status	Number of Board Meetings held	Number of Meetings attended	Attendance at the AGM-30/09/2016
1.	Jyantilal Raichand Shah	Chairman/PD/NED	5	5	Attended
2.	Dhirajlal Raichand Shah	Managing Director/PD/ED	5	5	Attended
3.	Arvind Raichand Shah	Whole-time Director/PD/ED	5	4	Attended
4.	Rajendra Kundanlal Desai	ID	5	5	Attended
5.	Nandish Vin	ID	5	5	Attended
6.	Sonia Piyush Khanna	ID	5	5	Not attended

PD - Promoter Director; NED – Non-Executive Director; ID – Independent Non-Executive Director; ED – Executive Director

During the financial year 2016-17, the Audit Committee met four (4) times on:

1) 28/05/2016, 2) 12/08/2016, 3) 14/11/2016 and 4) 11/02/2017.

S. No.	Members of Audit Committee	Status	Number of Committee Meetings held	Number of Meetings attended
1.	Rajendra Kundanlal Desai	Chairman	4	4
2.	Nandish Vin	Member	4	4
3.	Jyantilal Raichand Shah	Member	4	4

During the financial year 2016-17, the Nomination and Remuneration Committee met one (1) time on 12/08/2016

S. No.	Members of Nomination and Remuneration Committee	Status	Number of Committee Meetings held	Number of Meetings attended
1.	Rajendra Kundanlal Desai	Chairman	1	1
2.	Nandish Vin	Member	1	1
3.	Jyantilal Raichand Shah	Member	1	1

During the financial year 2016-17, the Stakeholders Relationship Committee met ten (10) times on:

1) 15/06/2016, 2) 30/06/2016, 3) 30/07/2016, 4) 16/08/2016, 5) 31/08/2016,  
6) 15/10/2016, 7) 15/12/2016, 8) 31/01/2017, 9) 15/02/2017 and 10) 30/03/2017.

S. No.	Members of Stakeholders Relationship Committee	Status	Number of Committee Meetings held	Number of Meetings attended
1.	Jyantilal Raichand Shah	Chairman	10	10
2.	Dhirajlal Raichand Shah	Member	10	10
3.	Arvind Raichand Shah	Member	10	10

## DETAILS OF SUBSIDIARY/JOINT VENTURES/ASSOCIATE COMPANIES

Your Company does not have any Subsidiary, Joint Venture/ Company or Associate Company.

## NOMINATION AND REMUNERATION POLICY :

Policy for selection and appointment of Directors and their remuneration:

The Nomination and Remuneration (N&R) Committee has adopted a Policy which, inter alia, deals with the appointment and remuneration of the director, key managerial personnel (KMP) and other employees are as under:

The key objectives of the Policy are to lay down the criteria for appointment and remuneration of Directors, Key Managerial Personnel and Executives at Senior Management level and recommend to the Board their appointment, and also to formulate criteria for evaluation of performance of Independent Directors and the Board and to devise a policy on Board diversity.

- i. **Appointment criteria and qualification :** The Committee shall identify and ascertain the integrity, qualification, positive attributes, independence of a director, expertise and experience of the person for appointment as Director, Key Managerial Personnel and Executives at Senior Management level in terms of Diversity Policy of the Board and recommend to the Board his / her appointment.

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.

The Company shall not appoint or continue the employment of any person as Managing or Whole-time Director who has attained the age of seventy years. Provided that 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.

- ii. **Remuneration Policy :** The Company has a standard remuneration policy for the Executive and Non Executive Directors, which is periodically reviewed by the Nomination and Remuneration Committee. The broad idea for the policy is as under.

- The remuneration / commission / sitting fees, as the case may be, to the Non-Executive / Independent Director, shall be in accordance with the provisions of the Act and the Rules made thereunder for the time being in force or as may be decided by the Committee / Board /Shareholders.
- An Independent Director shall not be entitled to any stock option of the Company unless otherwise permitted in terms of the Act and the SEBI (LODR) Regulations, 2015, as amended from time to time
- Non-Executive Directors shall be paid a sitting fee for Board Meeting and Committee Meetings fixed by the Board of Directors from time to time.
- The remuneration / compensation / commission, etc., as the case may be, to the Managing / Whole Time Director will be determined by the Committee and recommended to the Board for approval. Subject to the approval of the shareholders of the Company and Central Government, wherever required and shall be as per agreement as may be executed in accordance with the provisions of the Act and Rules made thereunder.
- The Nomination and Remuneration Policy is available on the company's website.

The committee presently consists of three Directors. The Company Secretary acts as the Secretary of the Nomination and Remuneration Committee. Composition of the Nomination and Remuneration Committee is as under:

<b>Name of Directors</b>	<b>Category</b>	<b>Position</b>
Rajendra K. Desai	Non-Promoter/Independent/ Non-Executive Director	Chairman
Nandish S. Vin	Non-Promoter/Independent/ Non-Executive Director	Member
Jayantilal R. Shah	Promoter/Non-Executive Director	Member

#### **DETAILS OF REMUNERATION TO ALL THE DIRECTORS :**

The company has no pecuniary relationship or transaction with its non-executive Directors other than payment of sitting fees to them for attending the Board meeting and Committee meeting. No sitting fees are paid to Executive Directors. The remuneration policy of the company is directed towards rewarding performance. The Company has no stock option scheme. Further no commission is paid to any of the Directors.

Total remuneration paid to Managing Director and Whole-time Director of the company during the year ended on 31st March, 2017 is Rs.86.44 Lacs including sitting fees paid to non-executive Directors.

Details of the ratio of the remuneration of each director to the median employee's remuneration and other details as required pursuant to Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 is as per '**Annexure - 1**'.

Shareholding of non-executive directors:

<b>Name of non-executive Director</b>	<b>No. of shares held as on March 31, 2017</b>	<b>% Shareholding</b>
Jayantilal R. Shah	288075	4.7616
Rajendra K. Desai	1320	0.0218
Nandish S. Vin	NIL	NIL
Sonia P. Khanna	100	0.0017

#### **PARTICULARS OF EMPLOYEES**

There were no employees whose remuneration was in excess of the limits in pursuance of section 134(3)(q) of the Companies Act, 2013 read with Rule 5(2) & (3) of The Companies (Appointment & Remuneration of Managerial Personnel) Rules, 2014.

#### **DECLARATION BY AN INDEPENDENT DIRECTOR(S) :**

The Independent Directors have confirmed and declared that they are not disqualified to act as an Independent Director and they meet the criteria of independence as prescribed under Section 149 of the Companies Act, 2013 and the Board is also of the opinion that the Independent Directors fulfill all the conditions specified in the Companies Act, 2013 making them eligible to act as Independent Directors.

#### **ENERGY CONSERVATION, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO**

As required under section 134(3)(m) of the Companies Act, 2013 read with Rule 8 of the Companies (Accounts) Rules, 2014 the particulars relating to conservation of energy, Technology Absorption and foreign exchange earnings and outgo is appended as an '**Annexure-2**' to the Board's Report.

#### **DIRECTORS' RESPONSIBILITY STATEMENT**

To the best of their knowledge, belief and according to the information and explanations obtained, your Directors make the following statements in terms of Section 134(3)& (5) of the Companies Act, 2013:

- a) In the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures;
- b) the directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company at the end of the financial year and of the profit and loss of the company for that period;
- c) The directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;
- d) The directors had prepared the annual accounts on a going concern basis; and
- e) The directors had laid down internal financial controls to be followed by the company and that such internal financial controls are adequate and were operating effectively.
- f) The directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

#### **SECRETARIAL AUDITORS :**

Pursuant to the provisions of Section 204 of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, Shri Bhairav H. Shukla, Practicing Company Secretary, (CP: 5820) Surat, has been appointed as the Secretarial Auditors to conduct the Secretarial Audit of the Company, the Secretarial Audit Report is annexed herewith as '**Annexure- 3**'. The report is self-explanatory and does not call for any further explanation / comments as required under Section 134(3)(f) of the Companies Act, 2013.

#### **STATUTORY AUDITORS AND AUDITOR'S REPORT**

Pursuant to the provisions of Section 139 of the Companies Act, 2013, and Rules made thereunder, the term of office of M/s. Natvarlal Vepari & Co., Chartered Accountants, as the Statutory Auditors of the Company will conclude from the close of ensuing Annual General Meeting of the Company.

The Board of Directors places on record its appreciation to the services rendered by M/s. Natvarlal Vepari & Co., Chartered Accountants, as the Statutory Auditors of the Company.

Based on the recommendation of the Audit Committee, the Board of Directors of the Company has proposed to appoint Rangoonwala Associates, Chartered Accountants (Firm Registration No. 108632W) as the Statutory Auditors of the Company pursuant to the provisions of section 139, 142 and other applicable provisions, if any, of the Companies Act, 2013, and the rules made thereunder. Accordingly, the Board recommends the resolution in relation to appointment of Statutory Auditors and to fix their remuneration, for the approval by the shareholders of the Company by way of ordinary resolution at the ensuing Annual General Meeting of the Company.

The observations made in the Auditor's Report are self-explanatory and, therefore, do not call for any further explanation / comments as required under Section 134(3)(f) of the Companies Act, 2013.

#### **COST AUDITORS**

The Board of Directors on the recommendation of Audit Committee, approved the appointment of M/s. Kannaujiya & Co., Cost Accountants, Surat, as the Cost Auditors of the company for the year 2017-18 at a remuneration of Rs. 25,000/- plus taxes as applicable and out of pocket expenses. The remuneration of the Cost Auditors is proposed to be ratified by the members at the ensuing Annual General Meeting.

The Cost Audit Report for the year ended on 31st March 2017 will be submitted by M/s. Kannaujiya & Co., Cost Accountants, Surat to the Board of Directors of the company. After consideration and examination by the Board of Directors, the company will furnish cost audit report to Central Government in prescribed form.

#### **HUMAN RESOURCES AND INDUSTRIAL RELATIONS**

Employee relations throughout the year were harmonious. Your company treats its human resources as its important asset contributing to the all round growth of your company. Industrial relations have continued to be cordial at all levels of the organization during the year under review.

**INTERNAL FINANCIAL CONTROLS SYSTEMS AND THEIR ADEQUACY :**

Your company is conscious about the need to line up modern management practices. The company has been successfully running RAMCO ERP software since long back. The company has implemented BI tools to add further values and to make the information flow more dynamic to top and mid management levels. The company has an internal control system commensurate with its size and nature of its business which covers areas such as optimum utilization of resources, accurate and prompt recording of transactions, safeguarding of assets, adherence to applicable accounting standards and policies, review of IT and other systems, compliance with prevalent statutes, management policies and procedures. These are aimed at giving the Audit Committee a reasonable assurance on the reliability of financial reporting and statutory & regulatory compliances, effectiveness and efficiency of your Company's operations. The Internal Financial Control Systems are reviewed periodically and revised to keep in tune with the changing business environment.

Statutory Auditors of the company has conducted audit of internal financial control system over financial reporting and operating effectiveness of such controls. Separate audit report on internal financial control is annexed to Auditors Report and forming part of this report.

**COMPOSITION OF AUDIT COMMITTEE**

Audit Committee presently consists of three Directors. The composition of Audit Committee is as follows.

<b>Name of Directors</b>	<b>Category</b>	<b>Position</b>
Rajendra K. Desai	Non-Promoter/Independent/ Non-Executive Director	Chairman
Jayantilal R. Shah	Promoter/Non-Executive Director	Member
Nandish S. Vin	Non-Promoter/Independent/ Non-Executive Director	Member

There are no instances where the Board has not accepted any recommendation of the Audit Committee.

**VIGIL MECHANISM / WHISTLE BLOWER POLICY :**

In pursuance of the provisions of section 177(9) & (10) of the Companies Act, 2013, a Vigil Mechanism for directors and employees to report genuine concerns or grievances about unethical behavior, actual or suspected fraud or violation of the company's code of conduct or ethics policy has been established. The Vigil Mechanism Policy has been uploaded on the website of the Company.

**BUSINESS RISK MANAGEMENT**

The Company has laid down a Risk Management Policy and identified threat of such events which if occur may adversely affect either or value to shareholders, ability of Company to achieve objectives, ability to implement business strategies. Such inherent risks are categorized into Strategic risk, Operating risk and Regulatory risk. Managing Director and Whole-time Director of the Company in consultation with Audit Committee will review from time to time the risk and suggest steps to be taken to control and mitigate the same through a properly defined framework. It may be noted that none of the identified risks is of a nature which would threaten the existence of the Company. We consistently and periodically review our systems and policies in order to establish sound risk management and internal control systems.

**EXTRACT OF ANNUAL RETURN :**

The details forming part of the extract of the Annual Return in form MGT 9 is annexed herewith as '**Annexure 4**' pursuant to section 92(3) of the Companies Act, 2013 and rule 12(1) of the Companies (Management and Administration) Rules, 2014.

**PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS :**

During the year under review, the company has not made any loans, guarantees and investments which are governed by the provisions of section 186 of the Companies Act, 2013. Details of Investments made under the provisions of the Companies Act, 1956, are provided in the notes to the Financial Statements.

**PARTICULARS OF CONTRACTS OR ARRANGEMENTS WITH RELATED PARTIES :**

All related party transactions that were entered into during the financial year were in the ordinary course of business and were on arm's length basis. All related party transactions for the year are placed before the Audit Committee as well as before the Board for approval. The transactions entered into with related parties are reviewed on a quarterly basis by the Audit Committee.

Members can refer to Note no. 28 to the Financial Statements which set out related party transactions.

The details of the transactions with related parties to be provided in Form No. AOC-2 is annexed herewith as 'Annexure 5'.

**EVALUATION OF THE BOARD'S PERFORMANCE**

During the year, the Board adopted a formal mechanism for evaluating its performance and as well as that of its Committees and individual Directors, including the Chairman of the Board. The exercise was carried out through a structured evaluation process covering various aspects of the Boards functioning such as composition of the Board & committees, experience & competencies, performance of specific duties & obligations, governance issues etc. Separate exercise was carried out to evaluate the performance of individual Directors including the Board Chairman who were evaluated on parameters such as attendance, contribution at the meetings and otherwise, independent judgment, safeguarding of minority shareholders interest etc.

The evaluation of the Independent Directors was carried out by the entire Board and that of the Chairman and the Non-Independent Directors were carried out by the Independent Directors.

The Directors were satisfied with the evaluation results, which reflected the overall engagement of the Board and its Committees with the Company.

**SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS OR COURTS :**

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

**MATERIAL CHANGES OR COMMITMENTS**

There are no material changes or commitments occurring after 31st March, 2017 which may affect the financial position of the Company.

**DISCLOSURE AS PER SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION AND REDRESSAL) ACT, 2013**

The Company has zero tolerance for sexual harassment at work place and has adopted a policy against sexual harassment in line with the provisions of Sexual Harassment of Women at Work place (Prevention, Prohibition and Redressal) Act, 2013 and the rules framed thereunder.

During the financial year 2016-17, the company has not received any complaints on sexual harassment and hence no complaints remain pending as of 31 March, 2017.



**CORPORATE GOVERNANCE :**

As per the Regulation 15(2) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, compliance with the corporate governance provisions as specified in various regulations shall not apply, in respect of the companies having paid up equity share capital not exceeding Rs.10.00 crores and Net worth not exceeding Rs.25.00 crores as on the last day of previous financial year. Since the paid up equity share capital of the company is Rs.6.05 crores and networth is Rs.18.31 crores, compliance with the provisions regarding Corporate Governance Report is not apply to the company.

Hence, Corporate Governance Report does not form the part of Annual Report.

Disclosure of Remuneration to all the Directors pursuant to Schedule V of the Companies Act, 2013:

The Details of remuneration/sitting fees paid/payable to the Directors for the financial year 2016-17 are as under:

(Amount in INR)

Name of Directors	Salary, Allowance, Perquisites and other benefits (In Rs.)	stock options, pension, etc.,	Performance-linked Income/Bonus Paid/ Commission Payable	Sitting Fees Paid (In Rs.)	Service Contract / Notice Period / Severance Fees
Mr.Dhirajlal R. Shah	4,178,400	-	-	-	As Per Agreement
Mr. Arvind R. Shah	4,178,400	-	-	-	As Per Agreement
Mr. Jayantilal R. Shah	-	-	-	57450.00	-
Mr. Rajendra K. Desai	-	-	-	57450.00	-
Mr. Nandish Vin	-	-	-	57450.00	-
Ms. Sonia P. Khanna	-	-	-	28725.00	-

**Acknowledgment**

Your Directors express their grateful appreciation for the assistance and co-operation received from the Banks, Financial Institutions, Government Authorities, Customers, Suppliers and Shareholders during the year under review. Your Directors also wish to place on record their deep sense of appreciation for committed services of employees of the Company at all the levels.

For and on behalf of the Board of Directors

Place : Surat

Date : 14<sup>th</sup> August, 2017

**Jayantilal R. Shah**  
Chairman

### 'ANNEXURE - 1' TO THE DIRECTORS' REPORT 2017

Disclosure in the Board's Report under Rule 5 of Companies (Appointment & Remuneration) Rules, 2014

(i)	The Ratio of the remuneration of each director to the median remuneration of the employees of the company for the financial year 2016-17	<b>Director's Name</b>	<b>Ratio to median remuneration</b>
		1	Mr. Dhirajlal R. Shah 35 : 1
		2	Mr. Arvind R. Shah 35 : 1
(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 2016-17 compared to 2015-16	<b>Director's/CFO/CEO/CS/Mgr name</b>	<b>% age increase in remuneration</b>
		1	Mr. Dhirajlal R. Shah 17.37%
		2	Mr. Arvind R. Shah 17.37%
		3	Mr. Jitesh R. Varkal Nil
		4	Mr. Satish H. Shah Nil
(iii)	Percentage increase in the median remuneration of employees in the financial year 2016-17 compared to 2015-16	5.37 %	
(iv)	Number of permanent employees on the rolls of the company	<b>As on 31.03.2017</b>	<b>As on 31.03.2016</b>
		380	322
(v)	Average percentile increase in salaries of Employees other than managerial personnel	<b>During 2016-17</b>	
		4.09 %	
		Justification for increase in managerial remuneration with reasons	Compared to the remuneration with respect to industry, size of the company and profile of the position and persons, the remuneration paid to managerial personnel is commensurate with their experience and ability.
(vi)	Key parameter for any variable component of remuneration availed by the Directors	Not applicable	

**Note :** The Board of Directors of the Company affirms that the remuneration is as per the remuneration policy of the Company.

## 'ANNEXURE - 2' TO THE DIRECTORS' REPORT 2017

**Information on Conservation of Energy, Technology Absorption and Foreign Exchange Earnings and Outgo stipulated under Section 134(3)(m) of the Companies Act, 2013 read with Rule 8 of The Companies (Accounts) Rules, 2014.**

**(A) Conservation of energy-**

- (i) the steps taken or impact on conservation of energy;
  - Replaced 1.82 Kw conventional 65 Nos. LED tube lights with latest technology LED lighting system of 1.04 Kw LED tube light, at our plants which give same amount of light.
  - Replaced 1 Kw conventional 4 Nos. Street light with latest technology LED lighting system of 0.28 Kw Street light, at our plants which give same amount of light.
  - Fixed the standard cost of power consumption for each and every machine of different qualities, if it is deviated from standard; we find out the root cause of it and make it proper.
- (ii) the steps taken by the company for utilising alternate sources of energy;
  - The Company is exploring potential of using alternate source of energy, which may be considered for implementation in future. The company has installed one 0.6 MW windmill for captive generation of power.
- (iii) the capital investment on energy conservation equipments; - NIL

**(B) Technology absorption-**

- (i) The efforts made towards technology absorption and (ii) the benefits derived  
 Your company is keeping a close eye on the new product development and upgradation of technology in existing products. Upgradation in various areas of plant and machinery is continuously carried out. The company has adopted standard cost for each product quality and constantly comparing it with actual cost. If there is any major deviation, then proper and prompt remedial action is taken to improve it.  
 The company has added Split Warping Machine imported from Korea during FY 2016-17. It is expected to increase the turnover & profitability in coming years.
- (iii) in case of imported technology (imported during the last three years reckoned from the beginning of the financial year)-

the details of technology imported:	28 sets of new shuttle less waterjet looms 1 Split Warping Machine
the year of import:	2015 2016
Whether the technology been fully absorbed:	Yes fully absorbed
if not fully absorbed, areas where absorption has not taken place, and the reasons thereof; and :	Not Applicable

- (iv) the expenditure incurred on Research and Development. – NIL.

**(C) Foreign exchange earnings and Outgo-**

Total Foreign Exchange used and earned.

(Rs. in Lacs)

	2016-17	2015-16
I) Foreign Exchange Earnings	666.22	441.11
II) Foreign Exchange Outgo:		
a) Raw Material	37.03	-
b) Consumable Goods	9.96	-
c) Capital Goods	195.22	361.69
d) Consumable Spares	11.11	3.05
e) Foreign Travelling	-	-
f) Commission Expenses on Export	2.66	9.25

**'ANNEXURE - 3' TO THE DIRECTORS' REPORT 2017****Form No. MR - 3****SECRETARIAL AUDIT REPORT****For The Financial Year Ended on 31st March, 2017****[Pursuant to section 204(1) of the Companies Act, 2013 and Rule No.9 of the Companies (Appointment and Remuneration Personnel) Rules, 2014]****SECRETARIAL AUDIT REPORT FOR THE FINANCIAL YEAR ENDED ON 31ST MARCH, 2017**

To,  
The Members,  
**FAIRDEAL FILAMENTS LTD**  
(CIN-L17110GJ1990PLC013771)  
3rd Floor Dawer Chambers,  
Nr.Sub-Jail, Ring Road,  
Surat – 395002.  
Gujarat, India.

I have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by Fairdeal Filaments Ltd (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 Company'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 31st March, 2017, complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

I have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31st March, 2017, according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the rules made there-under;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made there-under;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed there-under;
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made there-under to the extent of 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;
  - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
  - (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;
  - (d) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008. [Not applicable as the Company had not issued and listed any debt securities during the financial year under review];
  - (e) 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 Issue and Share Transfer Agent during the financial year under review;

- (f) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009 [Not applicable as the Company has not delisted / proposed to delist its equity shares from Stock Exchange during the financial year under review];
- (g) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998 [Not applicable as the Company has not bought back / proposed to buy-back any of its securities during the financial year under review];

(vi) The Company has complied with following specific laws applicable to the Company:

1. Factories Act, 1948
2. The Environment (Protection) Act, 1986
3. Air (Prevention and Control of Pollution) Act, 1981
4. Water (Prevention and Control of Pollution) Act, 1974
5. Foreign Trade Regulation Act, 1992

The Company, its management & officers represented that the company has formed and formulated adequate systems and processes commensurate with the size and operations of the company to monitor and ensure compliance other applicable laws, rules as applicable to the company to carry out operational / industrial activities.

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

- (i) Secretarial Standards issued by The Institute of Company Secretaries of India.
- (ii) The Listing Agreements entered into by the company with the BSE Ltd. and SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015.

I report that, during the year under review, the company has complied with the provisions of the Acts, rules, regulations and guidelines mentioned above.

I further report that –

- The Board of Directors of the Company was constituted with the proper balance of Executive Directors, Non-Executive Directors and Independent Directors.
- Adequate notice was given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance or a meeting of the Board was called at shorter notice to transact urgent business subject to the condition as prescribed in provision to Section 173 (3) of the Companies Act, 2013 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.
- As per the Minutes of the meetings of the Board of Directors & the committee thereof duly recorded and signed by the Chairman the decision of the Board or Committee was unanimous and no dissenting views have been recorded.

I further report that based on review of compliance mechanism established by the company and on the basis of representation made the management of the company, 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.

I further report that during the audit period there were no specific events / actions having a major bearing on Company's affairs in pursuant of the above-referred laws, rules, regulations, guidelines, standards etc.

**Bhairav H. Shukla**

Practising Company Secretary

**FCS No. - 6212**

**COP No.: 5820**

**Place :** Surat

**Date :** 24<sup>th</sup> July, 2017

**Note :** 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,  
**FAIRDEAL FILAMENTS LTD**  
(CIN-L17110GJ1990PLC013771)  
3rd Floor Dawer Chambers,  
Nr.Sub-Jail, Ring Road,  
Surat – 395002.  
Gujarat, India.

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

1. Maintenance of secretarial record is the responsibility of the management of the company. Our responsibility is to express an opinion on these secretarial records based on our audit.
2. I have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices, we followed provide a reasonable basis for our opinion.
3. I have not verified the correctness and appropriateness of financial records and Books of Accounts of the company.
4. Where ever required, we have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.
5. The Compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the 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.

**Place :** Surat  
**Date :** 24<sup>th</sup> July, 2017

**Bhairav H. Shukla**  
Practising Company Secretary  
**FCS No. - 6212**  
**COP No.: 5820**

**'ANNEXURE - 4' TO THE DIRECTORS' REPORT 2017**

**Form No. MGT-9**

**EXTRACT OF ANNUAL RETURN AS ON THE FINANCIAL YEAR ENDED ON MARCH 31, 2017**

**[Pursuant to section 92(3) of the Companies Act, 2013 and rule 12(1) of the Companies**

**(Management and Administration) Rules, 2014]**

**I. REGISTRATION AND OTHER DETAILS :**

<b>i.</b>	<b>CIN</b>	<b>L17110GJ1990PLC013771</b>
<b>ii.</b>	Registration Date	15/05/1990
<b>iii.</b>	Name of the Company	FAIRDEAL FILAMENTS LTD
<b>iv.</b>	Category/Sub-Category of the Company	Public Company
<b>v.</b>	Address of the Registered office and contact details	3rd Floor, Dawer Chambers, Near Sub-Jail, Ring Road, Surat – 395002, GUJARAT, INDIA. Ph. No.:(91) (261) 4190200 Fax No. (0261) 2635550 E-mail: info@shahlon.com Website: www.shahlon.com
<b>vi.</b>	Whether listed company Yes/No	Yes
<b>vii.</b>	Name, Address and Contact details of Registrar and Transfer Agent, if any	M/s. MCS Share Transfer Agent Limited 88, Sampatrao Colony, 1st Floor, Neelam Apartment, Above Chappanbhog Sweet, Alkapuri, Vadodara-390007. Gujarat, India. Tel No. : (0265) 2314757 / 2350490 Fax No. : (0265) 2341639 E-mail : mcsltdbaroda@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:-

<b>Sr. No.</b>	<b>Name and Description of main products/ services</b>	<b>NIC Code of the Product/ service</b>	<b>% to total turnover of the company</b>
1	Manufacturing of Synthetic Textile Yarn and Grey Fabrics	131	100%

**\* As per National Industrial Classification- Ministry of Statistics and Programme Implementation.**

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

Sr. No.	Name and Address of The Company	CIN/GLN	Holding/ Subsidiary/ Associate	% of shares held	Applicable Section
NIL					

**IV. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)**
**i) Category-wise Share Holding**

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
<b>A. Promoter</b>									
1) Indian									
a) Individual/ HUF	2715946	7810	2723756	45.02	3008065	7810	3015875	49.85	4.83
b) Central Govt	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
c) State Govt(s)	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
d) Bodies Corp	395120	Nil	395120	6.53	395120	Nil	395120	6.53	Nil
e) Banks / FI	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
f) Any Other	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
<b>Sub-total(A)(1):-</b>	<b>3111066</b>	<b>7810</b>	<b>3118876</b>	<b>51.55</b>	<b>3403185</b>	<b>7810</b>	<b>3410995</b>	<b>56.38</b>	<b>4.83</b>
2) Foreign									
a) NRIs-Individuals	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
b) Other-Individuals	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
c) Bodies Corp.	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
d) Banks / FI	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
e) Any Other....	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
<b>Sub-total(A)(2):-</b>	<b>Nil</b>	<b>Nil</b>	<b>Nil</b>	<b>Nil</b>	<b>Nil</b>	<b>Nil</b>	<b>Nil</b>	<b>Nil</b>	<b>Nil</b>
<b>B. Public Shareholding</b>									
1. Institutions									
a) Mutual Funds	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
b) Banks / FI	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
c) Central Govt	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
d) State Govt(s)	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
e) Venture Capital Funds	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
f) Insurance Companies	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
g) FIs	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
h) Foreign Venture Capital Funds	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
i) Others (specify)	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
<b>Sub-total(B)(1)</b>	<b>Nil</b>	<b>Nil</b>	<b>Nil</b>	<b>Nil</b>	<b>Nil</b>	<b>Nil</b>	<b>Nil</b>	<b>Nil</b>	<b>Nil</b>



<b>2. Non Institutions</b>									
<b>a) Bodies Corp.</b>									
(i) Indian	69757	7810	77567	1.28	134385	7810	142195	2.35	1.07
(ii) Overseas	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
<b>b) Individuals</b>									
(i) Individual shareholders holding nominal share capital upto Rs. 1 lakh	718239	336650	1054889	17.44	811960	330170	1142130	18.88	1.44
(ii) Individual shareholders holding nominal share capital in excess of Rs 1 lakh	1668318	130350	1798668	29.73	1224330	130350	1354680	22.39	-7.34
<b>c) Others(Specify)</b>	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
<b>Sub-total(B)(2)</b>	2456314	474810	2931124	48.45	2170675	468330	2639005	43.62	-4.83
<b>Total Public Shareholding (B)=(B)(1)+ (B)(2)</b>	2456314	474810	2931124	48.45	2170675	468330	2639005	43.62	-4.83
<b>C. Shares held by Custodian for GDRs &amp; ADRs</b>	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
<b>Grand Total (A+B+C)</b>	5567380	482620	6050000	100.00	55,73,860	476140	6050000	100.00	Nil

**ii) Shareholding of Promoters**

Sr. 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.	Dhirajlal Raichand Shah	290170	4.80	Nil	2,90,170	4.80	Nil	0
2.	Arvind Raichand Shah	289995	4.79	Nil	2,89,995	4.79	Nil	0
3.	Jayantilal Raichand Shah	288075	4.76	Nil	2,88,075	4.76	Nil	0
4.	Nitin Raichand Shah	283250	4.68	Nil	2,84,110	4.69	Nil	0.01
5.	Dipan Jayantilal Shah	152020	2.51	Nil	2,53,879	4.20	Nil	1.69
6.	Harsh Mahendra Shah	152350	2.52	Nil	2,52,350	4.17	Nil	1.65
7.	Mahendra Raichand Shah	250360	4.14	Nil	2,50,360	4.14	Nil	0
8.	Meena Mahendra Shah	157740	2.61	Nil	1,57,740	2.61	Nil	0
9.	Pravin Chandra Raychand Chheda	153670	2.54	Nil	1,53,670	2.54	Nil	0
10.	Avani Arvind Shah	149050	2.46	Nil	1,49,050	2.46	Nil	0
11.	Kanchan Dhirajlal Shah	125180	2.07	Nil	1,25,180	2.07	Nil	0
12.	Dhruv Arvind Shah	22000	0.36	Nil	1,12,000	1.85	Nil	1.49
13.	Minaxi Nitin Shah	103730	1.71	Nil	1,03,730	1.71	Nil	0
14.	Damyanti Jayantilal Shah	74800	1.24	Nil	74,800	1.24	Nil	0
15.	Neeta Virendra Mehta	68200	1.13	Nil	68,200	1.13	Nil	0
16.	Lewellyn Joseph Rego	41800	0.69	Nil	41,800	0.69	Nil	0
17.	Virendra Janakray Mehta	22000	0.36	Nil	22,000	0.36	Nil	0
18.	Anant Zaverchand Gada	20678	0.34	Nil	21,678	0.36	Nil	0.02
19.	Sonal Dipan Shah	19910	0.33	Nil	19,910	0.33	Nil	0
20.	Jayaben Jinesh Shah	8800	0.15	Nil	8,800	0.15	Nil	0
21.	Jiviben Raichand Shah	8800	0.15	Nil	8,800	0.15	Nil	0
22.	Dinesh Michael Rego	8800	0.15	Nil	8,800	0.15	Nil	0
23.	Suresh Somchand Shah	8893	0.15	Nil	7,293	0.12	Nil	-0.03
24.	Jinesh Fulchand Shah	7040	0.12	Nil	7,040	0.12	Nil	0
25.	Dhaval Jineshbhai Shah	5390	0.09	Nil	5,390	0.09	Nil	0
26.	R Rohan	3850	0.06	Nil	3,850	0.06	Nil	0
27.	R Varun	3850	0.06	Nil	3,850	0.06	Nil	0
28.	Bhavini Dhaval Shah	3245	0.05	Nil	3,245	0.05	Nil	0
29.	Jambunathan Raju	55	0.00	Nil	55	0.00	Nil	0
30.	Kala Raju	55	0.00	Nil	55	0.00	Nil	0
31.	Guinea Securities and Financials Private Limited	157520	2.60	Nil	1,57,520	2.60	Nil	0
32.	Sanket Finance & Leasing Pvt Ltd	237600	3.93	Nil	2,37,600	3.93	Nil	0
		<b>3118876</b>	<b>51.55</b>		<b>34,10,995</b>	<b>56.38</b>		<b>4.83</b>

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

Sr. No.		Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of Shares	% of total Shares of the company	No. of Shares	% of total Shares of the company
	At the beginning of the year	3118876	51.55	3118876	51.55
	Transaction (purchase/sale) during the year	293719 (1600)	-	3410995	-
	At the End of the year			3410995	56.38

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

Sr. No.	Name of the Shareholder	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of Shares	% of total Shares of the company	No. of Shares	% of total Shares of the company
1.	<b>Mahesh Khetshi Gosrani</b>				
	Opening Balance	422400	6.98	422400	6.98
	Transaction (purchase/sale) during the year	(2461)	Nil	419939	6.94
	Closing Balance			419939	6.94
2.	<b>Sangeetha S.</b>				
	Opening Balance	164395	2.72	164395	2.72
	Transaction (purchase/sale) during the year	Nil	Nil	164395	2.72
	Closing Balance			164395	2.72
3.	<b>Madhav Shitaldas Bhatia</b>				
	Opening Balance	23179	038	23179	0.38
	Transaction (purchase/sale) during the year	60167	1.00	83346	1.38
	Closing Balance			83346	1.38
4.	<b>Kapoorchand D. Shah</b>				
	Opening Balance	75350	1.25	75350	1.25
	Transaction (purchase/sale) during the year	Nil	Nil	75350	1.25
	Closing Balance			75350	1.25

<b>5. Shekhar R Athalye</b>				
Opening Balance	52936	0.88	52936	0.88
Transaction (purchase/sale) during the year	21925	0.36	74861	1.24
Closing Balance			74861	1.24
<b>6. Rashmi Bhatia</b>				
Opening Balance	11457	0.19	11457	0.19
Transaction (purchase/sale) during the year	42894	0.71	54351	0.90
Closing Balance			54351	0.90
<b>7. Angel Fincap Private Limited</b>				
Opening Balance	Nil	Nil	Nil	Nil
Transaction (purchase/sale) during the year	47799	0.79	47799	0.79
Closing Balance			47799	0.79
<b>8. Ashwinaben Jayprakash Patel</b>				
Opening Balance	39600	0.65	39600	0.65
Transaction (purchase/sale) during the year	Nil	Nil	39600	0.65
Closing Balance			39600	0.65
<b>9. Jayprakash G Patel</b>				
Opening Balance	39600	0.65	39600	0.65
Transaction (purchase/sale) during the year	Nil	Nil	39600	0.65
Closing Balance			39600	0.65
<b>10. Gaurav Jayprakash Patel</b>				
Opening Balance	39600	0.65	39600	0.65
Transaction (purchase/sale) during the year	Nil	Nil	39600	0.65
Closing Balance			39600	0.65

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

Sr. No.	Shareholding of each Directors and each Key Managerial Personnel	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of Shares	% of total Shares of the company	No. of Shares	% of total Shares of the company
1.	<b>DHIRAJLAL R. SHAH</b>				
	Opening Balance	290170	4.80	290170	4.80
	Transaction (purchase/sale) during the year	Nil	Nil	290170	4.80
	Closing Balance			290170	4.80
2.	<b>ARVIND R. SHAH</b>				
	Opening Balance	289995	4.79	289995	4.79
	Transaction (purchase/sale) during the year	Nil	Nil	289995	4.79
	Closing Balance			289995	4.79
3.	<b>JAYANTILAL R. SHAH</b>				
	Opening Balance	288075	4.76	288075	4.76
	Transaction (purchase/sale) during the year	Nil	Nil	288075	4.76
	Closing Balance			288075	4.76
4.	<b>RAJENDRA K. DESAI</b>				
	Opening Balance	1320	0.02	1320	0.02
	Transaction (purchase/sale) during the year	Nil	Nil	1320	0.02
	Closing Balance			1320	0.02
5.	<b>NANDISH VIN</b>				
	Opening Balance	Nil	Nil	Nil	Nil
	Transaction (purchase/sale) during the year	Nil	Nil	Nil	Nil
	Closing Balance			Nil	Nil
6.	<b>SONIA P. KHANNA</b>				
	Opening Balance	100	0.00	100	0.00
	Transaction (purchase/sale) during the year	Nil	Nil	100	0.00
	Closing Balance			100	0.00
7.	<b>JITESH R. VARKAL</b>				
	Opening Balance	Nil	Nil	Nil	Nil
	Transaction (purchase/sale) during the year	Nil	Nil	Nil	Nil
	Closing Balance			Nil	Nil
8.	<b>SATISH H. SHAH</b>				
	Opening Balance	Nil	Nil	Nil	Nil
	Transaction (purchase/sale) during the year	Nil	Nil	Nil	Nil
	Closing Balance			Nil	Nil

**V. INDEBTEDNESS**

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

	<i>Secured Loans excluding deposits</i>	<i>Unsecured Loans</i>	<i>Deposits</i>	<i>Total Indebtedness</i>
<b>Indebtedness at the beginning of the financial year</b>				
i) Principal Amount	291517028	174924542	-	466441570
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	23449	36049	-	59498
<b>Total (i+ii+iii)</b>	<b>291540477</b>	<b>174960591</b>	<b>-</b>	<b>466501068</b>
<b>Change in Indebtedness during the financial year</b>				
- Addition	19955820	-	-	19955820
- Reduction	-10780595	-82362411	-	-93143006
<b>Net Change</b>	<b>9175225</b>	<b>-82362411</b>	<b>-</b>	<b>-73187186</b>
<b>Indebtedness at the end of the financial year</b>				
i) Principal Amount	300704774	92562969	-	393267743
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	10928	35211	-	46139
<b>Total (i+ii+iii)</b>	<b>300715702</b>	<b>92598180</b>	<b>-</b>	<b>393313882</b>

**VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL**
**A. Remuneration to Managing Director, Whole-time Directors and/or Manager**

Sr. No.	Particulars of Remuneration	Shri Dhirajlal R. Shah MD	Shri Arvind R. Shah WTD	Total Amount
1.	Gross salary			
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	2310000.00	2310000.00	<b>4620000.00</b>
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	1035000.00	1035000.00	<b>2070000.00</b>
	(c) Profits in lieu of salary under section 17(3) Income- tax Act, 1961	855000.00	855000.00	<b>1710000.00</b>
2.	Stock Option	0.00	0.00	<b>0.00</b>
3.	Sweat Equity	0.00	0.00	<b>0.00</b>
4.	Commission - as % of profit - Others, specify...	0.00	0.00	<b>0.00</b>
5.	Others, please specify	0.00	0.00	<b>0.00</b>
6.	Total (A)	<b>4200000.00</b>	<b>4200000.00</b>	<b>8400000.00</b>
	Ceiling as per the Act	<b>4200000.00</b>	<b>4200000.00</b>	<b>8400000.00</b>

**B. Remuneration to other directors :**

Sr. No.	Particulars of Remuneration	Name of Directors			Total Amount
		Shri Rajendra K. Desai	Shri Nandish Vin	Smt. Sonia P. Khanna	
1.	<b>Independent Directors</b>				
	• Fee for attending board committee meetings	57450.00	57450.00	28725.00	143625.00
	• Commission	0.00	0.00	0.00	0.00
	• Others, please specify	0.00	0.00	0.00	0.00
	<b>Total (1)</b>	<b>57450.00</b>	<b>57450.00</b>	<b>28725.00</b>	<b>143625.00</b>
2.	<b>Other Non-Executive Directors</b>	<b>Shri Jayantilal R. Shah</b>			
	• Fee for attending board committee meetings		57450.00		57450.00
	• Commission		0.00		0.00
	• Others, please specify		0.00		0.00
	<b>Total (2)</b>		<b>57450.00</b>		<b>57450.00</b>
	<b>Total (B)=(1+2)</b>				<b>201075.00</b>

**C. Remuneration to Key Managerial Personnel Other Than MD /Manager / WTD**

Sr. No.	Particulars of Remuneration	Key Managerial Personnel		Total Amount
		Shri Jitesh R. Varkal, Company Secretary	Shri Satish H. Shah, CFO	
1.	Gross salary			
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	286636.00	630424.00	<b>917060.00</b>
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	0.00	0.00	<b>0.00</b>
	(c) Profits in lieu of salary under section 17(3) Income- tax Act, 1961	0.00	455800.00	<b>455800.00</b>
2.	Stock Option	0.00	0.00	<b>0.00</b>
3.	Sweat Equity	0.00	0.00	<b>0.00</b>
4.	Commission - as % of profit - Others, specify...	0.00	0.00	<b>0.00</b>
5.	Others, please specify	0.00	0.00	<b>0.00</b>
6.	<b>Total</b>	286636.00	1,086,224.00	<b>1372860.00</b>

**VII. 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. Company</b>					
Penalty			None		
Punishment			None		
Compounding			None		
<b>B. Directors</b>					
Penalty			None		
Punishment			None		
Compounding			None		
<b>C. Other Officers In Default</b>					
Penalty			None		
Punishment			None		
Compounding			None		



**'ANNEXURE - 5' TO THE DIRECTORS' REPORT 2017**

**FORM NO. AOC -2**

**(Pursuant to clause (h) of sub-section (3) of section 134 of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014.**

Form for Disclosure of particulars of contracts/arrangements entered into by the company with related parties referred to in sub section (1) of section 188 of the Companies Act, 2013 including certain arms length transaction under third proviso thereto.

1. Details of contracts or arrangements or transactions not at Arm's length basis.

There were no contracts or arrangements or transactions entered into during year ended March 31, 2017 which were not at arm's length basis.

2. Details of material contracts or arrangements or transactions at Arm's length basis.

<b>Sr. No.</b>	<b>Particulars</b>	<b>Details</b>
a)	Name (s) of the related party	SHABLON SILK INDUSTRIES PVT. LTD.
b)	Nature of relationship	Dahirajlal R. Shah - Member Jayantilal R. Shah - Director, Member Arvind R. Shah - Member
c)	Nature of contracts/arrangements/transaction	Sale, purchase or supply of any goods materials, assets etc. and rendering and availing of services
d)	Duration of the contracts/arrangements/transaction	3 years
e)	Salient terms of the contracts or arrangements or transaction including the value, if any	Agreement for sale, purchase or supply of goods, material or services not exceeding Rs. 2500.00 lacs p.a., other terms are as per Agreement.
f)	Date of approval by the Board	approved by the Audit Committee and the Board as on 28.05.2014 Also approved by the member at the AGM held on 30.09.2014.
g)	Amount paid as advances, if any	Nil

## Management Discussion and Analysis

### Industry structure, Developments, Opportunities, threats and outlook :

India's textiles sector is one of the oldest industries in Indian economy dating back several centuries. Even today, textiles sector is one of the largest contributors to India's exports with approximately 15 per cent of total exports. The textiles industry is labour intensive and is one of the largest employers. The industry realised export earnings worth US\$ 40 billion in 2015-16. The industry is the second largest employer after agriculture, providing employment to over 51 million people directly and 68 million people indirectly. The Indian Textile Industry contributes approximately 4 per cent to India's Gross Domestic Product (GDP), and 14 per cent to overall Index of Industrial Production (IIP).

The textile industry plays a pivotal role through its contribution to industrial output, employment generation, and the export earnings of the country. The textile industry has a capacity to produce a versatile spread of products appropriate for varied market segments, both domestic and the export markets.

In spite of lot of challenges faced in international scenario in terms of trade, and the policy changes of many countries, India is still in a position to retain the stability of the currency, this shows that the Economy is becoming stronger and vibrant to take the challenges whatever may come in future.

A comprehensive tax reform would promote inclusive growth. Timely and effective implementation of the Goods and Services Tax would support competitiveness, investment and economic growth. Government's plans to reduce the corporate income tax rate and broaden the base will serve the same objectives. These two ongoing reforms have been designed to be revenue-neutral while India needs to raise additional tax revenue to meet social and physical infrastructure needs.

An economic slowdown- both domestic and global – may have adverse effect on the growth of the PFY industry. Raw material prices fluctuate in line with international prices and will continue to have an impact on the company's performance as raw materials constitute significant component of net sales. Increased differentiated products as well as a reduced working capital facility will help reduce risks.

Government has also passed a national goods-and-service tax (GST) that will create a common market in the country and is expected to increase economic growth in the medium term. These and other efforts to liberalise the economy and reduce burdensome taxes and regulations will likely lead to increased investment by both domestic and foreign firms and make Indian industry more competitive.

The Government has been overall supportive in encouraging textile Industry India, Textiles and garment industry has been included in list of 25 sectors of 'Make in India' initiative of the Government of India. With the right Government policies we believe that the Indian Textile Industry is well poised to benefit from the large opportunity offered in the domestic and export market. The Indian government has come up with a number of export promotion policies for the textiles sector. It has also allowed 100 per cent FDI in the Indian textiles sector under the automatic route.

### Risk and concerns :

Fairdeal is engaged in manufacture of texturised, twisted and sized yarn and weaving on water-jet looms. The basic raw material for manufacturing company's product is POY, FDY, PFY etc. The company is a Marketing agent of Reliance Industries Limited for yarn products and supplying yarn to various big players in the market. Fluctuating prices of raw material is a big concern for the industry which may strain the profitability margins. The company has established network for marketing of its products, wide spread customer base, good market reputation and quality of the products, the company is in a position to pass on increase if any in cost to their customers.

**Internal Control System and their adequacy :**

The Company has a robust internal control system commensurate with the size and scale of its operations. Roles and responsibilities are clearly defined and assigned. Standard operating procedures are in place by way of built in controls in ERP system and have been designed to provide a reasonable assurance. Internal audit is used as an effective tool to check and enhance efficacy of systems, processes and controls of the Company. The review plan, drawn in consultation with the senior management, covers all the major areas. These are aimed at giving the Audit Committee a reasonable assurance on the reliability of financial reporting and statutory & regulatory compliances, effectiveness and efficiency of your Company's operations. The Internal Financial Control Systems are reviewed periodically and revised to keep in tune with the changing business environment.

**Financial Performance :**

Earnings before Interest, Depreciation and Tax (EBIDTA), during the year under review are Rs.854.90 lacs as compared to Rs.843.35 lacs for the previous year. Profit before tax for the financial year under review has decreased to Rs.188.25 lacs from Rs.241.43 lacs for the previous year. Your Company has earned a Net Profit after tax of Rs.176.02 lacs increase by 3.02% from Rs.170.86 lacs of previous year.

**Human Resource Development/Industrial Relations :**

Fairdeal recognizes that its people are most valuable resources and therefore as a policy of nurturing talent and ensuring that there is growth and their capabilities grow in relation to the growth of the company. The human resources function takes into account the capability, commitment and sincerity while evaluating talent within the company and suitable reward structure is in place to ensure maximum employee satisfaction. Regular training programs have been in place to improve the work capability at various levels in order to improve the competencies and skills.

**Forward Looking Statement – Cautionary Statement :**

Certain statement made in the Management Discussion and Analysis Report relating to the Company's objectives, projections, outlook, expectations etc. are "forward looking statements" within the meaning of applicable laws and regulations. These statements are based on certain assumptions and expectation of future events. Actual results may differ from those expressed or implied, depending upon economic conditions affecting demand/supply and price levels in the market, Government policies and other incidental or related factors.

## INDEPENDENT AUDITOR'S REPORT

To,  
The Members of  
**FAIRDEAL FILAMENTS LIMITED,**  
Surat.

### Report on the Financial Statements

We have audited the accompanying financial statements of Fairdeal Filaments Ltd., which comprise the Balance Sheet as at March 31, 2017, and the Statement of Profit and Loss and Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information for the year then ended.

### 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 preparation 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 there under.

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

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on whether the Company has in place an adequate internal financial 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 financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:

- a) In the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2017;
- b) In the case of the Profit and Loss Account, of the Profit for the year ended on that date; and
- c) In the case of the Cash Flow Statement, of the 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, 2016 ("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, Statement of Profit and Loss, and 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 written representations received from the directors as on March 31, 2017, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2017, from being appointed as a director in terms of Section 164 (2) of the Act.
  - f. With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure A".
  - g. 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 does not have any pending litigations which would impact its financial position.
    - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
    - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.
    - iv. The Company has provided disclosures in its financial statements as to holdings as well as dealings in specified bank notes during the period from 8th November, 2016 to 30th December, 2016 and the same are in accordance with books of accounts maintained by the company.

**For, NATVARLAL VEPARI & CO.**

CHARTERED ACCOUNTANTS

**Firm Reg. No. 123626W**

Sd/-

**Ravindra Vepari**

Partner

Membership No. : 006728

Place : Surat

Date : 30<sup>th</sup> May, 2017

## ANNEXURE TO THE INDEPENDENT AUDITOR'S REPORT

The Annexure referred to Paragraph 1 under the heading "Report on Other Legal and Regulatory Requirements" of our Independent Auditor's Report of even date,

- (i) (a) The company has maintained proper records showing full particulars including quantitative details and situation of fixed assets.  
  
(b) We are informed that all the fixed assets have been physically verified by the management at reasonable intervals and no material discrepancies were noticed on such physical verification.  
  
(c) The title deeds of immovable properties other than self-constructed immovable property (buildings), as disclosed in fixed assets to the financial statements, are held in the name of the company.
- (ii) As explained to us, the physical verification of inventories has been conducted at reasonable intervals by the management. No discrepancies were noticed on physical verification.
- (iii) The Company has not granted any loan, secured or unsecured, to companies, firms or other parties listed in the Register maintained under Section 189 of the Companies Act, 2013 and therefore paragraph 3 (iii) of the order is not applicable.
- (iv) In our opinion and according to the information and explanations given to us, the company has not advanced any loan or given any guarantee or provided any security or made any investment covered under section 185 and 186 of the Act.
- (v) In our opinion and according to the information and explanations given to us, the company has not accepted any deposits from public within the meaning of Sections 73 to 76 or any other relevant provisions of the Companies Act, 2013 and the rules framed thereunder. No order has been passed by Company Law Board or National Company Law Tribunal or Reserve Bank of India or any court or any other Tribunal.
- (vi) We have broadly reviewed the books of account and records 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, however, not made a detailed examination of the records with a view to determine whether they are accurate or complete.
- (vii) (a) According to the information and explanations given to us and the records examined by us, the Company has generally been regular in depositing with appropriate authorities, undisputed statutory dues including provident fund, employees' state insurance, income-tax, sales-tax, service tax, duty of customs, duty of excise, value-added tax, cess and any other statutory dues, wherever applicable. According to the information and explanations given to us, no undisputed amounts payable in respect of outstanding statutory dues were in arrears as at March 31st, 2017 for a period of more than six months from the date they became payable.  
  
(b) According to the information and explanations given to us, there are no dues of Income Tax or Sales Tax or Wealth Tax or Service Tax or duty of Customs or duty of excise or value added tax or cess wherever applicable on account of any dispute.
- (viii) On the basis of the records examined by us and the information and explanations given to us, the Company has not defaulted in repayment of dues to banks, financial institutions or Government. The Company has not issued debentures during the year.

- (ix) To the best of our knowledge and belief and according to the information and explanations given to us, the Company has not raised moneys by way of initial public offer or further public offer. The term loans obtained during the year have been applied for the purpose for which they were raised.
- (x) To the best of our knowledge and belief and according to the information and explanations given to us, no fraud by the company or on the Company by its officers or employees has been noticed or reported during the year.
- (xi) To the best of our knowledge and belief and according to the information and explanations given to us, managerial remuneration has been paid or provided in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Companies Act.
- (xii) The Company is not a Nidhi Company. Consequently, requirements of clause (xii) of paragraph 3 of the order are not applicable.
- (xiii) To the best of our knowledge and belief and according to the information and explanations given to us, all transactions with the related parties are in compliance with section 177 and 188 of Companies Act, 2013 where applicable and the details have been disclosed in the Financial Statements etc., as required by the applicable Accounting Standards.
- (xiv) To the best of our knowledge and belief and according to the information and explanations given to us, the company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review. Consequently, requirements of clause (xiv) of paragraph 3 of the order are not applicable.
- (xv) To the best of our knowledge and belief and according to the information and explanations given to us, the company has not entered into any non-cash transactions with directors or persons connected with him.
- (xvi) According to the nature of business, the company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.

**For, NATVARLAL VEPARI & CO.**

CHARTERED ACCOUNTANTS

**Firm Reg. No. 123626W**

Sd/-

**Ravindra Vepari**

Partner

Membership No. : 006728

Place : Surat

Date : 30<sup>th</sup> May, 2017

## ANNEXURE A TO THE INDEPENDENT AUDITOR'S REPORT OF EVEN DATE ON THE FINANCIAL STATEMENTS OF FAIRDEAL FILAMENTS LIMITED.

### **Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")**

We have audited the internal financial controls over financial reporting of Fairdeal Filaments Limited ("the Company") as of March 31, 2017 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

#### **Management's Responsibility for Internal Financial Controls**

The Company's management is responsible for establishing and maintaining internal financial controls based on "the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India". These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

#### **Auditors' Responsibility**

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on my / our audit. I / We conducted my / our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

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

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

#### **Meaning of Internal Financial Controls over Financial Reporting**

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



**Inherent Limitations of Internal Financial Controls over Financial Reporting**

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

**Opinion**

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

**For, NATVARLAL VEPARI & CO.**

CHARTERED ACCOUNTANTS

**Firm Reg. No. 123626W**

Sd/-

**Ravindra Vepari**

Partner

Membership No. : 006728

**Place : Surat**

**Date : 30<sup>th</sup> May, 2017**

**BALANCE SHEET AS AT 31ST MARCH, 2017**

PARTICULARS	Note	As at March 31, 2017		As at March 31, 2016	
(₹ in Lacs)					
<b>EQUITY AND LIABILITIES</b>					
<b>Shareholders' Funds</b>					
a. Share Capital	1	605.00		605.00	
b. Reserves & Surplus	2	<u>1,360.36</u>	1,965.36	<u>1,233.11</u>	1,838.11
<b>Non - Current Liabilities</b>					
a. Long Term Borrowing	3	512.70		1,310.96	
b. Deferred Tax Liability (Net)	4	83.59		87.97	
c. Other Long Term Liabilities		<u>-</u>	596.28	<u>-</u>	1,398.94
<b>Current Liabilities</b>					
a. Short Term Borrowing	5	3,319.83		3,245.77	
b. Trade Payables	6	324.23		439.99	
c. Other Current Liabilities	7	263.45		268.65	
d. Short Term Provisions	8	121.78	4,029.29	136.67	4,091.08
<b>TOTAL</b>		<u><u>6,590.93</u></u>		<u><u>7,328.13</u></u>	
<b>ASSETS</b>					
<b>Non Current Assets</b>					
Fixed Assets	9				
a. Tangible Asset		1,913.53		1,763.25	
b. Intangible Asset		6.74		0.62	
c. Capital Work in Progress		<u>-</u>		<u>13.10</u>	
		1,920.27		1,776.97	
Non Current Investments (Trade)	10	195.95		195.95	
Long Term Loan and advances	11	<u>197.01</u>	2,313.23	<u>180.41</u>	2,153.33
<b>Current Assets</b>					
a. Inventories	12	532.85		556.83	
b. Trade Receivables	13	3,474.89		4,329.55	
c. Cash and Bank Balance	14	22.31		17.54	
d. Other Bank Balance	15	24.37		16.38	
e. Short Term Loans and Advances	16	223.29	4,277.70	254.50	5,174.80
<b>TOTAL</b>		<u><u>6,590.93</u></u>		<u><u>7,328.13</u></u>	
<b>Significant Accounting Policies</b>					
<b>Notes to Financial Statements</b>	1 to 34				

**For, NATVARLAL VEPARI & CO.**

CHARTERED ACCOUNTANTS

**Firm Reg. No. 123626W**
**R. N. Vepari**

Partner

Membership No. : 6728

SURAT, Date : 30.05.2017

For and on behalf of the Board,

**D. R. Shah**

Managing Director

(DIN : 00010480)

**Jitesh R. Varkal**

Company Secretary

SURAT, Date : 30.05.2017

**A. R. Shah**

Whole-time Director

(DIN : 00010483)

**Satish H. Shah**

Chief Financial Officer

**PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2017**

PARTICULARS	Note	2016-17	2015-16
			(₹ in Lacs)
<b>INCOME :</b>			
Revenue from Operations	17	20,446.17	19,307.56
Other Revenues	18	5.10	4.94
<b>Total Revenue</b>		<u>20,451.27</u>	<u>19,312.50</u>
<b>EXPENDITURE :</b>			
Cost of Material Consumed	19	3,572.19	3,311.98
Purchases of Stock in Trade		14,118.95	13,059.11
Changes in Inventories of Finished Goods, Stock in Process and Stock in Trade	20	42.33	212.57
Employee Benefits Expense	21	699.20	675.85
Finance Costs	22	407.31	414.67
Depreciation and Amortisation Expense	23	259.34	187.25
Other Expenses	24	1,163.71	1,209.65
<b>Total Expenses</b>		<u>20,263.03</u>	<u>19,071.07</u>
<b>Profit before exceptional and extraordinary items and tax</b>		188.25	241.43
<b>Tax Expense :</b>			
a. Current tax		39.64	49.22
b. Deferred Tax		(4.39)	13.62
		<u>35.25</u>	<u>62.84</u>
<b>Profit after tax adjustment</b>		153.00	178.59
Excess/(Short) provision for taxation in earlier year		23.03	(7.73)
<b>Profit after Tax</b>		<u>176.02</u>	<u>170.86</u>
<b>Profit for the Period</b>		176.02	170.86
<b>Earning per Equity Share :</b>	25		
1. Basic		2.91	2.82
2. Diluted		2.91	2.82
<b>Significant Accounting Policies</b>			
<b>Notes to Financial Statements</b>	1 to 34		

**For, NATVARLAL VEPARI & CO.**

CHARTERED ACCOUNTANTS

**Firm Reg. No. 123626W**
**R. N. Vepari**

Partner

Membership No. : 6728

SURAT, Date : 30.05.2017

For and on behalf of the Board,

**D. R. Shah**

Managing Director

(DIN : 00010480)

**Jitesh R. Varkal**

Company Secretary

SURAT, Date : 30.05.2017

**A. R. Shah**

Whole-time Director

(DIN : 00010483)

**Satish H. Shah**

Chief Financial Officer

**CASH FLOW STATEMENT ANNEXED TO THE BALANCE SHEET FOR THE YEAR ENDED 31st MARCH, 2017**

PARTICULARS	2016-17	2015-16
<b>A. CASH FLOW FROM OPERATING ACTIVITIES :</b>		(₹ in Lacs)
Net profit before Tax and Extraordinary Items	188.25	241.43
Adjusted For :		
Depreciation	259.34	187.25
Proportionate Capital Subsidy on Plant Machinery	(2.41)	
Interest Paid	407.31	414.67
Extra ordinary item [(profit)/loss on sale of assets/ earlier year taxes]	21.26	(64.95)
<b>Operating Profit before Working Capital Charges</b>	<b>873.74</b>	<b>778.40</b>
Adjusted For :		
Trade and other receivable	885.87	(669.47)
Inventories	23.98	291.09
Trade & Other Payables	(128.32)	43.08
<b>Cash Generated From Operations</b>	<b>1,655.28</b>	<b>443.10</b>
Interest Paid	(388.59)	(391.51)
<b>Cash flow before Extraordinary items</b>	<b>1,266.68</b>	<b>51.59</b>
Current tax	(39.64)	(49.22)
<b>Net Cash from operating Activities</b>	<b>1,227.04</b>	<b>2.37</b>
<b>B. CASH FLOW FROM INVESTING ACTIVITIES</b>		
Purchase of Fixed Assets	(409.06)	(796.59)
Sales of Fixed Assets	5.59	90.98
(Purchase)/Sale of Investments	-	52.50
Capital Subsidy received against Capital Assets under TUF	47.27	-
Movement in Loans & Advances	(16.60)	(0.59)
<b>Net Cash used in Investing Activities</b>	<b>(372.81)</b>	<b>(653.70)</b>
<b>C. CASH FLOW FROM FINANCING ACTIVITIES</b>		
Loan repayment	59.65	287.07
Other Loan	(865.45)	452.55
Short Term Borrowings (Net)	74.06	18.52
Interest Paid on Term Loan	(18.72)	(23.16)
Dividend paid ( Including Dividend Tax)	(91.02)	(91.02)
<b>Net Cash used in Financial Activities</b>	<b>(841.48)</b>	<b>643.95</b>
<b>NET INCREASE IN CASH &amp; CASH EQUIVALENTS (A) + (B) + (C)</b>	<b>12.76</b>	<b>(7.38)</b>
Opening Cash and Cash Equivalents	33.92	41.30
Closing Cash and Cash Equivalents	46.67	33.92

As per our attached report of even date

**For, NATVARLAL VEPARI & CO.**

CHARTERED ACCOUNTANTS

Firm Reg. No. 123626W

**R. N. Vepari**

Partner

Membership No. : 6728

SURAT, Date : 30.05.2017

For and on behalf of the Board,

**D. R. Shah**

Managing Director

(DIN : 00010480)

**Jitesh R. Varkal**

Company Secretary

SURAT, Date : 30.05.2017

**A. R. Shah**

Whole-time Director

(DIN : 00010483)

**Satish H. Shah**

Chief Financial Officer

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

PARTICULARS	As at March 31, 2017	As at March 31, 2016
<b>1 SHARE CAPITAL</b>		(₹ in Lacs)
<b>AUTHORISED :</b>		
20,000,000 (Previous year 20,000,000) Equity Share of Rs. 10/- each.	<u>2000.00</u>	2000.00
<b>ISSUED, SUBSCRIBED &amp; PAID UP :</b>		
6,050,000 (Previous year 6,050,000) Equity Shares of Rs. 10/- each fully paid up	<u>605.00</u>	605.00
<b>1.1 The reconciliation of the number of shares outstanding is set out below:</b>	<b>Number</b>	<b>Number</b>
Equity Shares outstanding at the beginning of the year	60.50	55.00
Equity Shares Issued during the year	-	5.50
Equity Shares bought back during the year	-	-
Any other movement (please specify)	-	-
Equity Shares outstanding at the end of the year	<u>60.50</u>	<u>60.50</u>
<b>1.2 The details of Shareholders holding more than 5% shares</b>		
<b>Name of the Shareholders</b>	<b>No. of Shares</b>	<b>% held</b>
	<b>No. of Shares</b>	<b>% held</b>
Mahesh Khetshi Gosrani	419939	6.94
	422400	6.98
<b>2 RESERVES AND SURPLUS</b>		
<b>Capital Reserve</b>		
As per Last Balance Sheet	69.97	
Add: Capital Subsidy (Refer Note No. 2.1)	47.27	
" Less: Proportionate Capital Subsidy transferred to Profit and Loss Account "	<u>2.41</u>	114.82
		69.97
<b>Security Premium Reserve</b>		
As per Last Balance Sheet	310.86	365.86
Less: Transfer to Share capital on account of Issue of Bonus shares.	<u>-</u>	<u>55.00</u>
	310.86	310.86
<b>Profit &amp; Loss Account</b>		
As per Last Balance Sheet	686.17	606.34
Add : Profit for the year	<u>176.02</u>	<u>170.86</u>
	862.19	777.19
Less : Appropriations		
Transferred to General Reserve	-	
Proposed Dividend on Equity Shares	75.63	75.63
Tax on Dividend	<u>15.40</u>	<u>15.40</u>
	91.02	91.02
	771.17	686.17
<b>Revaluation Reserve</b>		
As Per Last Balance Sheet	137.41	148.03
Less : Transferred to Profit and Loss Account	2.60	4.44
Less : Reversal of Revaluation on Assets Retired	<u>-</u>	<u>6.17</u>
	134.81	137.41

PARTICULARS	As at March 31, 2017		As at March 31, 2016	
<b>General Reserve</b>	(₹ in Lacs)			
As Per Last Balance Sheet	<u>28.70</u>	<u>28.70</u>	<u>28.70</u>	<u>28.70</u>
<b>TOTAL</b>	<u><u>1,360.36</u></u>		<u><u>1,233.11</u></u>	

2.1 During the year, the Company has received Capital Subsidy under TUF Scheme of the Government. The same has been shown under Capital Reserve. The amount shall be amortized over the period of useful life of the asset separately in Profit & Loss account.

3 LONG TERM BORROWING	Non Current		Current*	
<b>Secured</b>				
<b>a. Term Loan</b>				
Bank of Baroda (Refer Note no. 3.1.a)	<b>346.29</b>	<b>85.48</b>	311.51	95.86
HDFC Bank Ltd. (Refer Note no. 3.1.b)	<b>22.61</b>	<b>8.75</b>		
Kotak Mahindra Bank Ltd. (Refer Note no. 3.1.b)	<b>6.27</b>	<b>2.96</b>	-	-
Kotak Mahindra Prime Ltd. (Refer Note no. 3.1.b)	<b>3.53</b>	<b>2.96</b>	-	11.82
	<u><b>378.70</b></u>	<u><b>100.15</b></u>	<u>311.51</u>	<u>107.68</u>
<b>Unsecured</b>				
<b>a. Inter Corporate Deposit from Company</b>	<b>100.00</b>	-	965.45	-
<b>b. LIC of India</b>	<b>34.00</b>	-	34.00	-
	<u><b>134.00</b></u>	<u>-</u>	<u>999.45</u>	<u>-</u>
<b>TOTAL</b>	<u><b>512.70</b></u>	<u><b>100.15</b></u>	<u>1,310.96</u>	<u>107.68</u>

### 3.1 Security Details of Secured Loan

a. Secured by Hypothecation of raw material, stock-in-process, finished goods, books debts, plant and machinery and equitable mortgage of factory land and building situated at Block no. 298, Plot no. 2, Block no. 76, Plot no. 2 at Village: Karanj, Taluka: Mandvi, Dist.: Surat and Block no. 141, Plot no. 3, Block no. 146, Plot no. 3/A & 13, Block no. 149, Plot no. 12/A & 12/B at Village: Mota Borasara, Taluka: Mangrol, Dist. Surat. Facility further secured by equitable mortgage of office premises situated at eastern side of third floor, Dawer Chambers, Ring Road, Surat and hypothecation of Wind mill situated at Village: Suthari, Taluka: Abdasa, Dist: Kutch.

b. Secured against hypothecation of Vehicles.

\* Refer Note no .7 for Current maturities of Long Term Debt

PARTICULARS	As at March 31, 2017	As at March 31, 2016
		(₹ in Lacs)
<b>4 DEFERRED TAX LIABILITY (NET)</b>		
<b>Deferred Tax Asset</b>		
a. Provision for bonus	1.26	1.25
b. Provision for leave	1.24	1.18
c. Provision for gratuity	1.49	-
	<u>3.99</u>	<u>2.43</u>
<b>Deferred Tax Liability</b>		
a. Block of Assets		90.40
	<u>87.58</u>	<u>90.40</u>
<b>TOTAL</b>	<u><u>83.59</u></u>	<u><u>87.97</u></u>
<b>5 SHORT TERM BORROWING</b>		
<b>Secured</b>		
a. Working Capital Loans From Banks Rupee Loan (Refer Note no. 5.1)	2,528.20	2,495.97
	<u>2,528.20</u>	<u>2,495.97</u>
<b>Unsecured</b>		
a. Short Term Loan from ICICI Bank Ltd. (Under Channel Financing)	791.63	749.80
	<u>791.63</u>	<u>749.80</u>
<b>TOTAL</b>	<u><u>3,319.83</u></u>	<u><u>3,245.77</u></u>
<b>5.1 Security details for secured Loan</b>		
<p>Secured by Hypothecation of raw material, stock-in-process, finished goods, books debts, plant and machinery and equitable mortgage of factory land and building situated at Block no. 298, Plot no. 2, Block no. 76, Plot no. 2 at Village: Karanj, Taluka: Mandvi, Dist.: Surat and Block no. 141, Plot no. 3, Block no. 146, Plot no. 3/A &amp; 13, Block no. 149, Plot no. 12/A &amp; 12/B at Village: Mota Borasara, Taluka: Mangrol, Dist. Surat. Facility further secured by equitable mortgage of office premises situated at eastern side of third floor, Dawer Chambers, Ring Road, Surat and hypothecation of Wind mill situated at Village: Suthari, Taluka: Abdasa, Dist: Kutch.</p>		
<b>6 TRADE PAYABLES</b>		
a. For goods & other purchases	291.78	415.57
b. For expenses	32.45	24.43
	<u>324.23</u>	<u>439.99</u>
<b>TOTAL</b>	<u><u>324.23</u></u>	<u><u>439.99</u></u>
<b>7 OTHER CURRENT LIABILITIES</b>		
Current Maturities of long term debts (Refer Note 3)	100.15	107.68
Interest accrued but not due on borrowings	0.46	0.59
Unclaimed Dividend	13.57	13.10
Employees benefits payables	45.71	45.10
Advance from Customers	8.12	13.10
Expenses Payable	59.09	51.83
Duties & Taxes	36.35	37.24
	<u>263.45</u>	<u>268.65</u>

PARTICULARS	As at March 31, 2017	As at March 31, 2016
		(₹ in Lacs)
<b>8 SHORT TERM PROVISIONS</b>		
Provision for Taxation (Net of Advance Taxation)	<b>18.69</b>	38.31
Proposed dividend	<b>75.63</b>	75.63
Tax on Dividend	<b>15.40</b>	15.40
Provision for earned Leave	<b>3.74</b>	3.57
Provision for earned Bonus	<b>3.82</b>	3.77
Provision for gratuity	<b>4.51</b>	-
<b>TOTAL</b>	<b><u>121.78</u></b>	<b><u>136.67</u></b>



**9. FIXED ASSETS** (₹ in Lacs)

Sr. No.	PARTICULARS	GROSS BLOCK			DEPRECIATION			NET BLOCK		
		AS ON 01.4.2016	ADDITION	ADJUSTMENT	AS ON 31.3.2017	UP TO 31.3.2016	DURING THE YEAR (P & L)	ADJUSTMENT	AS ON 31.3.2017	AS ON 31.3.2016
<b>TANGIBLE ASSETS :</b>										
1	LAND	143.13	-	-	143.13	-	-	-	143.13	143.13
2	FACTORY BUILDING	555.16	0.18	-	555.34	192.44	32.98	-	329.92	362.73
3	PLANT & MACHINERY	1,339.56	116.86	19.44	1,436.98	977.21	53.82	15.83	421.78	362.35
4	OFFICE EQUIPMENT	51.66	2.72	-	54.39	40.48	3.80	-	10.11	11.19
5	COMPUTER	117.12	0.64	0.14	117.62	109.43	4.07	0.14	4.26	7.69
6	VEHICLES	76.61	58.82	22.90	112.53	55.87	6.60	22.69	72.75	20.74
7	FURNITURE & FIXTURE	39.87	0.44	-	40.31	32.20	1.11	-	7.00	7.67
8	BEAM PIPE	51.55	0.83	-	52.38	46.55	0.59	-	5.24	5.00
9	OFFICE BUILDING	15.03	-	-	15.03	4.99	0.24	-	9.81	10.04
10	ELECTRICAL INSTALATION	2.19	-	-	2.19	1.79	0.16	-	0.24	0.40
11	PLANT & MACHINERY UNDER TUF	1,459.58	235.11	-	1,694.69	704.90	144.09	-	845.70	754.67
12	WIND MILL	372.68	-	-	372.68	295.05	14.05	-	63.58	77.63
	<b>TOTAL (A)</b>	4,224.13	415.62	42.49	4,597.27	2,460.89	261.51	38.66	1,913.53	1,763.25
<b>INTANGIBLE ASSETS :</b>										
13	COMPUTER (INTANGIBLE)	0.66	6.55	-	7.21	0.04	0.43	-	6.74	0.62
	<b>TOTAL (B)</b>	0.66	6.55	-	7.21	0.04	0.43	-	6.74	0.62
	<b>TOTAL (A+B)</b>	4,224.80	422.16	42.49	4,604.48	2,460.93	261.94	38.66	1,920.27	1,763.87
	<b>PREVIOUS YEAR</b>	3,826.78	798.39	400.38	4,224.80	2,589.68	191.70	320.45	1,763.87	1,237.10

**Note :** Depreciation on revalued portion of Fixed Assets calculated on written down method over balance useful life of assets, is transferred from revaluation reserve to the Profit & Loss Amounting to Rs. 2.60 Lacs (PY 4.44 Lacs).

PARTICULARS	As at March 31, 2017	As at March 31, 2016
		(₹ in Lacs)
<b>10 NON CURRENT INVESTMENTS</b>		
<b>In Equity Shares of Companies-Unquoted fully paid up (Valued at cost)</b>		
3200 (3200) Shares of Shahlon Silk Industries Pvt. Ltd.	22.40	22.40
755733 (755733) Shares of Fairdeal Textile Park Pvt. Ltd.	173.55	173.55
<b>TOTAL</b>	<u>195.95</u>	<u>195.95</u>
<b>11 LONG TERM LOANS &amp; ADVANCES (Unsecured and Considered Good)</b>		
Keyman Insurance Premium	136.40	128.37
Utility Deposits	59.43	50.42
Pre-paid Expenses	1.19	1.62
<b>TOTAL</b>	<u>197.01</u>	<u>180.41</u>
<b>12 INVENTORIES</b>		
Raw Materials	230.26	221.34
Stock in Process	19.23	23.78
Finished Goods	176.59	179.75
Traded Goods	21.96	56.59
Consumable stores, etc.	84.80	75.37
<b>TOTAL</b>	<u>532.85</u>	<u>556.83</u>
<b>13 TRADE RECEIVABLES (Unsecured and Considered Good)</b>		
Outstanding for more than six months (Refer Note No. 33)	211.97	390.57
Other debts	3262.91	3938.98
<b>TOTAL</b>	<u>3474.89</u>	<u>4329.55</u>
<b>14 CASH AND BANK BALANCE</b>		
Cash in hand	8.54	4.14
Balance with Banks		
Current Account	0.21	0.30
Unpaid Dividend	13.57	13.10
<b>TOTAL</b>	<u>22.31</u>	<u>17.54</u>

PARTICULARS	As at	
	March 31, 2017	March 31, 2016
<b>15 Other Bank Balance</b>		(₹ in Lacs)
Fixed Deposit with Bank	24.37	16.38
<b>TOTAL</b>	<u>24.37</u>	<u>16.38</u>

<b>16 SHORT TERM LOANS &amp; ADVANCES</b>		
<b>(Unsecured and Considered Good)</b>		
Balance with Revenue Authorities	41.23	46.10
Interest subsidy under TUF receivable (Refer Note 16.1)	101.39	88.14
Advance recoverable in cash or in kind or for value to be received	62.57	103.64
Others	18.11	16.62
<b>TOTAL</b>	<u>223.29</u>	<u>254.50</u>

16.1 The Interest subsidy claim amounting to Rs. 208.59 Lacs was submitted to Ministry of Textile through bank out of which amount of Rs. 88.14 Lacs has been provided in the books of accounts is pending to be received. Considering the prolonged process and resultant uncertainty, the company had discontinued accounting for further accrual of interest subsidy claim under TUF, following conservatism. However, during the reporting year, the company has provided for the amount of Rs. 13.25 Lacs considering the same being received after the balance sheet date.

PARTICULARS	2016-17		2015-16	
<b>17 REVENUE FROM OPERATIONS</b>				(₹ in Lacs)
Sales	20,727.97		19,677.91	
Add : Job charges	169.54		126.96	
Less : Excise Duty	2.33		0.79	
Less : Value Added Tax	718.80		779.20	
<b>Net Sales</b>	<b>20176.39</b>		<b>19024.88</b>	
Sale of Power/Windmill Energy (Captive Consumption)	70.17		67.76	
Commission Income Net	104.52		111.91	
Export Incentives	75.41		22.10	
Profit/(Loss) from Currency Swap/Option Contract/Exchange variance	(12.80)		16.66	
Other Operating Income	10.88		6.80	
Proportionate Capital Subsidy on Plant Machinery	2.41		-	
Profit/(Loss) on sale of assets / Investment	1.77		57.22	
Sundry Balances written up	17.43	269.79	0.22	282.67
<b>TOTAL</b>	<u>20446.17</u>		<u>19307.56</u>	

<b>18 OTHER REVENUES</b>				
Interest		5.10		4.94
<b>TOTAL</b>		<u>5.10</u>		<u>4.94</u>

19 CONSUMPTION OF RAW MATERIALS	% of		% of	
	Consumption	Rs. In Lacs	Consumption	Rs. In Lacs
Imported	0.06%	2.17	0.07%	2.17
Indigenous	99.94%	3570.02	99.93%	3309.81
<b>TOTAL</b>	<u>100.00%</u>	<u>3572.19</u>	<u>100.00%</u>	<u>3311.98</u>

PARTICULARS	2016-17	2015-16
		(₹ in Lacs)
<b>19.1 Changes in Raw Material</b>		
Opening Stock	221.34	279.19
Purchases Indigenous	3530.77	3254.12
Purchases Import	50.34	-
	<u>3802.45</u>	<u>3533.32</u>
Less: Closing Stock	230.26	221.34
<b>TOTAL</b>	<u><u>3572.19</u></u>	<u><u>3311.98</u></u>
<b>19.2 Particulars of Material Consumed</b>		
Yarn	<u><u>3572.19</u></u>	<u><u>3311.98</u></u>
<b>20 CHANGES IN FINISHED GOODS, STOCK-IN-PROCESS AND STOCK-IN- TRADE</b>		
Opening Stock		
Finished Goods/Stock-in-Trade	236.34	430.80
Stock-in-Process	<u>23.78</u>	<u>41.89</u>
	260.12	472.68
Less :		
Closing Stock		
Finished Goods/Stock-in-Trade	198.56	236.34
Stock-in-Process	<u>19.23</u>	<u>23.78</u>
	217.79	260.12
<b>TOTAL</b>	<u><u>42.33</u></u>	<u><u>212.57</u></u>
<b>21 PAYMENT AND BENEFITS TO EMPLOYEES</b>		
Salary, Wages, Bonus & Benefits	647.59	632.74
Contribution to Provident fund & expenses	35.56	33.44
Group Gratuity Expenses	6.05	-
Staff Welfare Expenses	10.00	9.67
<b>TOTAL</b>	<u><u>699.20</u></u>	<u><u>675.85</u></u>
<b>21.1 Gratuity :</b>		
The employee gratuity fund is managed by "Life Insurance Corporation of India"& SBI Life Insurance Company Ltd.". The Present value of obligation is determined based on actuarial valuation. The liability is fully funded.		
<b>a. Amounts recognized in Balance Sheet are as follows :</b>		
A. Present Value of Defined Benefit Obligation		
- Wholly Funded	100.29	84.52
- Wholly Unfunded		
	<u>100.29</u>	<u>84.52</u>
Less : Fair Value of Plan Assets	<u>100.29</u>	<u>84.52</u>
<b>Amount to be recognized as Liability or (Assets)</b>	<u>-</u>	<u>-</u>
B. Amount Reflected in Balance Sheet		
- Liability	-	-

PARTICULARS	2016-17	2015-16
		(₹ in Lacs)
<b>b. Amounts recognized in Profit &amp; Loss Account :</b>		
1. Current Service Cost	6.05	-
2. Interest Cost	8.39	6.56
3. Expected Return on Plan Assets	8.39	6.56
4. Actuarial Losses/(Gains)	-	-
<b>Total included in "Payment and Benefits to Employees"</b>	<b>6.05</b>	<b>-</b>
<b>c. Changes in present value of defined benefit obligation representing reconciliation of opening &amp; closing balances thereof are as follows:</b>		
Opening Value of present value of defined benefit obligation	88.01	67.04
Add : Current service cost	4.51	-
Add : Interest Cost	8.39	6.56
Add : Contribution made	1.53	15.88
	<u>102.46</u>	<u>89.47</u>
Less : Mortality Charges	1.44	1.18
Less : Benefits paid	0.73	0.28
Less : Current service cost Provision	4.51	-
<b>Closing Value of present value of defined benefit obligation</b>	<u><b>95.77</b></u>	<u><b>88.01</b></u>
<b>d. Principal Actuarial Assumptions at the Balance Sheet Date (expressed as Weighted Averages)</b>		
Discount Rate (p.a.)	8.00%	8.00%
Expected Rate of Return on Assets (p.a.)	8.00%	8.00%
<b>22 FINANCE COST</b>		
Term Loan Interest	18.72	23.16
Interest to Others	6.61	13.20
Working Capital Interest	292.19	292.12
Bill Discount Charges	76.10	75.22
Bank Charges	13.69	10.96
<b>TOTAL</b>	<u><b>407.31</b></u>	<u><b>414.67</b></u>
<b>23 DEPRECIATION AND AMORTISATION EXPENSE</b>		
Depreciation for the period	261.94	191.70
Less : Depreciation withdrawn from Revaluation Reserve	2.60	4.44
<b>TOTAL</b>	<u><b>259.34</b></u>	<u><b>187.25</b></u>

PARTICULARS	2016-17	2015-16
		(₹ in Lacs)
<b>24 OTHER EXPENSES</b>		
<b>Manufacturing Expenses</b>		
Job Charges	12.36	13.20
Leave & Licenses Agreement	0.11	0.11
Lising Charges	5.79	4.35
Power and Fuel	447.83	483.94
Consumption of stores (including Packing and Chemical Materials)	342.29	371.20
Repairs to Machinery	33.72	36.85
Building Repairs	11.71	15.91
Factory Expenses	22.80	18.04
Wind Mill Expenses	10.99	10.54
<b>TOTAL</b>	<b>887.60</b>	<b>954.13</b>
<b>Wind Mill Expenses</b>		
Lease Rent	0.09	0.11
Insurance Exp.	0.39	0.38
Repairs & Maintenance Charges	10.51	10.04
<b>TOTAL</b>	<b>10.99</b>	<b>10.54</b>
<b>Transfer to Manufacturing Exp.</b>	<b>10.99</b>	<b>10.54</b>
<b>Administrative &amp; Other Expenses</b>		
Insurance	4.92	4.52
Printing and Stationary	5.23	5.12
Postage & Telephone	11.80	15.16
Electrical Expenses	5.24	6.42
Tours Travelling & Conveyance	15.82	23.81
Directors' Remuneration	84.43	72.43
Director's Fees	2.01	1.34
Legal and Professional Charges	20.12	23.86
Audit Fees	3.50	3.50
Sundry Expenses	13.19	12.64
Computer Charge	7.62	6.35
Donation	2.64	0.59
Repairs & Maint. to Furniture & Office Equip.	2.58	4.56
Office Rent	1.80	0.55
<b>TOTAL</b>	<b>180.91</b>	<b>180.86</b>
<b>Selling &amp; Distribution Expenses</b>		
Brokerage	52.85	44.42
Advertisement and Sales Promotion	3.78	2.96
Freight	37.66	16.89
Bad debts	-	9.56
Vehicle Repairs & Maintenance	0.91	0.83
<b>TOTAL</b>	<b>95.20</b>	<b>74.66</b>
	<b>1163.71</b>	<b>1209.65</b>

PARTICULARS	2016-17		2015-16	
	(₹ in Lacs)			
	Rs. In Lacs	% of Consumption	Rs. In Lacs	% of Consumption
<b>24.1 Value of Consumables</b>				
Imported	11.11	3.25%	3.05	0.82%
Indigenous	331.18	96.75%	368.15	99.18%
<b>TOTAL</b>	<u>342.29</u>	<u>100.00%</u>	<u>371.20</u>	<u>100.00%</u>
<b>24.2 Value of Imports on CIF basis in respect of</b>				
Raw Materials and Stock-in-trade		50.34		-
Consumables goods		13.14		-
<b>24.3 Payment to Auditors as: (Excluding the amount of Service Tax)</b>				
a. As an Auditor (including Tax Audit Fees)		3.50		3.50
b. Capacity in respect of :				
i. Company law matter		-		-
ii. Management Services		0.05		0.03
iii. In any other manner		0.38		0.38
<b>TOTAL</b>		<u>3.93</u>		<u>3.91</u>
<b>24.4 Expenditure in foreign currency (On Payment basis):</b>				
Capital goods Expenses		195.22		361.69
Raw Material and Stock in trade		37.03		
Consumables goods		9.96		
Commission Expense (On Export)		2.66		9.25
<b>TOTAL</b>		<u>244.88</u>		<u>370.94</u>
<b>25 EARNING PER SHARE</b>				
i) Net Profit after tax as per Statement of Profit and Loss attributable to Equity Shareholders		176.02		170.86
ii) Weighted Average number of equity shares used as denominator for calculating EPS		60.50		60.50
iii) Basic Earning per share (Refer Note 25.1)		2.91		2.82
iv) Face Value per equity share		10.00		10.00
<b>25.1</b> There are no diluted equity shares of the company.				
<b>26 EARNING IN FOREIGN CURRENCY</b>				
FOB value of Exports		666.22		441.11

**PARTICULARS**
**2016-17**
**2015-16**
**(₹ in Lacs)**
**27 REMITTANCE IN FOREIGN CURRENCY ON ACCOUNT OF DIVIDEND**

 Remittances by the company in foreign currencies for dividends  
 (including amount credited to Non-Resident External Accounts):

a) No. of Non-resident shareholders	<b>6</b>	6
b) No. of Equity Shares of face value of Rs. 10 each held	<b>1.37</b>	1.25
c) i) Amount of Dividend Paid (Gross)	<b>1.71</b>	0.62
ii) Tax Deducted at Source	-	-
iii) Year to which dividend relates	<b>2015-16</b>	2014-15

**28 Related parties where common control exist and transactions entered into :**
**(₹ in Lacs)**

Sr. No.	Name of the Related Party (Relationship)	Nature of Transactions	Amount (in Lacs)	Balance as on 31.03.17	Amount (in Lacs)	Balance as on 31.03.16
1	Shahlon Silk Industries Pvt.Ltd. (Common Control of Managerial Person)	Sales	219.11	NIL	287.47	NIL
		Interest (Income)	0.77		0.47	
		Job Income	171.10		126.78	
		Yarn Purchase	150.48		186.28	
		Job Charges	272.92		155.87	
		Reimbursement of Utility Expense	2.52		1.67	
		Reimbursement of Salary Expense	4.88		-	
		Rent Charges	1.04		-	
		2	Fairdeal Textile Park Pvt. Ltd. (Common Control of Managerial Person)	Lease Rent	0.11	NIL
Maintenance Expenses	3.90				2.91	
3	Shri D. R. Shah (Key Management Personnel)	Remuneration	42.22	NIL	36.22	NIL
4	Shri A. R. Shah (Key Management Personnel)	Remuneration	42.22	NIL	36.22	NIL



PARTICULARS	2016-17	2015-16
<b>29 CONTINGENT LIABILITIES AND COMMITMENTS</b>		(₹ in Lacs)
<b>I) Contingent Liabilities</b>		
Guarantees		
a) Counter guarantees given to banks	2.27	2.27
b) Bank Guarantee provided to DGFT to secure texturising under EPCG Scheme	6.11	6.11
Others		
a) Custom Duty on Capital Goods or Raw Material Imported under Advance Licence/ EPCG Scheme, against which export obligation is to be fulfilled	139.07	92.00

**30 DISCLOSURE REGARDING PURSUANT TO CIRCULAR NO G.S.R.308(E)DATED MARCH 30, 2017.**

Details of specified bank notes (SBN) held and transacted during the period from November 08, 2016 to December 30, 2016 is provided in the table below:-

	Specified Bank Notes	Other Denomination Notes	Total
Closing Cash In Hand as on 08.11.2016	3.30	1.29	4.59
Inter Division Transfer	-	-	-
Permitted Receipts	-	3.40	3.40
Permitted Payments	0.91	3.35	4.25
Amount Deposited In Bank	2.40	-	2.40
Closing Cash In Hand as on 30.12.2016	-	1.34	1.34

31. Sale /Purchase includes inter-divisional transfer is Nil (Previous Year-Nil).
32. There are no dues (Previous Year - Nil) from the companies or firms where Directors are Directors/Partners.
33. Amount of Trade receivables outstanding for more than six months includes the amount of Rs. 78.19 lacs outstanding towards doubtful receivable from exports that have not been restated considering the pending claims.
34. Previous year figures have been regrouped/reclassified wherever necessary to correspond with the Current year's Classification/ disclosure.

**For, NATVARLAL VEPARI & CO.**

CHARTERED ACCOUNTANTS  
Firm Reg. No. 123626W

**R. N. Vepari**  
Partner

Membership No. : 6728  
SURAT, Date : 30.05.2017

For and on behalf of the Board,

**D. R. Shah**  
Managing Director  
(DIN : 00010480)

**Jitesh R. Varkal**  
Company Secretary

SURAT, Date : 30.05.2017

**A. R. Shah**  
Whole-time Director  
(DIN : 00010483)

**Satish H. Shah**  
Chief Financial Officer

## Significant Accounting Policies

**(a) Basis of preparation of financial statements :**

- i) The financial statements are prepared and presented under the historical cost convention in accordance with the Generally Accepted Accounting Principles and the provisions of The Companies Act, 2013.
- ii) The financial statements have been prepared under the historical cost convention on an accrual basis and in accordance with Generally Accepted Accounting Principles including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
- iii) The Accounting policies are consistently applied by the Company.

**(b) Use of Estimates :**

The preparation of financial statements in conformity with Indian GAAP requires judgments, estimates and assumptions to be made that affect the reported amount of assets and liabilities, disclosure of contingent 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 recognized in the period in which the results are known/materialized.

**(c) Fixed Assets :**

Fixed Assets (except land) are carried at cost of acquisition or construction (net of CENVAT) less accumulated depreciation and impairment losses, if any. All costs including interest and financing cost till the assets put to use are capitalized to the extent they are measurable. Subsequent expenditure incurred on assets put to use is capitalized only where it increases future benefits/functioning capabilities from/of such assets.

**(d) Depreciation :**

- i) Depreciation on all assets except on assets as provided in clause ii hereunder is provided on Straight Line Method basis over the useful lives of the assets estimated by the Management in accordance with Part C of the Schedule II of the Companies Act, 2013.
- ii) Depreciation on machineries at Karanj unit acquired on or after 01-04-2001 is provided on Written down value over the useful lives of the assets estimated by the Management in accordance with Schedule II of the Companies Act, 2013.
- iii) The Residual value for all the existing assets have been determined by the Company which is in accordance with Schedule II of the Companies Act, 2013
- iv) The Residual value of all the new assets have been considered at 5 % cost of acquisition as prescribed under the Part C of Schedule II of the Companies Act, 2013

**(e) Impairment :**

The carrying amounts of assets are reviewed at each balance sheet date if there is any indication of impairment based on internal / external factors. An impairment loss is recognized wherever the carrying amount of an asset exceeds its recoverable amount. The recoverable amount is the greater of the asset's net selling price and value in use.

**(f) Investments :**

All investments are stated at cost of acquisition. No provision is made in respect of diminution in the value of investment, which is temporary in nature.

**(g) Inventories :**

Inventories are valued in accordance with the requirements of the Revised Accounting Standard 2(AS-2) issued by the Institute of Chartered Accountants of India on valuation of inventories which are as under:

- i) Raw Material, Stock-in-process Finished Goods and Stock-in-trade are valued at lower of cost or net realizable value.
- ii) Stores, chemicals, fuel and packing materials are valued at cost or Net Realizable Value whichever is lower.

**(h) Borrowing Cost :**

Borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset to the extent it is measurable are capitalized as part of the cost of the asset. Other borrowing costs are recognized as an expense in the period in which they are incurred.

**(i) Revenue recognition :**

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured.

i) Sale of Goods :

Sale is accounted when goods are supplied and recorded net of trade discount and rebates.

ii) Late Payment Charges / Discount :

Late payment charges / discounts are recognized on the ground of prudence as and when recovered.

**(j) Foreign Currency Transactions :**

- i) The reporting currency of the company is Indian rupees.
- ii) Transactions in foreign currencies are recognized at the prevailing exchange rates on the transaction dates. Realized gain and losses on settlement of foreign currency transactions are recognized in the Profit and Loss Account under the natural revenue heads of accounts.
- iii) Foreign currency assets and liabilities at the year end are translated at the year end exchange rates, and the resultant exchange difference is recognized in the Profit and Loss Account.
- iv) In case of forward contract, or other financial instruments that are in substance forward exchange contracts, the premium or discounts arising at the inception of the contract is amortize as expense or income over the life of the contract. Gains /(losses) on settlement of the transactions arising on cancellation/renewal of forward exchange contracts are recognized as income or expense.

**(k) Retirement Benefits :**

**i) Short term Employee Benefits :**

All employee benefits falling due within twelve months of rendering the service are classified as short term employee benefits. The benefits like salaries, wages, bonus, leave salary, exgratia are recognized in the period in which employee renders the related services.

**ii) Post Employment Plans :**

- a) Defined Contribution Plan: Provident fund and pension scheme are the defined contribution plans in the company. The contribution paid /payable under these schemes is recognized during the period in which the employee renders the related services.
- b) Defined Benefit Plans: Employee Gratuity fund scheme is the defined benefit plan. The Company makes annual contributions for gratuities to funds administered by trustees and managed by insurance company for amounts notified by the said insurance company. The present value of obligation under such defined benefit plan is determined based on actuarial valuation carried out by an independent actuary.

**(l) Provisions, Contingent Liabilities and Contingent Assets :**

- i) Provisions involving substantial degree of estimation in measurement are recognized when there is a present obligation as a result of past events and it is probable that there will be an outflow of resources.
- ii) Liabilities which are material, and whose future outcome cannot be ascertained with reasonable certainty, are treated as contingent, and disclosed by way of notes to the accounts.
- iii) Contingent Assets are neither recognized nor disclosed in the financial statement, Provisions, Contingent Liabilities and Contingent Assets are reviewed at each Balance Sheet date.

**(m) Taxation :**

- i) Income-tax expense comprises current tax/MAT
- ii) In accordance with the Accounting Standard – 22, Accounting for Taxes on Income, issued by the Institute of Chartered Accountants of India ('ICAI'), the Company provides for deferred tax at the year end. Deferred tax resulting from timing differences between taxable income and accounting income for the year and reversal of timing difference of earlier years are recognized at the current rate of tax, to the extent that the timing differences are expected to crystallise.
- iii) Deferred tax arising on account of unabsorbed depreciation and other provisions are recognized only when there is a virtual certainty supported by convincing evidence that such assets will be realized.

**(n) Earnings per share :**

Basic Earnings per share is calculated by dividing the net profit or loss for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the year.

**For, NATVARLAL VEPARI & CO.**

CHARTERED ACCOUNTANTS

Firm Reg. No. 123626W

**R. N. Vepari**

Partner

Membership No. : 6728

SURAT, Date : 30.05.2017

For and on behalf of the Board,

**D. R. Shah**

Managing Director

(DIN : 00010480)

**Jitesh R. Varkal**

Company Secretary

SURAT, Date : 30.05.2017

**A. R. Shah**

Whole-time Director

(DIN : 00010483)

**Satish H. Shah**

Chief Financial Officer

**ELECTRONIC CLEARING SERVICES (ECS)  
MANDATE FORM**

To,  
COMPANY SECRETARY  
**FAIRDEAL FILAMENTS LIMITED**  
3<sup>RD</sup> FLOOR, DAWER CHAMBERS,  
NEAR SUB-JAIL, RING ROAD,  
SURAT – 395002  
Ph.: 0261-4190200

Dear Sir/ Madam,

**RE : Registration for remittance of dividend through electronic mode**

I/We wish to avail ECS facility of the Company for remittance of dividend through electronic mode. Please take on your records my/our following details for the said purpose.

Registered Folio No. : ..... No. of shares : .....

**A. Identity Details (FILL IN CAPITAL LETTERS ONLY)**

Name of Sole/Joint Holder(s)	Father's/Husband's Name	Surname of Sole/Joint Holder(s)	Date of Birth

**B. Contact Details**

Name of Sole/Joint Holder(s)	E-mail Id	Contact No. (with STD Code)	Registered Address

**C. Permanent Account Number (PAN) (MANDATORY)**

Sole/First Holder	Second Holder	Third Holder

**ELECTRONIC CLEARING SERVICE (ECS) DETAILS : (Please fill in Capital Letters only)**

<b>Bank Name</b>																
<b>Branch Name</b>																
<b>Branch Code</b>	<table border="1"> <tr> <td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td> </tr> </table> <p>(9 Digits code number appearing on the MICR Band of the cheque supplied by the Bank)</p> <p><b>Please attach following documents as a mandatory requirement to register/update your ECS details:</b></p> <ol style="list-style-type: none"> <li>1. A cancelled leaf or a xerox copy of a blank cheque of shareholder's bank account duly cancelled for ensuring accuracy of the bank's name, branch name and code number.</li> <li>2. Xerox copy of PAN Card of the shareholder including all the joint holders.</li> </ol>															
<b>Bank Account No.</b>	<table border="1"> <tr> <td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td> </tr> </table> <p>(As appearing on the cheque book)</p>															
<b>Type of Account</b>	<table border="1"> <tr> <td>S.B. Account</td> <td>Current Account</td> <td>Cash Credit Account</td> </tr> </table> <p>(Please tick whichever is applicable)</p>	S.B. Account	Current Account	Cash Credit Account												
S.B. Account	Current Account	Cash Credit Account														

I/We hereby declare that the particulars given above are correct and complete. If any transaction is delayed or not effected at all for reasons of incompleteness or incorrectness in information supplied as above, Fairdeal Filaments Limited will not be held responsible for the same.

I/We further undertake to inform the Company any change in my/our Bank details and Account Number.

<b>Signature(s) as per specimen recorded with Company</b>		
<b>Sole/First Holder</b>	<b>Second Holder</b>	<b>Third Holder</b>

**Place :** \_\_\_\_\_ **Date :** \_\_\_\_\_

**Important Notes :**

1. **The Company will register ECS details in its database only if the signatures of the shareholder(s) match with specimen signatures on records of the Company.**
2. After ECS registration, dividend, as and when declared by the Company, will be remitted into the bank account as per the details registered with the Folio No. / DP ID & Client ID of the shareholder.
3. Shareholders are requested to keep the Company informed as and when there is any change in bank details registered with the Company.
4. Unless bank details are changed by the shareholder(s) by sending communication in writing, the Company will continue to remit dividend, as and when declared by Company, as per the details registered with the Company.
5. On dematerialization of existing physical shares for which shareholder(s) have availed ECS facility, the bank details are required to be submitted to DP of the shareholder for availing ECS facility.

**INTIMATION FORM FOR CHANGE/CORRECTION IN ADDRESS OF COMMUNICATION**

FOR SHAREHOLDING IN PHYSICAL FORM	FOR SHAREHOLDING IN DEMAT FORM
<b>TO, COMPANY SECRETARY FAIRDEAL FILAMENTS LIMITED 3<sup>RD</sup> FLOOR, DAWER CHAMBERS, NR. SUB-JAIL, RING ROAD, SURAT – 395 002</b>	<b>TO BE SENT TO YOUR DEPOSITORY PARTICIPANT (DP)</b>

Dear Sir/Madam,

**Re. : Change/Correction in address of communication**

Please refer to my/our shareholding in Fairdeal Filaments Limited as per below mentioned details:

**1. No. of equity shares held : .....**

**2. (i) For shareholding in physical form :**

**Registered Folio No. : .....**

**(ii) For shareholding in Demat Form :**

**DP ID : ..... Client ID : .....**

I/We hereby request to change my/our address of communication as per below details, under an intimation to me/us.  
(Please fill in the details in CAPITAL LETTERS ONLY)

Old Address
Flat/Block/House No. : .....
Building/House Name : .....
Landmark Details : .....
Road/Lane/Area Name I : .....
Road/Lane/Area Name II : .....
City : .....
State : .....
PIN Code : .....

**New Address**

Flat/Block/House No. : .....

Building/House Name : .....

Landmark Details : .....

Road/Lane/Area Name I : .....

Road/Lane/Area Name II : .....

City : .....

State : .....

PIN Code : .....

I/We hereby declare that the particulars given above are correct and complete. If any transaction is delayed or not effected at all for reasons of incompleteness or incorrectness in information supplied as above, Fairdeal Filaments Limited will not be held responsible for the same.

I/We further undertake to inform the Company any change in my address of communication.

Thanking You,

	<b>Name</b>	<b>Signature</b>
<b>Sole/First Holder</b>		
<b>Second Holder</b>		
<b>Third Holder</b>		

Place : \_\_\_\_\_

Date : \_\_\_\_\_

**Important Notes :**

- The Company or its R & T Agent will update the new address in database only if the signatures of the shareholders match with specimen signature on record of the Company.**
- This form must be accompanied by one self-attested copy of new address proof in the name of the shareholder (e.g. Aadhar Card, Driving License, Passport, Ration Card and Light Bill/Gas Bill)**



## Fairdeal Filaments Ltd.

(CIN : L17110GJ1990PLC013771)

**Regd. Office :** 3rd Floor, Dawer Chambers, Near Sub-Jail, Ring Road, Surat – 395002 (Gujarat)

**Tel :** +91 261 4190200, **Fax :** +91 261 2635550, **Web :** www.shahlon.com

### PROXY FORM

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

**27th Annual General Meeting – 29th September, 2017**

Name of the member (s) :	
Registered address :	
E-mail Id :	
Folio. No. / DP ID No. & Client ID No. :	

I/We being the Member(s) of \_\_\_\_\_ shares of Fairdeal Filaments Limited, hereby appoint :

- 1) Name : \_\_\_\_\_ Address : \_\_\_\_\_  
Email id : \_\_\_\_\_ Signature : \_\_\_\_\_ or failing him/her
- 2) Name : \_\_\_\_\_ Address : \_\_\_\_\_  
Email id : \_\_\_\_\_ Signature : \_\_\_\_\_ or failing him/her
- 3) Name : \_\_\_\_\_ Address : \_\_\_\_\_  
Email id : \_\_\_\_\_ Signature : \_\_\_\_\_ or failing him/her

as my/our proxy to attend and vote (on a poll) for me/us, on my/our behalf at the TWENTY SEVENTH ANNUAL GENERAL MEETING of the Company, to be held on Friday, 29th day of September, 2017 at 11.00 A.M. at the Registered office of the company and at any adjournment thereof in respect of such resolutions as are indicated below:

Sr.	Resolutions	Vote (*Optional)	
		For	Against
<b>Ordinary Business</b>			
1	To receive, consider and adopt the Audited Financial Statement for the year ended 31st March, 2017, together with the Report of the Board of Directors and Auditors thereon.		
2	To declare Dividend on Equity Shares.		
3	To appoint a Director in place of Shri Jayantilal R. Shah (DIN 00010470), Director who retires by rotation and being eligible, offers himself for re-appointment.		
4	Appointment of Rangoonwala Associates, Chartered Accountants as Statutory Auditors of the Company		
<b>Special Business</b>			
5	To ratify the Remuneration of Cost Auditors.		

Signed this \_\_\_\_\_ day of September, 2017.

Signature of the Shareholder(s) \_\_\_\_\_

Signature of Proxy holder(s) \_\_\_\_\_

Affix  
Rs.1  
Revenue  
Stamp

**NOTE :** 1. The proxy in order to be effective should be duly stamped, completed and signed and must be deposited at the registered office of the company not less than 48 hours before the time for holding the aforesaid meeting. The Proxy need not be a member of the company.

2. A Proxy need not be a member of the Company. Pursuant to the provisions of section 105 of the Companies Act, 2013, a person can act as proxy on behalf of not more than fifty members and holding in aggregate not more than ten percent of the total share capital of the Company. Members holding more than ten percent of the total share capital of the Company may appoint a single person as proxy, who shall not act as proxy for any other member.

3. Please complete all details including details of member(s) in above box before submission.

\*It is optional to put an '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.

## Fairdeal Filaments Ltd.

(CIN : L17110GJ1990PLC013771)

**Regd. Office :** 3rd Floor, Dawer Chambers, Near Sub-Jail, Ring Road, Surat – 395002 (Gujarat)

**Tel :** +91 261 4190200, **Fax :** +91 261 2635550

**Web :** www.shahlon.com

### ATTENDANCE SLIP TWENTY SEVENTH ANNUAL GENERAL MEETING

- PLEASE COMPLETE THIS ATTENDANCE SLIP AND HAND IT OVER AT THE ENTRANCE OF THE MEETING VENUE.
- THIS ATTENDANCE IS VALID ONLY IN CASE SHARES ARE HELD ON THE DATE OF MEETING.

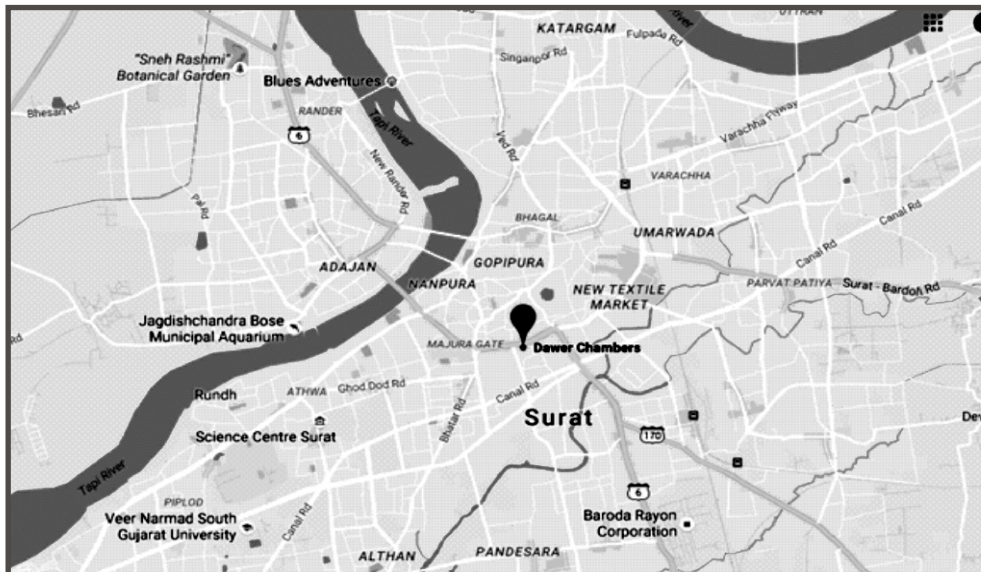
I/We hereby record my/our presence at TWENTY SEVENTH ANNUAL GENERAL MEETING of the Company held on Friday, 29th September, 2017 at 11.00 A.M. at the registered office of the Company.

**Ledger Folio / Client ID. No. :**

**No. of shares held :**

**Name/s of the Shareholder(s) / proxy :**

\_\_\_\_\_  
Signature of shareholder(s) / Proxy present

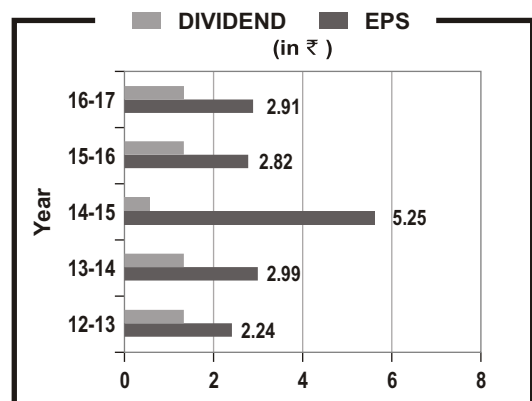
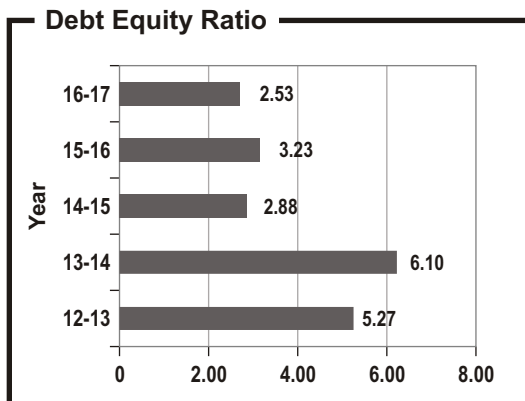
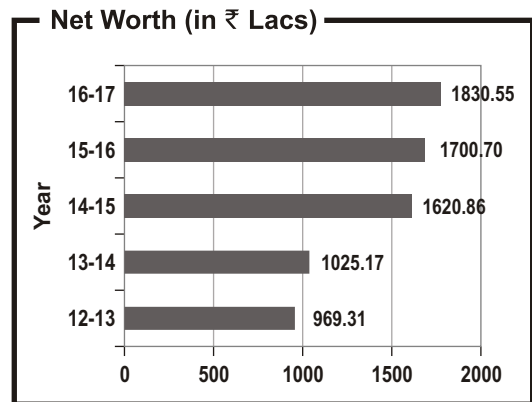
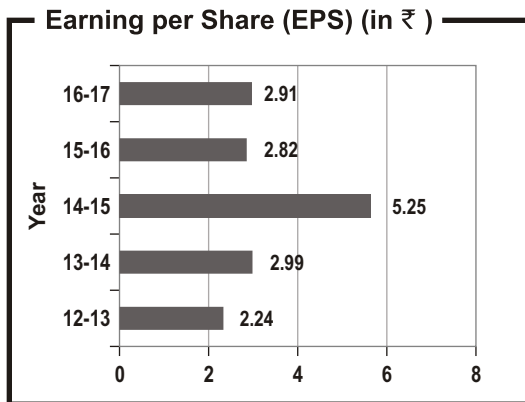
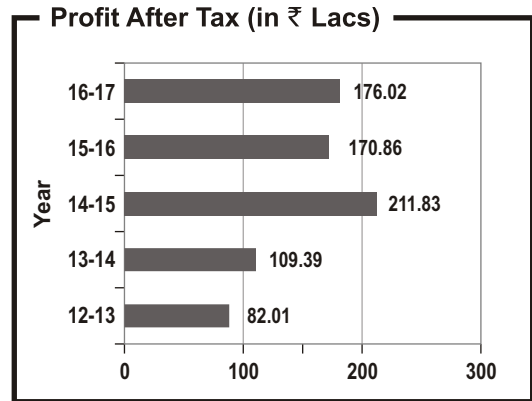
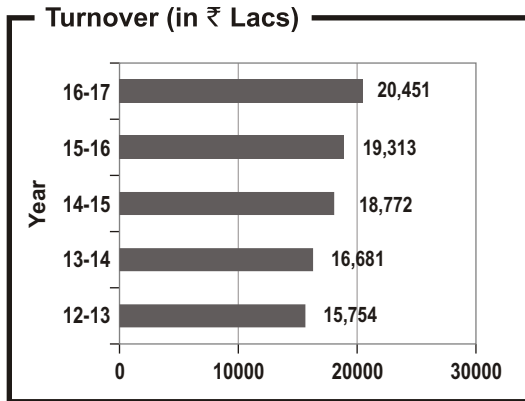


**-:: VENUE ::-**

**Fairdeal Filaments Ltd.**

3rd Floor, Dawer Chamber, Near Sub Jail, Ring Road, Surat, Gujarat 395002, India.

### KEY PERFORMANCE INDICATORS



Book-Post  
Printed Matter

To,



If Undelivered please return to :

**Fairdeal Filaments Ltd.**

3rd Floor, Dawer Chambers,

Near Sub-Jail, Ring Road,

SURAT - 395 002.

Phone : (0261) 4190200, 2635541-42.