

KANSAL FIBRES LIMITED

Reg. Office: E-10/7586/A, Opp. Lane Pooja Intl, Bahadur Kay Road, Dana Mandi, Ludhiana - 141008

E mail Id: kansalfibersltd@gmail.com, Contact No. 09316444449

Website: www.kansalfibres.com, CIN NO. L17116PB1994PLC014457

Date: 01.11.2017

To

The BSE Limited

Ground Floor, P.J. Towers,

Dalal Street,

Mumbai-400001.

Scrip Code: 531205

Sub : Submission of Certificate under Regulation 34 of SEBI (LODR) Regulation, 2015

Dear Sir/Madam,

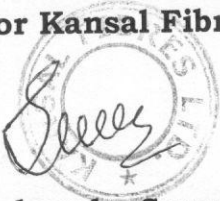
With reference to the captioned subject, please find attached herewith the Certificate under regulation 34 of SEBI (LODR) Regulation, 2015 for Annual Report of Financial year 2015-16.

Kindly take the above on your record and oblige.

Thanking you,

Yours Faithfully

For Kansal Fibres Ltd.



Loharuka Suryaparkash Vinod Kumar

Director

Din: 03564496

Kansal Fibres Limited

(CIN: L17116PB1994PLC014457)

ANNUAL REPORT

2015-16

Kansal Fibres Limited

Board of Directors

Loharuka Suryaparkash Vinod Kumar
Doshi Piyushbhai Mahendra Bhai
Anjali Ajay Mehra
Bipin Mangaldas Patel

Chairman & Managing Director
Director
Director
Director

AUDITORS

Vishves A. Shah & Co.
Chartered Accountants
316, Abhishek Plaza, B/h Navgujarat College,
Income-Tax, Ahmedabad-380009.

Registered Office

E-10/7586/A, Opp. Lane Pooja Intl.,
Bahadur Kay Road,
Dana Mandi ,
Ludhiana – 141008.

NOTICE

Notice is hereby given that the Annual General Meeting of the members of KANSAL FIBRES LIMITED will be held on 30th September, 2016 at 02.00 P.M. at the Registered Office of the Company i.e. E-10/7586/A, Opp. Lane Pooja Intl, Bahadur Kay Road, Dana Mandi, Ludhiana - 141008 to transact the following business:

ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Profit and Loss Account for the year ended on 31st March, 2017, balance sheet as on that date, Director's Report and the Auditor's report thereon.
2. To appoint Director in place of Mr. Suryaparkash Loharuka who retires by rotation and being eligible offers himself for reappointment.
3. To re-appoint M/s. Vishves A Shah & Co., Chartered Accountants, Ahmedabad, as Statutory Auditors of the Company, to hold office from the conclusion of this Annual General Meeting, until the conclusion of Annual General Meeting to be held in the year 2021 and to fix their remuneration for the financial year ending 31st March, 2018.

SPECIAL BUSINESS

4. Appointment of Ms. Anjali Ajay Mehra (DIN: 07162493), as an Independent Director of the Company

To consider and if thought fit, to pass with or without modification, if any, the following resolution as an Ordinary Resolution:-

"RESOLVED THAT pursuant to the provisions of Sections 149, 152 and other applicable provisions, if any, of the Companies Act, 2013 ("Act") and the Rules framed there under as read with Schedule IV to the Act, as amended from time to time, Ms. Anjali Ajay Mehra (DIN: 07162493), a non-executive Director of the Company, who has submitted declaration that he meets the criteria for independence as provided in Section 149(6) of the Act and who is eligible for appointment, be and is hereby appointed as an Independent Director of the Company, with effect from 30th September, 2016 to 29th September, 2021 ."

"RESOLVED FURTHER THAT the Board of Directors of the Company be and are hereby authorised to do all acts and take all such steps as may be necessary, proper or expedient to give effect to this resolution"

5. Appointment of Mr. Suryaparkash Loharuka, as a Managing Director of the Company

To consider and if thought fit, to pass with or without modification, if any, the following resolution as an Ordinary Resolution:-

"RESOLVED THAT in accordance with the provisions of Sections 196, 197, 198 and 203 read together with Schedule V and other applicable provisions, if any, of the Companies Act, 2013 ("the Act"), and subject to the approval of the members of the Company, Mr. Suryaparkash Vinod Kumar Loharuka, Director of the company be and hereby appointed as Managing Director of the Company for a period of 3 years effective from 30th September, 2016 on the terms and conditions as setout and placed before the meeting which is permissible

under part II of Schedule V of the companies Act, 2013 as may be decided by the board of directors of the company from time to time.

“RESOLVED FURTHER THAT in the event of inadequacy of profits of the company remuneration & perquisites as mentioned in the terms and conditions prescribed in the Explanatory statement of the notice of the general meeting be given as minimum remuneration to Mr. Suryaparkash Vinod Kumar Loharuka, Managing Director of the Company”

By Order of the Board of Directors

Date : 12/08/2016

Place : Ludhiana

**Sd/-
Loharuka Surya Prakash
Director
Din: 03564496**

**Sd/-
Doshi Piyushbhai
Director
Din: 00185127**

**Sd/-
Bipin Patel
Director
Din: 03190744**

NOTES

1. A MEMBER ENTITLED TO ATTEND AND VOTE IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE ON HIS / HER BEHALF AND THE 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 a 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 a proxy for any other Member. The instrument of Proxy, in order to be effective, should be deposited at the Registered Office of the Company, duly completed and signed, not later than 48 hours before the commencement of the meeting. A Proxy Form is annexed to this Report. Proxies submitted on behalf of limited companies, societies, etc., must be supported by an appropriate resolution / authority, as applicable.
2. The Register of Members and Share Transfer Books of the Company will remain closed from 22nd September, 2016 to 30th September, 2016 (both days inclusive). The book closure dates have been fixed in consultation with the Stock Exchanges.
3. Pursuant to Section 101 and Section 136 of the Companies Act, 2013 read with relevant Rules made there under, Companies can serve Annual Reports and other communications through electronic mode to those Members who have registered their e-mail address either with the Company or with the Depository. Members holding shares in demate 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.
4. The Notice of AGM, Annual Report and Attendance Slip are being sent in electronic mode to Members whose e-mail IDs are registered with the Company or the Depository Participant(s) unless the Members have registered their request for a hard copy of the same. Physical copy of the Notice of AGM, Annual Report and Attendance Slip are being sent to those Members who have not registered their e-mail IDs with the Company or Depository Participant(s). Members who have received the Notice of AGM, Annual Report and Attendance Slip in electronic mode are requested to print the Attendance Slip and submit a duly filled in Attendance Slip at the registration counter to attend the AGM

5. Voting through Electronic means:

Pursuant to Section 108 of the Companies Act, 2013, read with the Rule 20 and Rule 21 of Companies (Management and Administration) Rules, 2014 in pursuance with the directions issued by SEBI vide Circular No. CIR/CFD/DIL/6/2012 dated 13th July, 2014, the Company is pleased to provide the facility to Members to exercise their right at the Annual General Meeting (AGM) by electronic means and the business may be transacted through e-voting services provided by Central Depository Services Limited (CDSL).

PROCEDURE FOR E-VOTING

In case of members receiving AGM Notice by e-mail:

- i. The voting period begins on 27th September, 2016 (11:00 A.M.) and ends on 29th September, 2016 (05:00 P.M). During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date (i.e. the record date), being 23rd

September, 2016, may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.

- ii. Shareholders who have already voted prior to the meeting date would not be entitled to vote at the meeting venue.
- iii. The shareholders should log on to the e-voting website www.evotingindia.com
- iv. Click on Shareholders.
- v. 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.
- vi. Next enter the Image Verification as displayed and Click on Login.
- vii. If you are holding shares in demat form and had logged on to www.evotingindia.com and voted on an earlier voting of any company, then your existing password is to be used.

viii. If you are a first time user follow the steps given below:

	For Members holding shares in Demat Form and Physical Form
PAN	For demat shareholders: Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department. For physical shareholders, please use the first two letters of your name and the 8 digits of the sequence number in the PAN field. In case the sequence number is less than 8 digits enter the applicable number of 0's before the number after the first two characters of the name in CAPITAL letters. Eg. If your name is Ramesh Kumar with sequence number 1 then enter RA00000001 in the PAN field.
Dividend Bank Details OR Date of Birth (DOB)	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. If both the details are not recorded with the depository or company please enter the member id / folio number in the Dividend Bank details field as mentioned in instruction (v)

- ix. After entering these details appropriately, click on "SUBMIT" tab.
- x. 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.
- xi. For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.

- xii. Click on the EVSN for the relevant KANSAL FIBRES LIMITED on which you choose to vote.
- xiii. 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.
- xiv. Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.
- xv. 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.
- xvi. Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.
- xvii. You can also take a print of the votes cast by clicking on "Click here to print" option on the Voting page.
- xviii. 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.

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 and register themselves as Corporate.
- A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to 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 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.

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, under help section or write an email to helpdesk.evoting@cdslindia.com.

The Company has appointed Ms. Rupal Patel, Practicing Company Secretary, to act as the Scrutinizer, for conducting the scrutiny of the votes cast. The Members desiring to vote through electronic mode may refer to the detailed procedure on e-voting given hereinafter.

- 6. The Register of Directors' and Key Managerial Personnel and their shareholding maintained under Section 170 of the Companies Act, 2013, the Register of contracts or arrangements in which the Directors are interested under Section 189 of the Companies Act, 2013, will be available for inspection at the AGM.

7. Members holding shares in demat form are hereby informed that bank particulars registered with their respective Depository Participant(s), with whom they maintain their demat accounts, will be used by the Company for payment of dividend. The Company or its Registrar cannot act on any request received directly from the Members holding shares in demat form for any change in bank particulars. Members holding shares in demat form are requested to intimate any change in their address and / or bank mandate to their Depository Participants immediately.
8. Members holding shares in physical form are requested to intimate any change of address and / or bank mandate to M/s. Purva Sharegistry (India) Private Limited, Registrar and Share Transfer agent of the Company immediately.
9. Members are requested to note that as per Section 205A of the Companies Act, 1956, dividends not encashed / claimed within seven years from the date of declaration will be transferred to the Investor Education and Protection Fund (IEPF). After transfer of the said amount to IEPF, no claims in this respect shall lie against IEPF or the Company.
10. The Securities and Exchange Board of India has mandated submission of Permanent Account Number (PAN) by every participant in securities market. Members holding shares in demat form are, therefore, requested to submit PAN details to the Depository Participants with whom they have demat accounts. Members holding shares in physical form can submit their PAN details to M/s. Purva Sharegistry (India) Private Limited, Registrar and Share Transfer agent of the Company.
11. For convenience of the Members and proper conduct of the meeting, entry to the meeting venue will be regulated by Attendance Slip. Members are requested to sign at the place provided on the Attendance Slip and hand it over at the registration counter.
12. Members desiring any information relating to the accounts are requested to write to the Company well in advance so as to enable the management to keep the information ready.

By Order of the Board of Directors

Date : 12/08/2016

Place : Ludhiana

Sd/-
Loharuka Surya Prakash
Director
Din: 03564496

Sd/-
Doshi Piyushbhai
Director
Din: 00185127

Sd/-
Bipin Patel
Director
Din: 03190744

Annexure to Notice

Notes on directors seeking appointment/re-appointment as required under SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015.

ITEM NO. 2

Name	:	Suryaparkash Vinod Kumar Loharuka
Date of birth	:	02/02/1983
Qualification	:	B.com
Expertise	:	Accounts and Marketing since last 7 years
Directorship in other public limited companies	:	NIL
Membership of Committees of other public limited companies	:	NIL
No. of Shares held in the Company	:	NIL

ITEM NO. 4

Ms. Anjali Ajay Mehra, Director of the Company, have given a declaration to the Board that they meet the criteria of independence as provided under Section 149(6) of the Act, In the opinion of the Board, each of these directors fulfill the conditions specified in the Act and the Rules framed there under for appointment as Independent Directors and they are independent of the management.

Ms. Anjali Ajay Mehra is not disqualified from being appointed as Directors in terms of Section 164 of the Act and have given their consent to act and have given their consent to act as Directors.

In compliance with the provisions of Section 149 read with Schedule IV of the Act, the appointment of these directors as Independent Directors is now being placed before the members for their approval.

The terms and conditions of appointment of the above Directors shall be open for inspection by the members at the registered office of the company during normal business hours on any working day, excluding Saturday.

Brief resume and other details of the Independent Directors whose appointment is proposed are provided in the annexure to the Explanatory statement attached herewith.

Ms. Anjali Ajay Mehra is deemed to be interested in the resolutions set out respectively at Item No. 4 of the Notice with regard to their respective appointments.

The Board recommends the said resolutions for your approval.

Save and except the above, none of the other Directors or any key managerial personnel or any relative of any of the Directors of the Company or the relative of any of the Directors of the Company or the relatives of any key managerial personnel is, in anyway, concerned or interested in the above resolutions.

Name	:	Ms. Anjali Ajay Mehra
Date of birth	:	03/10/1973
Qualification	:	B.Com
Expertise	:	9 years of experience in marketing and finance
Director of the Company	:	21/04/2015

since		
Directorship in other public limited companies	:	One
Membership of Committees of other public limited companies	:	Nil
No. of Shares held in the Company	:	Nil

ITEM NO. 5

Mr. Suryaparkash Vinod Kumar Loharuka, being old and experienced entrepreneur and a successful businessman having experience in various type of industrial supplies and has been spending his precious time and energy for day to day affairs of the company.

Looking at the expertise, knowledge and business connection, the Board recommend to reappoint and increase remuneration of Mr. Suryaparkash Vinod Kumar Loharuka, Managing Director of the Company upto 60,000 /- per annum.

Appointment of Mr. Suryaparkash Vinod Kumar Loharuka as a Managing Director

Name	Mr. Suryaparkash Vinod Kumar Loharuka
Date of Birth	02/02/1983
Date of Appointment	30/09/2014
No. of shares held in the company	NIL
No. of warrants held in the company	N.A
Directorship in other company	1. V S Infraprop Private Limited 2. Laxmi Edifice Private Limited

Terms and Conditions

1. Remuneration by way of Salary of Rs. 60,000/- per annum.
2. Contribution to P.F. Superannuation fund and annuity to the extent theses either singly or put together are not taxable under I.T. Act, 1961
3. Gratuity payable at a rate not exceeding half a month salary for each completed year of service.
4. Encashment of leave at the end of the tenure.
5. Medical Re-imbrument for himself and his family for medical treatment subject to a ceiling of one month's salary in a year or three months salary over a period of three years.
6. Free use of Company's Car with Driver for Company's Business and free telephone facility at residence.
7. LTC entitled Air Fare or AC Class Rail Fare for himself and family subject to a ceiling of one month's salary in a year or three months salary in block of three years.

8. The MD shall be entitled to reimbursement of expenses incurred by him in connection with the business of the company.
9. The MD shall not so long as he functions as such become interested or otherwise concerned directly or through his wife and/or minor children in any selling agency of the Company without the prior approval of the Central Government.
10. Subject to the superintendence direction and control of the Board of Directors of the company the MD shall be entrusted with substantial powers of the management and also such other duties and responsibilities as may be entrusted to him by the Board of Director from time to time. The Headquarters of the MD shall be at Ludhiana or at such place as the Board of Director may decide from time to time.
11. The MD may be removed from his office for gross negligence breach of trust if a special resolution to that effect is passed by the company in its general meeting. The MD may resign from his office by giving 90 days notice to the company.
12. His appointment shall commence from 30th September, 2016 pursuant to the of members' approval at the general meeting held on 30/09/2016.

Therefore, the consent of the members is sought for appointment of Mr. Suryaparkash Vinod Kumar Loharuka as the Managing Director.

No directors are interested in this resolution except Mr. Suryaparkash Vinod Kumar Loharuka.

By Order of the Board of Directors

Date : 12/08/2016
Place : Ludhiana

Sd/-
Loharuka Surya Prakash
Director
Din: 03564496

Sd/-
Doshi Piyushbhai
Director
Din: 00185127

Sd/-
Bipin Patel
Director
Din: 03190744

DIRECTORS' REPORT

**To
The Members
KANSAL FIBRES LIMITED**

The Directors' present the Annual report on the business and operations of your Company for the year 2015-2016.

FINANCIAL PERFORMANCE OF THE COMPANY:

Particulars	Year Ended 31.03.2016 (₹)	Year Ended 31.03.2015 (₹)
GrossSales/Income	.....	.....
Less Depreciation	.....	.....
Profit/(Loss) before Tax	(565,360)	(331,602)
Taxes/Deferred Taxes	.....	.....
Profit/(Loss) After Taxes	(565,360)	(331,602)
P& L Balance b/f from previous year	(61,485,162)	(62,288,730)
Profit/ (Loss) carried to Balance Sheet	(62,050,522)	(61,485,162)

During the year under review Company has not earned any profit. After making all necessary provisions for current year and after taking into account the current year net profit and total provisions for taxation, the surplus carried to Balance Sheet is (62,050,522)

NATURE OF BUSINESS

The Company is engaged in the trading of textile material on retail basis. There was no change in the nature of the business of the Company during the year under review.

Due to sluggish trend in the Indian Economy and textile market, the Company could not make any turnover during the year under review. However, the management and marketing team of the Company is hopeful for the positive result in the coming years.

REPORT ON PERFORMANCE AND FINANCIAL POSITION OF SUBSIDIARIES, ASSOCIATES AND JOINT VENTURE COMPANIES

The Company does not have Subsidiaries, Associate and Joint Venture Companies. Hence, details for the same are not required to mention here.

TRANSFER TO RESERVES

Out of the profits available for appropriation, no amount has been transferred to the General Reserve.

DIVIDEND:

In view of losses, your Directors do not recommend any dividend during the year.

SHARE CAPITAL

The paid up Equity Share Capital as on March 31, 2016 was Rs. 56,729,000.

A) Issue of equity shares with differential rights:

During the year under review, the Company has not issued any shares with differential voting rights.

B) Issue of sweat equity shares

During the year under review, the Company has not issued any sweat equity shares.

C) Issue of employee stock options

During the year under review, the Company has not issued any sweat equity shares.

D) Provision of money by company for purchase of its own shares by employees or by trustees for the benefit of employees

The Company has no scheme of provision of money for purchase of its own shares by employees or by trustees for the benefit of employees. Hence the details under rule 16 (4) of Companies (Share Capital and Debentures) Rules, 2014 are not required to be disclosed.

FINANCE

Company has not borrowed any Loan from Bank or Financial Institution during the year under review.

FIXED DEPOSITS

The Company has not accepted or renewed any deposits during the year. There are no outstanding and overdue deposits as at 31st March, 2016.

PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS UNDER SECTION 186

Details of Loans, Guarantees and Investments covered under the provisions of Section 186 of the Companies Act, 2013 are given in the notes to the Financial Statements.

EMPLOYEE RELATIONS

Employee relations throughout the Company were harmonious. The Board wishes to place on record its sincere appreciation of the devoted efforts of all employees in advancing the Company's vision and strategy to deliver good performance.

RISK MANAGEMENT POLICY

Risk management is embedded in your company's operating framework. Your company believes that managing risk helps in maximizing returns. The company's approach to addressing business risk is comprehensive and includes periodic review of such risks and a framework for mitigating controls and reporting mechanism of such risks. The risk management framework is reviewed periodically by the Board and the Audit Committee. Some of the risks that the company is exposed to are:

Commodity Price Risks:

The Company is exposed to the risk of price fluctuation of raw material as well as finished goods. The company proactively manages these risks through forward booking. Inventory management and proactive vendor development practices. The Company's reputation for quality, product differentiation and service, coupled with existence of powerful brand image with robust marketing network mitigation the impact the impact of price risk on finished goods.

Regulatory Risks

The company is exposed to risks attached to various statutes and regulations including the company Act. The company is mitigating these risks through regular review of legal compliances carried out through internal as well as external compliance audits.

Human Resources Risks

Retaining the existing talent pool and attracting new talent are major risks. The company has initiated various measures including rolling out strategic talent management system, training and integration of learning and development activities.

Strategic Risks

Emerging businesses, capital expenditure for capacity expansion, etc., are normal strategic risk faced by the company. However, the company has well-defined processes and procedures for obtaining approvals for investments in new business and capacity expansion etc.

VIGIL MECHANISM/WHISTLE BLOWER POLICY

In pursuant to the provisions of section 177(9) & (10) of the Companies Act, 2013, and Regulation 22 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, a Vigil Mechanism for directors and employees to report genuine concerns has been established. The Company has a vigil mechanism named Whistle Blower Policy to deal with instances of fraud and mismanagement, if any.

DIRECTORS:

a) Changes in Directors and Key Managerial Personnel:

Mr. Suryaparkash Loharuka will retire at the forthcoming Annual General Meeting of the Company and being eligible, offer himself for reappointment.

During the year under review, Company has appointed Mr. Loharuka Suryaparkash Vinod Kumar Appointed as Managing Director and Chief Executive Officer (KMP) of the Company on 19/08/2015.

During the year under review, Company has appointed Mr. Doshi Piyushbhai Mahendrabhai as Chief Financial Officer (KMP) of the Company on 19/08/2015.

The Company has appointed Ms. Anjali Ajay Mehra as an additional independent woman director of the Company pursuant to section 149 of Companies Act, 2013 on 21/04/2015

b) Declaration by an Independent Director(s) and reappointment, if any

All Independent Directors have given declarations that they meet the criteria of independence as laid down under Section 149(6) of the Companies Act, 2013 and SEBI(Listing Obligation and Disclosure Requirements) Regulations, 2015.

c) Formal Annual Evaluation

Pursuant to the provisions of the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Board has carried out an annual performance evaluation of its own performance, the directors individually as well as the evaluation of the working of its Audit, Nomination & Remuneration and Compliance Committees. The manner in which the evaluation has been carried out has been explained in the Corporate Governance Report.

d) Remuneration Policy

The Board has, on the recommendation of the Nomination & Remuneration Committee framed a policy for selection and appointment of Directors, Senior Management and their remuneration. The Remuneration Policy is stated in the Corporate Governance Report.

e) Number of Meetings of the Board of Directors

Regular meetings of the Board are held to discuss and decide on various business policies, strategies and other businesses. The schedule of the Board/Committee meetings to be held in the forthcoming financial year is being circulated to the Directors in advance to enable them to plan their schedule for effective participation in the meetings.

During the year the Company has held 07th Board Meetings as against the minimum requirement of 4 meeting. The meetings were held on 21/04/2015, 30/05/2015, 13/08/2015, 19/08/2015, 06/11/2015, 05/02/2016, 26/03/2016.

PARTICULARS OF EMPLOYEES:

None of the employees of the Company drew remuneration of ` 60,00,000/- or more per annum 5,00,000/- or more per month during the year. Hence, no information is required to be furnished as required under Rule, 5(2) and 5(3) of The Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.

DIRECTORS' RESPONSIBILITY STATEMENT

The Directors' Responsibility Statement referred to in clause (c) of sub-section (3) of Section 134 of the Companies Act, 2013, shall state that –

(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.

RELATED PARTY TRANSACTIONS

There is no related party transactions made during the year under review.

SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS OR COURTS

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

AUDITORS:

A. Statutory Auditors

The Company's Auditors, M/s. Vishves A Shah & Co., Chartered Accountants, Ahmedabad retire at the ensuing Annual General Meeting and, being eligible; offer themselves for reappointment for a period of one year from the conclusion of this Annual General Meeting [AGM] till the conclusion of next AGM.

B. Secretarial Audit

Pursuant to the provisions of Section 204 of the Companies Act, 2013 and The Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Company has appointed M/s. A. Santoki & Associates Company Secretaries, to undertake the Secretarial Audit of the Company.

INTERNAL AUDIT & CONTROLS

Though the Company has not appointed any chartered accountant as internal auditor, the accounting and other system have been designed in such a manner that review of entire process for safeguarding the assets of the company, its operational efficiency, effectiveness of the systems are taken care of properly. Moreover, it is to be noted that the quantum of the day to day transactions as well as turnover are of small size and hence, internal auditor have not been appointed.

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO

The Particulars regarding Conservation of Energy, Technology Absorption and Foreign Exchange Earnings and Outgo, pursuant to Section 134 of the Companies act 2013 read with the Companies (Account) Rules, 2014 are NIL.

CORPORATE SOCIAL RESPONSIBILITY (CSR): Not Applicable

HUMAN RESOURCES

Your Company treats its "human resources" as one of its most important assets. Your Company continuously invests in attraction, retention and development of talent on an ongoing basis. A number of programs that provide focused people attention are currently underway. Your Company thrust is on the promotion of talent internally through job rotation and job enlargement.

EXTRACT OF THE ANNUAL RETURN

As required pursuant to section 92(3) of the Companies Act, 2013 and rule 12(1) of the Companies (Management and Administration) Rules, 2014, an extract of annual return in MGT-9 as a part of this Annual Report.

TRANSFER OF AMOUNTS TO INVESTOR EDUCATION AND PROTECTION FUND

The Company does not have any funds lying unpaid or unclaimed for a period of seven years. Therefore there were no funds which were required to be transferred to Investor Education and Protection Fund (IEPF).

MATERIAL CHANGES AND COMMITMENTS, IF ANY, AFFECTING THE FINANCIAL POSITION OF THE COMPANY WHICH HAVE OCCURRED BETWEEN THE END OF THE FINANCIAL YEAR OF THE COMPANY TO WHICH THE FINANCIAL STATEMENTS RELATE AND THE DATE OF THE REPORT

There is no any Material changes occurred subsequent to the close of the financial year of the Company to which the balance sheet relates and the date of the report.

DETAILS OF SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS OR COURTS OR TRIBUNALS IMPACTING THE GOING CONCERN STATUS AND COMPANY'S OPERATIONS IN FUTURE

There are no significant and material orders passed by the regulators or courts or tribunals impacting the going concern status and company's operations in future during the year under review.

DETAILS IN RESPECT OF ADEQUACY OF INTERNAL FINANCIAL CONTROLS WITH REFERENCE TO THE FINANCIAL STATEMENTS

The Company has adequate of internal financial controls with reference to the Financial Statements during the year under review.

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

Company has adopted a policy for prevention of Sexual Harassment of Women at workplace and has set up Committee for implementation of said policy. During the year Company has not received any complaint of harassment.

LISTING WITH STOCK EXCHANGES

Shares of the Company are Listed on BSE Limited

ACKNOWLEDGMENT

The management is grateful to the government authorities, Bankers, Vendors for their continued assistance and co-operation. The directors also wish to place on record the confidence of members in the company.

By Order of the Board of Directors

Date : 20/05/2016

Place : Ludhiana

Sd/-
Loharuka Surya Prakash
Director
Din: 03564496

Sd/-
Doshi Piyushbhai
Director
Din: 00185127

Sd/-
Bipin Patel
Director
Din: 03190744

Form MGT- 9
EXTRACT OF ANNUAL RETURN
As on period year ended on 31.03.2016

[Pursuant to Section 92(3) of the Companies Act, 2013 and
rule 12(1) of the Companies (Management and
Administration) Rules, 2014]

CIN:-	L17116PB1994PLC014457
Name of the Company	KANSAL FIBRES LTD.
Registration Date	20/04/1994
Category of the Company	Company Limited by Shares
Sub-Category of the Company	India Non-Government Company
Register office Address :	E-10/7586/A, Opp. Lane Pooja Intl, Bahadur Kay Road, Dana Mandi Ludhiana -141008
Contact Detail : Listed : Stock Exchange :	0161-5095958, 09316444449, Yes (1) BSE Limited
Registrar and Transfer Agent :	PURVA SHAREGISTRY (INDIA) PRIVATE LTD. Add: 9,Shiv Shakti Industrial Estate, J.R. BorichaMarg ,Opp. Kasturba Hospital Lane,Lower Parel(E) Mumbai- 400011 Tel: (022) 23016761/8261 Email: purvashr@mtnl.net.in

Principal Business Activities of the Company:

Short description of the principal product.

Sr #	Name and Description of main product/services	NIC Code of the Product / Service	% to total turnover of the Company
1	<i>Trading of textile material on retail basis</i>	4751	-----

Particulars of Holding, Subsidiary and Associate Company :

S. No	NAME AND ADDRESS OF THE COMPANY	CIN/GLN	HOLDING/ SUBSIDIARY/ ASSOCIATE	% OF SHARES HELD	APPLICABLE SECTION
1	NONE	N.A.	NONE	N.A.	N.A.

Category wise Share Holding

[illegible]

2. Non-Institutions									
a) Bodies Corp.	NIL	NIL	NA	NA	NIL	NIL	NA	NA	NA
i) Indian	NIL	NIL	NA	NA	NIL	NIL	NA	NA	NA
ii) Overseas	NIL	NIL	NA	NA	NIL	NIL	NA	NA	NA
b) Individuals	NIL	NIL	NA	NA	NIL	NIL	NA	NA	NA
i) Individual shareholder s holding nominal share capital upto Rs. 1 lakh	69600	2436100	2505700	44.17	98600	2629400	2728000	48.09	3.92
ii) Individual shareholder s holding nominal share capital in excess of Rs 1 lakh	275900	526300	802200	14.14	252200	327700	579900	10.22	(3.92)
c) Others (specify)	NIL	NIL	NA	NA	NIL	NIL	NA	NA	NA
Non Resident Indians	NIL	NIL	NA	NA	NIL	NIL	NA	NA	NA
Overseas Corporate Bodies	NIL	NIL	NA	NA	NIL	NIL	NA	NA	NA
Foreign Nationals	NIL	NIL	NA	NA	NIL	NIL	NA	NA	NA
Bodies Corporate	3900	176000	179900	5.40	3900	176000	179900	5.85	N.A.
Clearing Members		131600	131600	2.32	NIL	131600	131600	2.32	N.A
Trusts	NIL	NIL	NA	NA	NIL	NIL	NA	NA	NA
Foreign Bodies – DR	NIL	NIL	NA	NA	NIL	NIL	NA	NA	NA
HUF	NIL	20400	20400	0.35	NIL	20400	20400	0.36	N.A.
Sub-total (B)(2):-	349400	3290400	3639800	64.16	362500	327730	3639800	64.16	N.A.
Total Public Shareholding (B)=(B)(1)+ (B)(2)	349400	3780400	4129800	72.80	554700	3575100	4129800	72.80	N.A.
C. Shares held by Custodian for GDRs & ADRs	NIL	NIL	NA	NA	NIL	NIL	NA	NA	NA
Grand Total (A+B+C)	349400	5323500	5672900	100	562500	5110400	5672900	100	Nil

Shareholding of Promoters

S N	Shareholder' s Name	Shareholding at the beginning of the year [01-04-2015]			Share holding at the end of the year [31-03-2016]			% change in share holding during the year
		No. of Shares	% of total Shares of the company	% of Shares Pledge d / encum ber ed to total shares	No. of Share s	% of total Share s of the comp any	% of Shares Pledged / encumber ed to total shares	
1	LAXMI EDIFICE PRIVATE LIMITED	1543100	27.20	---	1543100	27.20	---	NIL
	TOTAL	1543100	27.20	---	1543100	27.20	---	NIL

I. Change in Promoters' Shareholding (please specify if there is no change)

SN		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	1543100	27.20	1543100	27.20
	Date wise Increase / Decrease in Promoters Share holding during theyear specifying the reasons for increase/ decrease (e.g. allotment / transfer / bonus/ sweat equity etc):	NIL	NIL	NIL	NIL
	At the end of the year	1543100	27.20	1543100	27.20

Note : Here there is no change in shareholding of the Promoter during the year.

IV. Shareholding Pattern of top ten Shareholders (other than Directors, Promoters and Holders of GDRs and ADRs)

Sr.No	Name of Shareholders	Shareholding	%
1	Punjab State Industrial Devl. Corp.	290000	5.11
2	Bank Of Baroda	200000	3.52
3	Money Growth Investment Consultant	65800	1.15
4	SSG Fincom (P) Ltd	65800	1.15
5	V A Mehta	65800	1.15
6	Sunil Lamba	65800	1.15
7	P L Lamba	65800	1.15

8	Shashi Gupta	63400	1.11
9	M/S Hi- Tech Foam Pvt. Ltd.	56000	0.98
10	M/S Yelena Exports Pvt. Ltd.	50000	0.88
	Total	988400	17.35

V. Shareholding of Directors and Key Managerial Personal: as on 31.03.2016

Sr. No.		Shareholding at the beginning of the year		Cumulative Shareholding during	
For Each of the Directors and KMP		No. of shares	% of total shares of the Company	No. of shares	% of total shares of the company
1	Doshi Piyushbhai Mahendrabhai				
	At the beginning of the year	Nil	N.A.	Nil	N.A.
	Date wise Increase	Nil	N.A.	Nil	N.A.
	Promoters shareholding				
	At the End of the year	Nil	N.A.	Nil	N.A.
2	Loharuka Suryaparkash Vinod Kumar				
	At the beginning of the year	Nil	N.A.	Nil	N.A.
	Date wise Increase	Nil	N.A.	Nil	N.A.
	At the End of the year	Nil	N.A.	Nil	N.A.
3	Bipin Mangaldas Patel				
	At the beginning of the year	Nil	N.A.	Nil	N.A.
	Date wise Increase	Nil	N.A.	Nil	N.A.
	At the End of the year	Nil	N.A.	Nil	N.A.
4	Anjali Ajay Mehra				
	At the beginning of the year	Nil	N.A.	Nil	N.A.
	Date wise Increase	Nil	N.A.	Nil	N.A.
	At the End of the year	Nil	N.A.	Nil	N.A.

Indebtedness

Indebtedness of the Company including interest outstanding/accrued but not due for payment as on 31.03.2016

	Secured Loans excluding deposits	Unsecured Loan	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i. Principal Amount	NIL	4598597	NIL	4598597
Interest due but not paid	NIL	NIL	NIL	NIL
Interest accrued but not due	NIL	NIL	NIL	NIL
Total (i+ii+iii)	NIL	4598597	NIL	4598597
Change in Indebtedness during the financial year				
Addition	NIL	1525000	NIL	1525000
Reduction	NIL	NIL	NIL	NIL
Net Change	NIL	1525000	NIL	NIL
Indebtedness at the end of the financial year				
Principal Amount	NIL	6123597	NIL	6123597
Interest due but not paid	NIL	NIL	NIL	NIL
Interest accrued but not due	NIL	NIL	NIL	NIL
Total (i+ii+iii)	NIL	6123597	NIL	6123597

A. Remuneration to Managing Director, Whole-time Directors and/or Manager/Executive Director: - as on 31.03.2016

SN	Particulars of Remuneration	Name of MD/ WTD / Manager / Executive Director	Total Amount
		Loharuka Suryaparkash Vinod Kumar	

1	Gross salary		
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	NIL	NIL
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	N.A.	N.A.
	(c) Profits in lieu of salary under section 17(3) Income- tax Act, 1961	N.A.	N.A.
2	Stock Option	NIL	N.A.
3	Sweat Equity	NIL	N.A.
4	Commission as % of profit others,specify...	NIL	N.A.
5	Others, please specify	NONE	N.A.
	Total (A)	NIL	N.A.
	Ceiling as per the Act	NONE	N.A.

B. Remuneration to the directors -as on 31.03.2016

SN	Particulars of Remuneration	Name of Directors			Total Amount
		Anjali Ajay Mehra	Doshi Piyushbhai Mahendrabhai	Bipin Mangaldas Patel	
1	Independent Directors				
	Fee for attending board committee	NIL	NIL	NIL	NIL
	Commission	NIL	NIL	NIL	NIL
	Others, please specify	NIL	NIL	NIL	NIL
	Total (1)	NIL	NIL	NIL	NIL
2	Other Non Executive Directors				
	Fee for attending board committee	....	....	....	....
	Commission	....	....	....	....
	Others, please specify	....	....	....	....
	Total (2)	....	....	....	....
	Total (B)=(1+2)	NIL	NIL	NIL	NIL
	Total Managerial Remuneration	NIL	NIL	NIL	NIL
	Overall Ceiling as per the Act	NIL	NIL	NIL	NIL

**C. REMUNERATION TO KEY MANAGERIAL PERSONNEL
OTHER THAN MD/MANAGER/WTD -NIL**

SN	Particulars of Remuneration	Key Managerial Personnel			
		CEO	CS	CFO	Total
1	Gross salary				
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	N.A.	N.A.	N.A.	N.A.
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	N.A.	N.A.	N.A.	N.A.
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	N.A.	N.A.	N.A.	N.A.
2	Stock Option	N.A.	N.A.	N.A.	N.A.
3	Sweat Equity	N.A.	N.A.	N.A.	N.A.
4	Commission	N.A.	N.A.	N.A.	N.A.
	- as % of profit	N.A.	N.A.	N.A.	N.A.
	others, specify...	N.A.	N.A.	N.A.	N.A.
5	Others, please specify	N.A.	N.A.	N.A.	N.A.
	Total	N.A.	N.A.	N.A.	N.A.

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)
A. Company					
Penalty	Nil				
Punishment					
Compounding					
B. Directors					
Penalty	Nil				
Punishment					
Compounding					
C. Other Officers in Default					
Penalty	Nil				
Punishment					
Compounding					

On behalf of Board of Directors
For, Kansal Fibres Limited

Sd/-

Place :Ludhiana
Date: 20/05/2016

Loharuka Suryaparkash Vinod Kumar
Managing Director

Form No. MR-3

SECRETARIAL AUDIT REPORT

**[Pursuant to Section 204(1) of the Companies Act, 2013 and rule No.9 of the
Companies (Appointment and Remuneration Personnel) Rules, 2014]**

**To,
The Members,
Kansal Fibres Limited
E-10/7586/A, Opp. Lane Pooja Intl., Bahadur Kay Road,
Dana Mandi , Ludhiana – 141008.**

I/We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by M/s. Kansal Fibres Limited ("the Company"). Secretarial Audit was conducted in a manner that provided me/us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon.

We report that –

- a. 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.
- b. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices, we followed provide a reasonable basis for our opinion.
- c. We have not verified the correctness and appropriateness of the financial statement of the company.
- d. The compliance of the provisions of the Corporate and other applicable laws, rules, regulation, standards is the responsibility of the management. Our examination was limited to the verification of procedures on test basis.
- e. 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.

Based on my/our 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/We hereby report that in my/our 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/We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31st March 2017, according to the provisions of:

- i. The Companies Act, 2013 (the Act) and the rules made thereunder;
- ii. The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
- iii. The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- iv. Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
- v. The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-

- a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
- b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992;
- c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;
- d) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999;
- e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;
- f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
- g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; and
- h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998;

(vi) We have relied on the representation made by the Company and its Officers for systems and mechanism formed by the Company for compliances under other applicable Acts, Laws and Regulations to the Company. The list of major head / groups of Acts, Laws and Regulations as applicable to the Company is as under.

- 1. Income-Tax Act, 1961;
- 2. Finance Act, 1944;
- 3. Labour Laws & other incidental laws related to labour and employees appointed by the Company.

As informed to us by the Management, no any other Law is applicable to the company as company has not carried out any business activities during the period under review

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

- (i) Secretarial Standard on Meetings of the Board of Directors (SS-1) and General Meetings (SS-2) issued by The Institute of Company Secretaries of India (ICSI).
- (ii) SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

I/We further report that

1. The Board of Directors of the Company is duly constituted with proper balance of Executive Director, Non-executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.
2. Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting. Majority decision is carried through while the dissenting members' views are captured and recorded as part of the minutes.
3. I/We further report that there are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

I/we further report that during the audit period, there were no instances of:

- (i) Public / Right / Preferential issue of shares / debentures / sweat equity.
- (ii) Redemption / buy-back of securities.
- (iii) Major decisions taken by the members in pursuance to section 180 of the Companies Act, 2013
- (iv) Merger / amalgamation / reconstruction, etc.
- (v) Foreign technical collaborations.

Place: AHMEDABAD
Date: 20.05.2017

For A. SANTOKI&ASSOCIATES
Company Secretaries

Sd/-
(AJITSANTOKI)
C.P.NO.: 2539

COMMITTEE OF BOARD

AUDIT COMMITTEE

a) Brief description of terms of reference:

Terms of Reference of the Audit Committee are as per Section 177 of the Companies Act, 2013 and the guidelines set out in the listing agreements with the Stock Exchanges that inter-alia, include overseeing financial reporting processes, reviewing periodic financial results, financial statements and adequacy of internal control systems with the Management and adequacy of internal audit functions, discussions with the auditors about the scope of audit including the observations of the auditors and discussion with internal auditor on any significant findings.

b) Composition: The Audit Committee has been constituted in conformity with the requirements of Section - 177 of the Companies Act, 2013.

As on the end of Financial Year 2015-16, Audit Committee comprises of three Directors as under :

Sr. No.	Name of Member	Designation
1	Mr. Bipin Mangaldas Patel	Chairman
2	Mr. Piyushbhai Doshi	Member
3	Mr. Loharuka Suryaprakash	Member

During the year under review, the 4 Audit Committee was held during Financial Year 2016-17. The dates on which the said meetings were held are 30/05/2015, 13/08/2015, 06/11/2015, 05/02/2016.

Minutes of meetings of the Audit Committee are circulated to members of the Committee and the Board is kept apprised.

Members of the Audit Committee have requisite financial and management expertise. The Statutory Auditors, Internal Auditor and the Chief Financial Officer are invited to attend and participate at meetings of the Committee.

NOMINATION/REMUNERATION COMMITTEE

The Nomination/Remuneration committee consists of the following three Directors:

Sr. No.	Name of Member	Designation
1	Mr. Bipin Mangaldas Patel	Chairman
2	Mr. Piyushbhai Doshi	Member
3	Mr. Loharuka Suryaprakash	Member

The Nomination/Remuneration committee recommends to the Board the attributes and qualification for becoming a member of the Board. It also recommends the remuneration payable to the Directors, Key managerial personnel and other senior personnel and such other matters as are necessary under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

SHAREHOLDERS COMMITTEE :

The Board of Directors have constituted a “Share Transfer and Shareholders / Investor Grievance Committee and stakeholders relationship committee” in line with the Listing Agreement, which is responsible for all matters concerning the share transfers, transmissions, issue of duplicate share certificates and attending to the grievance of the shareholders.

The present composition of the Committee is as under: Shareholder’s Committee consists of following Directors

Sr. No.	Name of Member	Designation
1	Ms. Anjali Ajay Mehra	Chairman
2	Mr. Bipin Mangaldas Patel	Member
3	Ms. Loharuka Suryaprakash	Member

The Company addresses all complaints, suggestions and grievances expeditiously and replies have been sent / issues resolved usually within 15 days except in case of dispute over facts or other legal constraints. During the year complaints were received from SEBI or shareholders were resolved satisfactory. No requests for share transfers are pending except those that are disputed or Sub-judice.

Evaluation

Committee has adopted a formal system of evaluating Board performance as a whole and the contribution of each individual director. An evaluation of Board performance is conducted annually

to identify areas of improvement and as a form of good Board management practice. Each member of the Committee shall abstain from voting any resolutions in respect of the assessment of his performance or re-nomination as Director. The results of the evaluation exercise were considered by Committee which then makes recommendations to the Board aimed at helping the Board to discharge its duties more effectively.

Performance Evaluation

Pursuant to the provisions of the Companies Act, 2013 and the Board has carried out the annual performance evaluation of its own performance, the Directors individually as well as the evaluation of the working of its Audit, Nomination and Remuneration and Stakeholder Committees. A structured questionnaire was prepared after taking into consideration inputs received from the Directors, covering various aspects of the Board's functioning such as adequacy of the composition of the Board and its Committees, Board culture, execution and performance of specific duties, obligations and governance.

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

Independent Directors. The Directors expressed their satisfaction with the evaluation process.

General Body Meeting (Last Three):

Date	Type	Time	Venue
30/09/2015	AGM	11:00 A.M	E-10/7586/A, Opp. Lane Pooja Intl, Bahadur Kay Road, Dana Mandi, Ludhiana -141008
30/09/2014	AGM	11.30 A.M	281 Industrial Area-A , Ludhiana , Punjab
30/09/2013	AGM	10:30 A.M	281 Industrial Area-A , Ludhiana , Punjab

Distribution of Shareholding as on March 31, 2016.

No. of Equity shares held	No of share holders	% of shareholders	No of shares Held	% of holding
1-5000	2487	66.14	8074000	14.23
5001-10000	726	19.31	5296000	9.34
10001-20000	289	7.69	4241000	7.48

20001-30000	127	3.38	3204000	5.65
30001-40000	42	1.12	1437000	2.53
40001-50000	8	0.21	393000	0.69
50001-100000	42	1.12	3046000	5.37
100001and above	39	1.04	31038000	54.71
Total	3760	100.00	36,15,000	100.00

Categories of Shareholders as on March 31, 2016

	Category	No. of Shares	% of Shares
A	Promoter's Holding		
1	Indian Promoters	1543100	27.2
2	Foreign Promoters		
	Sub total	1543100	27.2
B	Non-Promoters		
3	Institutional Investors		
	A Mutual Funds and UTI	2000000	3.53
	B Banks, Financial Inst., Insurance Com.	2900000	5.11
	(Central State Gov. Inst. / Non- Gov Inst.)		
	C FIIS		
	Sub total	490000	8.64
4	Others		
	A Private corporate Bodies	311500	5.49
	B Indian Public	3307900	58.31
	C NRIs / Clearing Member/OCBs/Trust/HUF	20400	0.36
	Sub total	3639800	64.16
	GRAND TOTAL	5672900	100

Date: 20/05/2016

Place: Ludhiana

By Order of the Board of Directors

**Sd/-
(Loharuka Surya Prakash)
Director**

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

INDUSTRY STRUCTURE AND DEVELOPMENTS:

Textile Industry contributes nearly 14% of the total Industrial Production of the country and also contributes 3% to the GDP of the country. The country earns about 27% of its foreign exchange through textile export. Considering the slow global economic recovery so far, there is a need to improve competitiveness of the sector in the global market.

Within textile, 'Home Textile' market is estimated at over 10,000 crores. Of this, the organized sector accounts for under 10%. The Home Textile category is expected to grow at 8% p.a. and the share of organized sector is expected to improve.

The emergence of strong modern trade and rapidly growing large format stores is expected to help upgradation of the market and also aid growth of organized sector players.

OPPORTUNITIES AND THREATS:

Opportunities

- ✳ Abundant availability of Raw Materials.
- ✳ India has significantly lower raw material costs, wastage costs and labour costs when compared to other countries.
- ✳ Greater Investment and Foreign Direct Investment opportunities are available.
- ✳ Increased Disposable Income and Purchasing Power of Indian Customer opens New Market Development.
- ✳ Strong presence of related and supporting industries.
- ✳ Textile machinery Indian textile machinery manufacturers are able to produce at competitive prices sophisticated machines of higher speed and production capability.
- ✳ The textile industry also gets significant support from the well developed IT capabilities of Indian firms.

Threats

- ✳ Fragmented structure with the dominance of the small scale sector
- ✳ High power costs
- ✳ Rising interest rates and transaction costs
- ✳ Unfriendly labour laws
- ✳ Logistical disadvantages in terms of shipping costs and time pose serious threats to its growth
- ✳ Foreign investments are not coming in as the overall factors influencing the industry are not investment friendly.
- ✳ Geographical Disadvantages.
- ✳ International labor and Environmental Laws.
- ✳ Increase in rate of service tax from 10 percent to 12 percent has given the intense competition in the Industry. Increased competition also translates into serious pressures on cost. These added to soaring commodity prices and volatility of exchange rates pose a serious challenge to cost management.

SEGMENT WISE PERFORMANCE:

The Company has identified its activities as single segment. Hence, the Company's performance is to be viewed as a single segment company operating in textile industry.

RECENT TREND AND FUTURE OUTLOOK:

The textile industry is undergoing a major reorientation towards non-clothing applications of textiles, known as technical textiles, which are growing roughly at twice rate of textiles for clothing applications and now account for more than half of total textile production. Technical textiles have many applications including bed sheets; filtration and abrasive materials; furniture and healthcare upholstery; thermal protection and blood-absorbing materials; seatbelts; adhesive tape, and multiple other specialized products and applications.

While the year 2014-15 was not a rewarding period from business perspective, few positives could be derived out of the operation such as efforts toward energy conservation, maintaining a reasonably healthy capacity utilisation compared to the industry average, an improved gross realisation and stable top line compared to previous year. With our sustained efforts in these fronts coupled with anticipated improved demand and higher capacity utilization, we expect the business to improve and become profitable. This will further be aided by your Company's focus on speciality fibres, innovative product mix and long term measures for cost reduction by converting fuel from RLNG to coal.

RISKS AND CONCERNS:

High inflation could adversely impact the domestic demand, especially since the 'Home Category' is considered as 'non-essential' in the family's consumption basket. Aggressive competition by new players, who wish to enter the category pose a risk of the Company losing its market share. The conversion cost could sharply escalate with severe energy price rise as well as increased labour cost due to hike in minimum wages.

The Company will focus on contemporary designs, better value proposition in the product basket through continuous innovation and on cost management to mitigate the risks. We will also strive to widen the customer base in the exports business to address the challenges in the market.

INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY:

The Company maintains adequate internal control systems, which provide among other things reasonable assurance of recording the transactions of its operations in all material respects and of providing protection against significant misuse or loss of Company's assets.

The Internal Auditors have introduced several objective tools to assess strengths of our internal controls as also, identify areas where it need to be further strengthened. The scope and authority of the Internal Audit are well defined in the internal audit charter, approved by the Audit Committee. Internal audit plays a key role in providing an assurance to the Board of Directors of adequate internal control system. The audit committee at its meetings reviewed the reports of the internal auditors as well as the Risk Management process of the Company.

FINANCIAL PERFORMANCE WITH RESPECT TO OPERATIONAL PERFORMANCE:

The financial performance of the Company for the year 2013-14 is described in the Directors' Report under the head 'Financial Performance of the Company'.

MATERIAL DEVELOPMENTS IN HUMAN RESOURCES AND INDUSTRIAL RELATIONS FRONT:

Your Company has undertaken certain employees' development initiatives which have very positive impact on the morale and team spirit of the employees. The Company has continued to give special attention to Human Resources/Industrial Relations development. Industrial relations remained cordial throughout the year and there was no incidence of strike, lock-out etc. Functional training and employee engagement was given adequate weightage during the year to enhance employee productivity and morale. Re-training on occupational, health, safety and environment were carried out in both the manufacturing facilities to improve awareness.

CAUTIONARY STATEMENT:

Statement in this Management Discussion and Analysis Report, describing the Company's objectives, estimates and expectations may constitute 'Forward Looking Statements' within the meaning of applicable laws or regulations. Actual results might differ materially from those either expressed or implied.

By Order of the Board of Directors

Date : 20/05/2016

Place : Ludhiana

Sd/-	Sd/-	Sd/-
(Loharuka Surya Prakash)	(Doshi Piyush Bhai)	(Bipin Patel)
Director	Director	Director
(Din: 0356449	(Din: 00185127)	(Din: 03190744)

CERTIFICATE ON FINANCIAL STATEMENTS

To,
The Members,
Kansal Fibres Limited

We, have hereby certify that:

1. We have reviewed the financial statements and the cash flow statements of Kansal Fibres Limited for the financial year 2015-16 and to the best of our knowledge and belief, we state that:
 - a. These statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
 - b. These statements together present a true and fair view of the Company 's affairs for the period presented in this report and are in compliance with existing accounting standards, applicable laws and regulations.
2. There are, to the best of our knowledge and belief, no transactions entered into by the Company during the year which are fraudulent, illegal or in violation of the Company's Code of Conduct.
3. We accept responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of internal control systems of the Company pertaining to financial reporting and we have disclosed to the auditors and the Audit Committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.
4. We have indicated to the Auditors and the Audit Committee:
 - a. significant changes in internal control over financing reporting during the year;
 - b. significant changes in accounting policies made during the year and that the same have been disclosed suitably in the notes to the financial statements; and
 - c. that there were no Instances of significant fraud that involves management or other employees who have a significant role in the Company's internal control system over financial reporting.

**By Order of the Board
For Kansal Fibres Limited**

Place: Ludhiana

Sd/-

Date: 20/05/2016

**Loharuka Surya Prakash
Director
DIN: 03564496**

ANNUAL CERTIFICATE UNDER SEBI(LISTING OBLIGATION AND DISCLOSURE
REQUIREMENTS) REGULATIONS, 2015.

I, Loharuka Surya Prakash, Director of the Kansal Fibres Limited declare that all Board Members and Senior Management of the Company have affirmed compliance with the Code of Conduct during the year ended 31st March 2016.

Place: Ludhiana

Date: 20/05/2016

**By Order of the Board
For Kansal Fibres Limited**

**Sd/-
Loharuka Surya Prakash
Director
DIN: 03564496**

VISHVES A. SHAH & CO.
Chartered Accountants
316, Abhishek Plaza, B/h. Navgujarat College,
Income Tax, Ahmedabad – 380058
Ph. +91 98254 71182, +91 93777 71182
E-Mail: vishvesca@gmail.com

Independent Auditor's Report

To,
The Members,
KANSAL FIBRES LTD.

Report on Standalone Financial Statement

We have audited the accompanying Standalone financial statements of “**KANSAL FIBRES LTD.**” which comprise the Balance Sheet as at 31st March, 2016, the Statement of Profit and Loss for the year then ended, Cash flow Statement for the year then ended and a summary of significant accounting policies and other explanatory information.

Managements' Responsibility for Standalone Financial Statements:

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 (“the Act”) with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these Standalone Financial Statements based on our audit.

We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Standalone financial statement.

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 31st March, 2016;
- b) In the case of the Statement of Profit and Loss, of the profit/ loss for the year ended on that date; and
- c) In the case of Cash Flow Statement for the year ended 31st March, 2016.

Report on Other Legal and Regulatory Requirement

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), as amended, issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the "**Annexure A**" statement on the matters specified in paragraphs 3 and 4 of the Order.
2. As required by section 143(3) of the Act, we report that:
 - a) We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
 - b) In our opinion proper books of account as required by law have been kept by the Company so far as appears from our examination of those books;
 - c) The Balance Sheet, the 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 standalone financial statements comply with the Accounting Standards specified under section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
 - e) On the basis of written representations received from the directors as on March 31, 2016 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2016, from being appointed as a director in terms of sub-section (2) of section 164 of the Companies Act, 2013.
 - 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 B**".
 - 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 they were any material foreseeable losses.
- (iii) There were no amounts which were required to be transferred, to the Investor Education and Protection Fund by the Company.

Date : 20/05/2016
Place : Ahmedabad

For, Vishves A. Shah & Co.
Chartered Accountants
Firm No.121356w

(Vishves A. Shah)
Proprietor
M. No. 109944

KANSAL FIBRES LTD.

“Annexure A” to the Independent Auditors’ Report

Referred to in paragraph 1 under the heading ‘Report on other Legal & Regulatory Requirement’ of our report of even date to the financial statements of the company for the year ended March 31, 2016:

- (i) In Respect of the Fixed Assets:
 - a) There is No Fixed Assets during the year;
- (ii) In respect of Inventories:
 - a) There is No Inventories during the Year;
- (iii) The Company has not granted loans, secured or unsecured to companies, firms, Limited Liability partnerships or other parties covered in the Register maintained under section 189 of the Act. Accordingly, the provisions of clause 3 (iii) (a) to (C) of the Order are not applicable to the Company and hence not commented upon.
- (iv) In our opinion and according to the information and explanations given to us, the company has complied with the provisions of section 185 and 186 of the Companies Act, 2013 In respect of loans, investments, guarantees, and security.
- (v) The Company has not accepted any deposits from the public and hence the directives issued by the Reserve Bank of India and the provisions of Sections 73 to 76 or any other relevant provisions of the Act and the Companies (Acceptance of Deposit) Rules, 2015 with regard to the deposits accepted from the public are not applicable.
- (vi) As informed to us, the maintenance of Cost Records has not been specified by the Central Government under sub-section (1) of Section 148 of the Act, in respect of the activities carried on by the company.
- (vii) In Respect of Statutory Dues:
 - a) According to information and explanations given to us and on the basis of our examination of the books of account, and records, the Company has been generally regular in depositing 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 with the appropriate authorities. According to the information and explanations

given to us, no undisputed amounts payable in respect of the above were in arrears as at March 31, 2016 for a period of more than six months from the date on when they become payable.

- b) According to the information and explanation given to us, there are no dues of income tax, sales tax, service tax, duty of customs, duty of excise, value added tax outstanding on account of any dispute.

(viii) In our opinion and according to the information and explanations given to us, the Company has not defaulted in the repayment of dues to banks.

(ix) Based upon the audit procedures performed and the information and explanations given by the management, the company has not raised moneys by way of initial public offer or further public offer including debt instruments and term Loans. Accordingly, the provisions of clause 3 (ix) of the Order are not applicable to the Company and hence not commented upon.

(x) Based upon the audit procedures performed and the information and explanations given by the management, we report that no fraud by the Company or on the company by its officers or employees has been noticed or reported during the year.

(xi) Based upon the audit procedures performed and the information and explanations given by the management, the 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) In our opinion, the Company is not a NIDHI Company. Therefore, the provisions of clause 4 (xii) of the Order are not applicable to the Company.

(xiii) In our opinion, No any transactions with the related parties are in compliance with section 177 and 188 of Companies Act, 2013 and the details have been disclosed in the Financial Statements as required by the applicable accounting standards.

(xiv) Based upon the audit procedures performed and the information and explanations given by the management, the company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review. Accordingly, the provisions of clause 3 (xiv) of the Order are not applicable to the Company and hence not commented upon.

(xv) Based upon the audit procedures performed and the information and explanations given by the management, the company has not entered into any non-cash transactions with directors or persons connected with him. Accordingly, the provisions of clause 3 (xv) of the Order are not applicable to the Company and hence not commented upon.

(xvi) In our opinion, the company is not required to be registered under section 45 IA of the Reserve Bank of India Act, 1934 and accordingly, the provisions of clause 3 (xvi) of the Order are not applicable to the Company and hence not commented upon.

Date : 20/05/2016
Place : Ahmedabad

For, Vishves A. Shah & Co.
Chartered Accountants
Firm No.121356w

(Vishves A. Shah)
Proprietor
M. No. 109944

“Annexure B” to the Independent Auditor’s Report of even date on the Standalone Financial Statements of KANSAL FIBRES LTD.

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 **“KANSAL FIBRES LTD.”** (“the Company”) as of March 31, 2016 in conjunction with our audit of the standalone 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 our audit. We conducted 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 a 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 a 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 authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised 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, 2016, 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.

Date : 20/05/2016
Place : Ahmedabad

For, Vishves A. Shah & Co.
Chartered Accountants
Firm No.121356w

(Vishves A. Shah)
Proprietor
M. No. 109944

KANSAL FIBRES LTD.

STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES AND NOTES FORMING PART OF THE ACCOUNTS FOR THE YEAR ENDED 31st MARCH, 2016.

1.1 SIGNIFICANT ACCOUNTING POLICIES

(i) BASIS FOR PREPARATION OF FINANCIAL STATEMENTS.

The financial statements have been prepared under the historical cost convention, in accordance with Accounting Standards issued by the Institute of Chartered Accountants of India and the provisions of the Companies Act, 2013, as adopted consistently by the company. All income and expenditure having a material bearing on the financial statements are recognized on accrual basis.

(ii) REVENUE RECOGNITION.

The Company follows the mercantile system of accounting and recognizes income and expenditure on accrual basis except in case of significant uncertainties.

(iii) FIXED ASSETS AND DEPRECIATION.

There is no Fixed Assets during the year.

1.2 NOTES FORMING PART OF ACCOUNTS

- (i) Balance of cash on hand at the end is accepted as certified by the management of the company.
- (ii) The figures of the previous year are taken as it is from the report of the previous auditor.
- (iv) Balance of Sundry Debtors, Creditors, Loans & advances are subject to confirmation of the parties taken by Management.
- (v) There are no any transactions entered into between related parties.

For and on behalf of the board of directors

For, KANSAL FIBRES LTD.

Director

Director

As per our attached report of even date

For, Vishves .A. Shah & Co,

Chartered Accountants

Firm No.121356w

Place : 20/05/2016

Date : Ahmedabad

(Vishves A Shah)

(Proprietor)

M No:-109944

KANSAL FIBRES LTD.
Balance Sheet as at March 31, 2016

(Amount in INR)

	Particulars	Note No.	As at March 31, 2016		As at March 31, 2015	
I	Equity & Liabilities					
	1. Shareholders' funds					
	(a) Share Capital	2	56,729,000		56,729,000	
	(b) Reserves and Surplus	3	(62,050,522)		(61,485,162)	
	(c) Money received against share warrants		-		-	
				(5,321,522)		(4,756,162)
	2. Share application money pending allotment			-		-
	3. Non - Current Liabilities					
	(a) Long -Term Borrowings	4	6,123,597		4,598,597	
	(b) Deferred Tax Liabilities (Net)					
	(c) Other Long - Term Liabilities	5	-		-	
	(d) Long - Term Provisions	6	-		-	
				6,123,597		4,598,597
	4. Current Liabilities					
	(a) Short - Term Borrowings	7	-		-	
	(b) Trade Payables	8	202,404		202,404	
	(c) Other Current Liabilities	9	404,377		404,377	
	(d) Short - Term Provisions	10	119,500		78,500	
				726,281		685,281
	TOTAL			1,528,356		527,716
II	Assets					
	1. Non - Current Assets					
	(a) Fixed Assets					
	(i) Tangible Assets	11	-		-	
	(ii) Intangible Assets		-		-	
	(iii) Capital Work-in-Progress		-		-	
	(iv) Intangible Assets under Development		-		-	
	(b) Non - Current Investments	12	-		-	
	(c) Deferred tax assets (net)		-		-	
	(d) Long - Term Loans and Advances	13	1,002,945		-	
	(e) Other Non - Current Assets	14	-		-	
				1,002,945		-
	2. Current Assets					
	(a) Current Investments	15	-		-	
	(b) Inventories		-		-	
	(c) Trade Receivables	16	509,384		509,384	
	(d) Cash and Cash equivalents	17	16,027		15,443	
	(e) Short - Term Loans and Advances	18	-		2,889	
	(f) Other Current Assets	19	-		-	
				525,411		527,716
	TOTAL			1,528,356		527,716
	Significant Accounting Policies	1				

As per our separate report of even date

See accompanying notes to the financial statements

For, Vishves A. Shah & Co.

Chartered Accountants

Firm No:-121356W

For & on behalf of the Board

KANSAL FIBRES LTD.

(Vishves A. Shah)

Proprietor

M. No. 109944

Director

Director

Place : AHMEDABAD

Date : 20/05/2016

(Amount in INR)

(Amount in INR)						
	Particulars	Note No.	For the year ended March 31, 2016		For the year ended March 31, 2015	
I	Revenue from Operations	20	-		-	
II	Other Income	21	-		-	
III	Total Revenue (I + II)			-		-
IV	Expenses					
	Cost of Material Consumed		-		-	
	Purchases	22	-		-	
	Changes in inventories of finished goods, work-in-progress and stock-in-trade	23	-		-	
	Employee Benefits Expenses	24	-		-	
	Finance Costs	25	206		218	
	Depreciation and Amortization Expense	26	-		-	
	Other Expenses	27	565,154		331,384	
	Total Expense			565,360		331,602
V	Profit before Exceptional and Extraordinary Items and Tax (III-IV)			(565,360)		(331,602)
VI	Exceptional Items			-		-
VII	Profit before Extraordinary Items and Tax (V-VI)			(565,360)		(331,602)
VIII	Extraordinary Items			-		-
IX	Profit Before Tax (VII-VIII)			(565,360)		(331,602)
X	Tax Expense:					
	(a) Current Tax		-		-	
	(b) Deferred Tax		-		-	
	(c) Tax of Earlier Year		-		-	
	(d) MAT Credit Entitlement		-		-	
				-		-
XI	Profit for the Period from Continuing Operations (IX - X)			(565,360)		(331,602)
XII	Profit/(Loss) for the Period from Discontinuing Operations			-		-
XIII	Tax Expense of Discontinuing Operations			-		-
XIV	Profit/(Loss) from Discontinuing Operations (After Tax) (XII-XIII)			-		-
XV	Profit for the Period (XI + XIV)			(565,360)		(331,602)
XVI	Earnings Per Equity Share (Face Value Rs. 10/- Per Share):	28				
	Basic (Rs.)			(0.10)		(0.06)
	Significant Accounting Policies	1				

KANSAL FIBRES LTD.
Notes to financial statements for the year ended March 31, 2016

Note 2 - Share Capital

(Amount in INR)

(a)	Particulars	As at March 31, 2016	As at March 31, 2015
	Authorised :		
	70,00,000 Equity Shares (Previous Year 70,00,000) of Rs. 10/- each	70,00,000	70,00,000
	TOTAL	70,00,000	70,00,000
	Issued, Subscribed and Paid-up :		
	56,72,900 Equity Shares (Previous Year 59,00,700) of Rs. 10/- each	56,72,900	56,72,900
	Less : Calls in arrears	-	-
	TOTAL	56,72,900	56,72,900

(b) Detailed note on the terms of the rights, preferences and restrictions relating to each class of shares including restrictions on the distribution of dividends and repayment of capital.

- i) The Company has only one class of Equity Shares having a par value of Rs. 10/- per share. Each holder of Equity Share is entitled to one vote per share. The Company declares and pays dividend in Indian Rupees. During the year ended 31st March 2016, the Company has not declared any dividend.
- ii) In the event of liquidation of the Company, the holders of Equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of Equity shares held by the shareholders.

(c) Reconciliation of number of shares outstanding at the beginning and at the end of the reporting period

Particulars	As at March 31, 2016	As at March 31, 2015
No. of shares at the beginning of the year	5,672,900	5,900,700
Add: Issue of Shares during the year		
Subscriber to the Memorandum	-	-
Private Placement	-	-
	-	-
Less: Forfeiture of Shares during the Year	-	227,800
No. of shares at the end of the year	5,672,900	5,672,900

(d) Aggregate details for five immediately previous reporting periods for each class of shares

Particulars	As at March 31, 2016	As at March 31, 2015
- No. of shares allotted as fully paid up pursuant to contracts without payment being received in cash	-	-
- No. of shares allotted as fully paid by way of Bonus Shares	-	-
- No. of shares bought back	-	-

(e) Details of shareholders holding more than 5% shares in the company

No. of Shares held by	As at March 31, 2016		As at March 31, 2015	
	Nos.	%	Nos.	%
Laxmi Edifice Pvt. Ltd.	1,543,100	27.20%	1,543,100	27.20%

(f) Detailed note on shares reserved to be issued under options and contracts / commitment for the sale of shares / divestments including the terms and conditions.

The company does not have any such contract / commitment as on reporting date.

(g) Detailed terms of any securities convertible into shares, e.g. in the case of convertible warrants, debentures, bonds etc.

The company does not have any securities convertible into shares as on reporting date.

KANSAL FIBRES LTD.

Notes to financial statements for the year ended March 31, 2016

Note 3 - Reserves & Surplus

(Amount in INR)		
Particulars	As at March 31, 2016	As at March 31, 2015
(i) Capital Reserve		
As per last Balance Sheet	1,139,000	-
Add: Additions during the year (Share Forfeiture)	-	1,139,000
Less: Utilised / transferred during the year	-	-
Closing balance	1,139,000	1,139,000
(ii) Securities premium account		
Opening balance	-	-
Add : Premium on shares issued during the year	-	-
Less : Utilised during the year for:	-	-
Closing balance	-	-
(ii) General Reserve		
As per last Balance Sheet	-	-
Add: Transferred from Profit and Loss Account	-	-
Less: Transferred to Profit and Loss Account	-	-
Closing balance	-	-
(iv) Surplus in the Profit & Loss Account		
As per last Balance Sheet	(62,624,162)	(62,288,730)
Add: Profit / (Loss) for the year	(565,360)	(331,602)
Amount available for appropriations	(63,189,522)	(62,620,332)
Appropriations:		
Add: Transferred from reserves	-	-
Other Adjustments	-	-
Less: Transferred to General reserve	-	3,830
Other Adjustments	-	-
	(63,189,522)	(3,830)
TOTAL	(62,050,522)	(61,485,162)

Note 4: Long Term Borrowing

(Amount in INR)		
Particulars	As at March 31, 2016	As at March 31, 2015
(a) Loans From Bank and Financial Institutions		
Secured Loans	-	-
Unsecured Loans	-	-
Term Loan from others	-	-
Secured	-	-
Unsecured	-	-
(b) Loans and advances from related parties		
Secured	-	-
Unsecured	6,123,597	4,598,597
(c) Other Loan & Advances		
Secured Loans	-	-
Unsecured Loans	-	-
Loans from Others	-	-
	6,123,597	4,598,597

Note 5: Other Long Term Liability

(Amount in INR)		
Particulars	As at March 31, 2016	As at March 31, 2015
(i) Trade Payable	-	-
(ii) Others	-	-
Total	-	-

KANSAL FIBRES LTD.

Notes to financial statements for the year ended March 31, 2016

Note 6: Long Term Provisions

(Amount in INR)		
Particulars	As at March 31, 2016	As at March 31, 2015
(a) Provision for employee's benefits	-	-
(b) Others (Specify Nature)	-	-
	<u>-</u>	<u>-</u>

Note 7 - Short Term Borrowings

(Amount in INR)		
Particulars	As at March 31, 2016	As at March 31, 2015
(a) Loans repayable on demand		
From banks		
Secured	-	-
Unsecured	-	-
From Other parties		
(b) Loans and advances		
Secured	-	-
Unsecured	-	-
	<u>-</u>	<u>-</u>
	<u>-</u>	<u>-</u>

Note 8 - Trade Payables

(Amount in INR)		
Particulars	As at March 31, 2016	As at March 31, 2015
Current payables (including acceptances) outstanding for less than 12 months	202,404	202,404
	<u>202,404</u>	<u>202,404</u>

Note 9 - Other Current Liabilities

(Amount in INR)		
Particulars	As at March 31, 2016	As at March 31, 2015
Other Current Liabilities	404,377	404,377
	-	-
TOTAL	<u>404,377</u>	<u>404,377</u>

Note 10 - Short-Term Provisions

(Amount in INR)		
Particulars	As at March 31, 2016	As at March 31, 2015
Employees ESI Payable	-	-
Employee's Share of PF Payable	-	-
Employer's ESI Payable	-	-
Employer's Share of PF Payable	-	-
Provision for Audit fees	37,500	37,500
Provision for Internal Audit fees	42,000	21,000
Provision for Accounting fees	40,000	20,000
Provision for Taxation	-	-
Duties & Taxes	-	-
Provision for Tax on Proposed Dividend	-	-
TOTAL	<u>119,500</u>	<u>78,500</u>

KANSAL FIBRES LTD.

Notes to financial statements for the year ended March 31, 2016

Note -12 - Non-Current Investments

(Amount in INR)		
Particulars	As at March 31, 2016	As at March 31, 2015
Investments (At Cost)	-	-
Investment in Equity Instruments	-	-
i) of Subsidiaries:	-	-
ii) of other entities:	-	-
Investment in Shares & Securities	-	-
Other Non Current Investment	-	-
	-	-
	<u>-</u>	<u>-</u>

Note -13 - Long Term Loan & Advances

(Amount in INR)		
Particulars	As at March 31, 2016	As at March 31, 2015
(a) Capital Advances	-	-
(b) Security Deposits		
Security Deposit	-	-
Office Deposit	-	-
Unsecured Considered good	-	-
Deposits	-	-
(c) Loans & Advances to Related Parties		
Unsecured considered good	-	-
(d) Other Loans & Advances (Specify Nature)		
Secured, Considered good	-	-
Unsecured Considered good	-	-
Advance to Staff	-	-
Due from Others	-	-
Advance to Supplier	2,889	-
Saba International	1,000,056	-
Doutful or Bad	-	-
	<u>1,002,945</u>	<u>-</u>

Note -14 - Other Non-Current Assets

(Amount in INR)		
Particulars	As at March 31, 2016	As at March 31, 2015
(a) Long Term Trade Receivable	-	-
(b) Others (Specify Nature)		
MAT Credit	-	-
Preliminary Expenses	-	-
	<u>-</u>	<u>-</u>

Note -15 - Current Investments

(Amount in INR)		
Particulars	As at March 31, 2016	As at March 31, 2015
Current Investments (At lower of cost and fair value)		
SBI Mutual Fund	-	-
	<u>-</u>	<u>-</u>

Note 16 - Trade Receivables

(Amount in INR)		
(a) Particulars	As at March 31, 2016	As at March 31, 2015
(i) Due for a period exceeding six months		
- Unsecured, considered good	-	-
- Doubtful	-	-
Less: Provision for Doubtful Debts	-	-
	<u>-</u>	<u>-</u>
(ii) Others		
- Unsecured, considered good	509,384	509,384
- Doubtful	-	-
Less: Doubtful Debts Writtewn off	-	-
	<u>509,384</u>	<u>509,384</u>
TOTAL	<u>509,384</u>	<u>509,384</u>

KANSAL FIBRES LTD.

Notes to financial statements for the year ended March 31, 2016

Note 17 - Cash & Cash equivalents

(Amount in INR)		
Particulars	As at March 31, 2016	As at March 31, 2015
(a) Cash & Cash Equivalents		
(i) Balances with Banks :		
Allahabad Bank	7,724	7,140
(ii) Cash-on-hand	8,303	8,303
(iii) Cheques & Drafts on-hand		
(iv) Others - Stamps on Hand	-	
(b) Other Bank Balances		
- Margin Money or Security Deposit		
- Repatriation Restrictions		
- Deposit Accounts more than 3 month maturity		
- Deposit Accounts more than 12 month maturity		
TOTAL	16,027	15,443

Note 18 - Short Term Loans & Advances

(Amount in INR)		
Particulars	As at March 31, 2016	As at March 31, 2015
(i) Security deposits		
Secured, considered good	-	
Unsecured, considered good	-	
Doubtful	-	-
	-	-
(ii) Inter-corporate deposits		
Secured, considered good	-	
Unsecured, considered good	-	
Doubtful	-	-
	-	-
(iii) Share Application Money Given		
(iv) Advance income tax and TDS - Unsecured, considered good		
	-	-
	-	-
(v) Others		
Secured, considered good	-	
Unsecured, considered good	-	2,889
Doubtful	-	-
	-	2,889
Less: Provision for Doubtful Debts		
TOTAL	-	2,889

Note 19: Other Current Assets

Particulars	As at March 31, 2016	As at March 31, 2015
Prepaid Exp	-	-
	-	-

Note 20 - Revenue from Operations

(Amount in INR)

Particulars	For the year ended March 31, 2016	For the year ended March 31, 2015
Miscellaneous Income	-	-
Rebate and Discount	-	-
TOTAL	-	-

Note 21 - Other Income

(Amount in INR)

Particulars	For the year ended March 31, 2016	For the year ended March 31, 2015
	-	-
TOTAL	-	-

Note 22 - Purchases

(Amount in INR)

Particulars	For the year ended March 31, 2016	For the year ended March 31, 2015
Purchase	-	-
TOTAL	-	-

Note 23 - Changes in inventories of finished goods, work in progress and stock in trade

(Amount in INR)

Particulars	For the year ended March 31, 2016	For the year ended March 31, 2015
<u>Inventories at the end of the year:</u>		
Finished goods	-	-
Work-in-progress	-	-
Stock-in-trade	-	-
	-	-
<u>Inventories at the beginning of the year:</u>		
Finished goods	-	-
Work-in-progress	-	-
Stock-in-trade	-	-
	-	-
	-	-

Note 24 - Employee Benefit Expenses

(Amount in INR)

Particulars	For the year ended March 31, 2016	For the year ended March 31, 2015
Salary	-	-
TOTAL	-	-

Note 25 - Financial Costs

(Amount in INR)

Particulars	For the year ended March 31, 2016	For the year ended March 31, 2015
Bank Charges	206	218
TOTAL	206	218

Note 26 - Depreciation & Amortised Cost

(Amount in INR)

Particulars	For the year ended March 31, 2016	For the year ended March 31, 2015
Depreciation	-	-
TOTAL	-	-

Note 27 - Other Expenses

(Amount in INR)		
Particulars	For the year ended March 31, 2016	For the year ended March 31, 2015
Audit Fees	25,000	37,500
Accounting Fees	20,000	20,000
Advertisement Expenses	10,250	
BSE Fees Expense	228,029	178,634
CDSL Charges	16,854	
Internal Audit Fees	21,000	21,000
Interest on TDS	671	
Professional & Legal Fees	100,000	74,250
SEBI Fees	10,045	
Share Registry Expenses	133,305	
TOTAL	565,154	331,384

Note 28 - Earnings Per Equity Share

(Amount in INR)		
Particulars	For the year ended March 31, 2016	For the year ended March 31, 2015
(a) Net profit after tax attributable to equity shareholders for Basic EPS	(565,360)	(331,602)
Add/Less: Adjustment relating to potential equity shares		-
Net profit after tax attributable to equity shareholders for Diluted EPS	(565,360)	(331,602)
(b) Weighted average no. of equity shares outstanding during the year		
For Basic EPS	5,672,900	5,672,900
(c) Face Value per Equity Share (Rs.)		
Basic EPS	(0.10)	(0.06)

Note 29 - Previous year figures

The figures of the previous year have been re-arranged, re-grouped and re-classified wherever necessary

KANSAL FIBRES LTD.

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2016

	Year ended 31st March, 2016 Rs.		Year ended 31st March, 2015 Rs.	
CASH FLOW FROM OPERATING ACTIVITIES				
Net Profit before Tax for the year		(565,360)		(331,602)
Adjustments for :				
Transferred to reserve				
Depreciation	-		-	
Non Cash Item Loss	-		-	
Interest Received	-			
Interest Paid	-		-	
Operating Profit before Working Capital change		(565,360)		(331,602)
Adjustments for :				
Decrease/(Increase) in Receivables	-		-	
Decrease/(Increase) in Loans & Advances	2,889		-	
Decrease/(Increase) in Inventories	-		-	
Decrease/(Increase) in Other Current Assets	-		-	
Increase/(Decrease) in Payables	-			
Increase/(Decrease) in Current Liabilities	-			
Increase/(Decrease) in Provisions	41,000	43,889	78,500	78,500
Cash Generated From Operations		(521,471)		(253,102)
Income Tax		-		-
NET CASH FROM OPERATING ACTIVITIES Total (A)		(521,471)		(253,102)
CASH FLOW FROM INVESTING ACTIVITIES				
Fixed Asset Write off				
Non Current Investment	-		-	
Current Investment	-		-	
Non Current Assets Sold	-		-	
Interest Received			-	
NET CASH USED IN INVESTING ACTIVITIES Total (B)		-		-
CASH FLOW FROM FINANCING ACTIVITIES				
Share Application Money	-		-	
Share Premium	-		-	
Long Term Borrowing	1,525,000			
Long Term Loans & Advances	(1,002,945)		169,000	
NET CASH FROM FINANCING ACTIVITIES Total (C)		522,055		169,000
Net Increase/(Decrease) in Cash and Cash Equivalents Total (A+B+C)		584		(84,102)
Cash and Cash Equivalents -- Opening Balance		15,443		99,545
Cash and Cash Equivalents -- Closing Balance		16,027		15,443
		-		-
Note: Previous year's figures have been regrouped/rearranged wherever considered necessary.				
As per our separate report of even date				
See accompanying notes to the financial statements				
For, Vishves A. Shah & Co.	For & on behalf of the Board			
Chartered Accountants	KANSAL FIBRES LTD.			
Firm No:-121356W				
 (Vishves A. Shah)				
Proprietor	Director			
M. No. 109944			Director	
Place : AHMEDABAD				
Date : 20/05/2016				

ATTENDANCE SLIP
ANNUAL GENERAL MEETING - 30th September, 2016 AT 02.00 P.M.

DP Id.		Client Id. / Ben. A/c.	
Folio No.		No. of Shares	

I certify that I am a registered shareholder/Proxy for the registered shareholder of the Company.

I/We hereby record my/our presence at the **ANNUAL GENERAL MEETING** of the Company being held on 30th September, 2016 at 02.00 P.M. at E-10/7586/A, Opp. Lane Pooja Intl, Bahadur Kay Road, Dana Mandi, Ludhiana- 141008

Full Name of the Shareholder / Proxy (In Block Letter)

Signature

=====

Form No. MGT-11**Proxy form**

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

CIN: L17116PB1994PLC014457**Name of the company:** Kansal Fibres Ltd.**Registered office:** E-10/7586/A, Opp. Lane Pooja Intl, Bahadur Kay Road, Dana Mandi, Ludhiana-141008

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

I/We, being the member (s) of shares of the above named company, hereby appoint:

1. Name:

Address:

E-mail Id:

Signature:.....,or failing him,

2. Name:

Address:

E-mail Id:

Signature:.....

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the Annual general meeting of the company, to be held on the 30th day of September, 2016 at 02.00 p.m. at E-10/7586/A, Opp. Lane Pooja Intl, Bahadur Kay Road, Dana Mandi, Ludhiana- 141008 and at any adjournment thereof in respect of such resolutions as are indicated below:

Res. No.	Description	For	Against
1	Adoption of Annual Accounts and Reports thereon for the financial year ended 31st March, 2016		
2	Re-election of Mr. Suryaprakash Loharuka as a Director of the Company		
3	Appoint M/s. Vishves A Shah & Co., Chartered Accountants, Ahmedabad, as Statutory Auditors of the Company		
4	Appointment of Ms. Anjali Ajay Mehra (DIN: 07162493), as an Independent Director of the Company		
5	Appointment of Mr. Suryaprakash Loharuka as Managing Director of the Company.		

Signed this..... day of..... 20....

Signature of Shareholder

Signature of Proxy holder(s)

**Affix
Rs. 1 /-
Revenue
Stamp**

Note: This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company, not less than 48 hours before the commencement of the Meeting.