



## Momai Apparels Ltd.

(Formerly known as Momai Apparels Private Ltd.)

CIN: L18109MH2010PLC199178

Regd. Office: Shop No. 305- 309, 3rd Floor, Pacific Plaza, Plot No. 570, TPS IV, Off Bhawani Shankar Road, Mahim Division, Dadar (West), Mumbai- 400 028. Tel: 022-24331551

Email: momaiapparels2010@gmail.com Website: www.momaiapparels.com

Factory: Plot No.-240, Sardar Chowk, Opp. Kinjal Chemical Factory, A1 Type Shed No. 30, G.I.D.C, Tal: Vapi, Dist: Valsad, Gujarat -369 195. Tel:- 0260-2400332. Email - vapi@momaiapparels.com

Date: 1<sup>st</sup> October, 2016

The Assistant Vice President  
Listing Department  
National Stock Exchange of India  
Limited  
Exchange Plaza, 5th Floor  
Plot no.C/1, G Block  
Bandra Kurla Complex, Bandra (East)  
Mumbai 400 051  
Fax No.: 26598237/38  
NSE Scrip Symbol: Momai

Dear Sir,

**Subject: Annual Report 2015-16 – Reg. 34 (1) of SEBI (LODR) Regulations, 2015**

Pursuant to Reg. 34 (1) of SEBI (LODR) Regulations, 2015, we enclose herewith a soft copy of Annual Report for the financial year ended on 31<sup>st</sup> March 2016, as approved and adopted by the members of the Company at 7<sup>th</sup> Annual General Meeting of the Company held on Thursday, 29<sup>th</sup> September 2016.

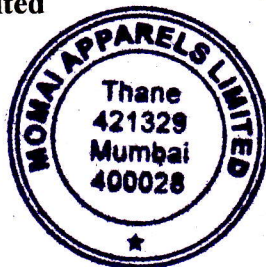
Kindly take the same on your record.

Thanking you,

Yours truly,

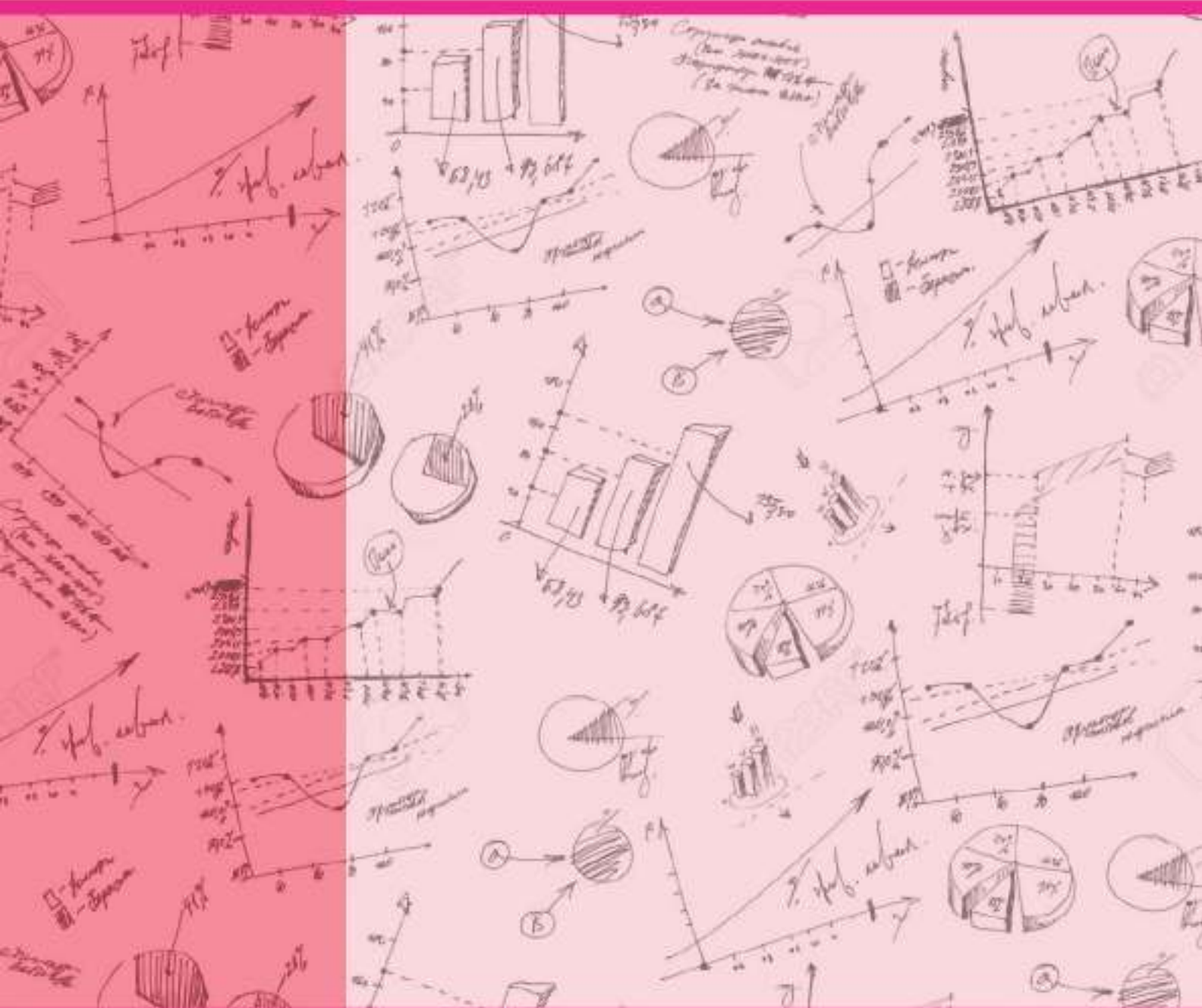
For Momai Apparels Limited

Bhoomi Mewada  
CS & Compliance Officer





**MOMAI**  
APPARELS LTD



## ANNUAL REPORT 2015-16



## Corporate Information

### Board Of Directors

#### Managing Director

Mr. Harshad Thakkar

#### Executive Director

Mr. Dinesh Sodha

Mr. Hitesh Punjani

#### Independent Director

Mr. Tarak Gor

Mr. Alok Nag

Mrs. Anupama Sharma

### Key Managerial Personnel

#### Chief Financial Officer

Mr. Anurag Gangwal

#### Company Secretary & Compliance Officer

Ms. Bhoomi Mewada

## Committees of Board of Director

#### Audit Committee

Mr. Tarak Gor  
(Chair Person)

#### Nomination And Remuneration Committee

Mr. Tarak Gor  
(Chair Person)

#### Stakeholder Relationship Committee

Mr. Tarak Gor  
(Chair Person)

#### Corporate Social Responsibility Committee

Mr. Harshad Thakkar  
(Chair Person)

Mrs. Anupama Sharma

Mrs. Anupama Sharma

Mrs. Anupama Sharma

Mr. Hitesh Punjani

Mr. Harshad Thakkar

Mr. Alok Nag

Mr. Harshad Thakkar

Mr. Alok Nag

## Other Information

#### Statutory Auditor

Bagaria and Co., LLP  
Chartered Accountants

#### Secretarial Auditor

Jaiprakash R Singh & Associates  
Company Secretaries

#### Registrar And Share Transfer Agent

Link Intime India Private Limited

### Registered Office

305-309, 3<sup>rd</sup> Floor, Pacific Plaza, B.S. Road, Tps Iv,  
Mahim Division Dadar West, Mumbai -400 028

### Contact Details

Email: [investors@momaipapparels.com](mailto:investors@momaipapparels.com)

Website: [www.momaipapparels.com](http://www.momaipapparels.com)

Tel: 022 24331551 Fax: 022 24331506

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# CHAIRMAN'S MESSAGE

Dear Shareholders,

It is always Pleasure and privilege to share with you highlights of the year's performance and outlook for the next year.

The year 2015-16 has been a year of positivity and optimism for the Indian economy. Despite weak global performance, India's growth story has remained steady at a similar pace in 2015-16 (7.6 percent) as compared to 2014-15 (7.2 percent). Notably, India has grown despite weaker demand from the world's developed nations. Foreign investors are floating back as they foresee investors a period of stability and sustained high-growth for the near and mid-term as India marches ahead to become the fastest growing economy in the world.

At Momai Apparels Limited, we specialising in the non-branded intimate wear products for men, women and kids. There is a major shift happening in the intimate wear space: the aspirational youth is demanding fashion in intimate wear, which has hitherto a non-fashion, functional and utility product. However, compared to countries like China and Thailand, India is still way behind in terms of consumer spend on fashionable intimate wear a clear indication of the huge opportunity that lies around.

It was another year of excellent financial performance by your Company. The Key Financial highlight are:

- Our total revenues for the year were Rs.13851 lakhs as compared to Rs.12316.74 lakhs in the previous year.
- Our EBIDTA for the year was Rs.1131.88 lakhs against Rs.1059.40 lakhs in the previous year.
- Our net profit after tax for the year was Rs. 312.18 lakhs against Rs.366.49 lakhs in the previous year.

In a span of only seven years, we have become a force to reckon with in intimate wear market place. The combination of categories, products, range and design for the entire family gives us a distinct competitive advantage that is hard to replicate.

I thank all our stakeholders, our bankers, our investors, our vendors and partners, our agents for their trust and faith. A special thanks to all the employees of the Company for their energy and efforts in the success of Momai Apparels Limited.

Yours Sincerely,

Harshad Thakkar,  
Chairman and Managing Director.



# NOTICE

Notice is hereby given that the 7th Annual General Meeting of Momai Apparels Limited will be held on Thursday, September 29, 2016, at 10.a.m. at the Kohinoor Banquet Hall, Kohinoor Corner, Veer Savarkar Marg, Prabhadevi, Opp Siddhivinayak, Temple Dadar West, Mumbai- 400 025 to transact the following business:

## ORDINARY BUSINESS

- 1.To receive, consider and adopt the Audited Financial Statements for the Financial Year ended 31st March, 2016 and the Reports of the Auditors thereon.
- 2.To appoint a Director in place of Mr. Dinesh Chanubha Sodha (DIN 02836240), who retires by rotation and being eligible, offers himself for re-appointment.
- 3.To appoint a Director in place of Mr. Hitesh Subhash Punjani (DIN 03268480), who retires by rotation and being eligible, offers himself for re-appointment.
- 4.To ratify the appointment of Statutory Auditors.

To ratify the appointment of Bagaria & Co., LLP, Chartered Accountants, Mumbai (Firm Registration No. FRN-113447W/W- 100019) as approved by members at the 7th Annual General Meeting as Statutory Auditors of the company, to hold office until the conclusion 8th Annual General Meeting, and to fix their remuneration for the financial year ending 31st March, 2017.

## SPECIAL BUSINESS

- 5.Approval of Related Party Transactions with Ashapura Intimates Fashion Limited

To consider and if thought fit, pass with or without modification(s) the following as an Ordinary Resolution:

**RESOLVED THAT** pursuant to Regulation 23(8) of SEBI (Listing Obligations and Disclosure Requirement) Regulations, 2015 ('Regulations') effective from 1st December, 2015 governing the Related Party Transactions and all other applicable Acts, Rules, Regulations, Guidelines (including any statutory modifications or re-enactment thereof, for the time being in force), approval of the shareholders of the Company be and is hereby accorded for contract(s)/ transaction(s) with Ashapura Intimates Fashion Limited, a Related Party in accordance with the Regulations, the details of which are provided herein below:





Name of the related party	Ashapura Intimates Fashion Limited
Name of the Director or KMP who is related, if any	Mr. Harshad Thakkar , CMD Mr. Dinesh Sodha, Executive Director Mr. Hitesh Punjani, Executive Director
Description/Nature of Interested Party	Company in which three executive Directors are common and two executive directors holds more than 2% of its share capital
Nature of relationship	Holding Company
Nature, material terms, monetary value and particulars of the contract or arrangement	Nature: Sale of Finished Goods Duration: on Continues transaction basis, from year to year Value of the Transactions : At Arm's Length Price Value : Not exceeding Rs. 250 Crore during any financial year

**RESOLVED FURTHER THAT** the Board of Directors be and is hereby authorized to vary or increase remuneration specified above from time to time to the extent as the board of directors and on recommendation of nomination and remuneration committee of the company any deem appropriate, provided that such variation or increase, as the case may be, is within overall limits specified under the relevant provisions of the Companies Act, 2013.

By Order of the Board of Directors

**For Momai Apparels Limited**

Sd/-  
**Bhoomi Mewada**  
**Company Secretary**  
**PAN: AWWPM6709N**

**Registered Office**

305-309, 3rd Floor Pacific Plaza,  
B.S. Road, TPS IV, Mahim Division  
Dadar West, Mumbai 400 028

**Date: 3rd September, 2016**

**Place: Mumbai**





## NOTES:

- a. A MEMBER ENTITLED TO ATTEND AND VOTE IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE ON POLL ON HIS / HER BEHALF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY.

Pursuant to Section 105 of the Companies Act, 2013, a person can act as a Proxy on behalf of not more than fifty members 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 a 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.

- b. The Statement setting out the material facts pursuant to Section 102 of the Companies Act, 2013 ("the Act"), concerning the Special Business in the Notice is annexed hereto and forms part of this Notice.

- c. Corporate Members intending to send their authorised representatives to attend the AGM are requested to send a duly certified copy of their Board Resolution authorising their representatives to attend and vote at the AGM.

- d. In case of joint holders attending the Meeting, only such joint holder who is higher in the order of names will be entitled to vote.

- e. Relevant documents referred to in the accompanying Notice and the Statement, are open for inspection by the members at the Registered Office of the Company on all working days, except Saturdays, during business hours up to the date of the Meeting.

- f. SEBI has mandated the submission of Permanent Account Number (PAN) for participating in the securities market, deletion of name of deceased holder, transmission/transposition of shares. Members are requested to submit the PAN details to their Depository Participant (DP) in case of holdings in dematerialised form or to Link Intime India Private Limited. The Annual Report 2015-16 of the Company circulated to the Members of the Company, will be made available on the Company's website [www.momaiapparels.com](http://www.momaiapparels.com) and also on the website of the Stock Exchanges at [www.nseindia.com](http://www.nseindia.com)

- g. Members desirous of getting any information about the Accounts of the Company are requested to write to the Company at least seven days in advance of the Meeting, so that the information can be kept ready at the Meeting.

- h. Voting options

1. Remote E-voting:

In compliance with the provisions of Section 108 of the Act, Rule 20 of the Companies (Management and Administration) Rules, 2014 and Regulation 44 of the SEBI (Listing Obligations and Disclosure Requirement) Regulations, 2015 the Members are provided with the facility to cast their vote electronically, through the remote e-voting services provided by Central Depository Services Limited on all resolutions set forth in this Notice.



## 2. Voting at AGM

- a. The Members who have not casted their vote electronically can exercise their voting rights at the AGM. The Company will make necessary arrangements in this regard at the venue. Members who have cast their vote by e-voting prior to the meeting may also attend the meeting but shall not be entitled to cast their vote again.
- . Members are requested to notify immediately any change in their communication address to their depository participants (DPs) in respect of their electronic share account quoting client ID Number and to Link Intime India Private Limited.
- j. Electronic copy of annual report for 2015-16 is being sent to all members whose email IDs are registered with the company/ Depository Participants for communication purpose unless any member has requested for a hard copy of the same. For members who have not registered their email address, physical copies of the annual report 2015-16 are being sent to them.
- k. To support the Green Initiative of the government, members who have not registered their email address so far are requested to register their email address, in respect of their electronic holding with the Depository through their concerned Depository Participants and members are requested to register their email address with the Registrar of the Company i.e M/s Link Intime India Private Limited, C-13, Pannalal Silk Mills Compound, LBS Marg, Bhandup West, Mumbai 400078.
- l. Pursuant to section 108 of the Companies Act, 2013, Rule 20 of the Companies (Management and Administration) Rules, 2014, as amended and regulation 44 of Listing Regulations, the company is pleased to provide the facility to Members to exercise their right to vote on the resolutions proposed to be passed at AGM by electronic means. The members, whose names appear in the Register of Members / list of Beneficial Owners as on 22nd September, 2016 i.e. the date prior to the commencement of Book Closure, being the cut-off date, are entitled to vote on the Resolutions set forth in this notice.
- m. Members may cast their votes on electronic voting. The remote e-voting period will commence at Monday 26th September, 2016 at 9.00 a.m and will end at Wednesday 28th September, 2016 at 5.00 p.m. In addition, the facility for voting through electronic voting system shall also be made available at the AGM who have not cast their vote by remote e-voting shall be eligible to vote at the AGM.
- n. The company has appointed Mr. Jaiprakash Singh, (Membership no. FCS 7391), Practicing Company Secretary, to act as the scrutinizer, to scrutinize the entire e-voting process in a fair and transparent manner. The Members desiring to vote through remote e-voting are requested to refer to the detailed procedure given hereinafter.

The instructions for shareholders voting electronically are as under:

- (i) The voting period begins on Monday, 26th September 2016 at 9.00 a.m. and ends on Wednesday, 28th September, 2016. During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date 22nd September, 2016, may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
- (ii) The shareholders should log on to the e-voting website [www.evotingindia.com](http://www.evotingindia.com)
- (iii) Click on Shareholders.



(iv) Now Enter your User ID

a. For CDSL: 16 digits beneficiary ID,

b. Members holding shares in Physical Form should enter Folio Number registered with the Company.

(v) Next enter the Image Verification as displayed and Click on Login.

(vi) If you are holding shares in demat form and had logged on to [www.evotingindia.com](http://www.evotingindia.com) and voted on an earlier voting of any company, then your existing password is to be used.

(vii) If you are a first time user follow the steps given below:

For Members holding shares in Demat Form and Physical Form	
PAN	Enter your 10 digit alpha-numeric PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders) <ul style="list-style-type: none"><li>• Members who have not updated their PAN with the Company/Depository Participant are requested to use the sequence number which is printed on Address Stick indicated in the PAN field.</li></ul>
DOB	Enter the Date of Birth as recorded in your demat account or in the company records for the said demat account or folio in dd/mm/yyyy format.
Dividend	Enter the Dividend Bank Details as recorded in your demat account or in the company
Bank Details	records For the said demat account or folio. <ul style="list-style-type: none"><li>• Please enter the DOB or Dividend Bank Details in order to login. If the details are not recorded with the depository or company please enter the member id / folio number in the Dividend Bank details field as mentioned in instruction (iv).</li></ul>

(viii) After entering these details appropriately, click on “SUBMIT” tab.

(ix) Members holding shares in physical form will then directly reach the Company selection screen. However, members holding shares in demat form will now reach ‘Password Creation’ menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.

(x) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.

(xi) Click on the EVSN for the Company ‘MOMAI APPARELS LIMITED’.

(xii) On the voting page, you will see “RESOLUTION DESCRIPTION” and against the same the option “YES/NO” for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.



- (xiii) Click on the “RESOLUTIONS FILE LINK” if you wish to view the entire Resolution details.
- (xiv) After selecting the resolution you have decided to vote on, click on “SUBMIT”. A confirmation box will be displayed. If you wish to confirm your vote, click on “OK”, else to change your vote, click on “CANCEL” and accordingly modify your vote.
- (xv) Once you “CONFIRM” your vote on the resolution, you will not be allowed to modify your vote.
- (xvi) You can also take out print of the voting done by you by clicking on “Click here to print” option on the Voting page.
- (xvii) If Demat account holder has forgotten the same password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
- (xviii) Note for Non – Individual Shareholders and Custodians

- Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodian are required to log on to [www.evotingindia.com](http://www.evotingindia.com) and register themselves as Corporate.
- A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com)
- After receiving the login details a compliance user should be created using the admin login and password. The Compliance user would be able to link the account(s) for which they wish to vote on.
- The list of accounts should be mailed to helpdesk.[evoting@cdslindia.com](mailto: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](http://www.evotingindia.com), under help section or write an email to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com)

The scrutinizer shall unblock the remote e-voting facility at the end of the e-voting period, in presence of atleast two witness not in the employment of the company and make a scrutinizers report of the votes cast in favour or against if any, to the Chairman.

The Chairman shall declare the result of the voting and the Company shall submit it to the Stock Exchanges within Forty-eight hours of conclusion of AGM. The results declared along with the scrutinizer’s report shall be placed on the company’s website: [www.momaiapparels.com](http://www.momaiapparels.com) and on the website of Link Intime India Private Limited at [www.linkintimeindia.com](http://www.linkintimeindia.com) and the same shall be communicated to National Stock Exchange of India Limited, where the shares of the company are listed.



By Order of the Board of Directors

**For Momai Apparels Limited**

Sd/-

**Bhoomi Mewada**  
**Company Secretary**  
**PAN: AWWPM6709N**

**Registered Office**

305-309, 3rd Floor Pacific Plaza,  
B.S.Road, TPS IV, Mahim Division  
Dadar West, Mumbai 400 028

**Date: 3rd September, 2016**

**Place: Mumbai**



## ANNEXURE TO THE NOTICE

### EXPLANATORY STATEMENT PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013

The Company is engaged in business of production of non branded products like loungewear, nightwear, inner wear and intimates. The company sales the finished product to Ashpaura Intimates Fashion Limited, Holding Company a (Related Party to the Company in terms of the Listing Regulations) the transaction under ordinary course of business and at arm's Length price.

The Company had, pursuant to provision of Section 188 and the requirements under the Clause 49 of the Stock Exchange Listing Agreement, in its Annual General Meeting held on 26th September, 2015, sought approval of shareholders for the said transactions. However, due to the promulgation of SEBI (Listing Obligations and Disclosure Requirement) Regulations, 2015 effective 1st December 2015, it would be necessary as per Regulation 23(8) of the said Regulations to seek approval of shareholders for all existing material related party contracts or arrangements entered into prior to the date of notification of the said Regulations and which is continuing.

In accordance with Regulation 23 of the SEBI Listing Regulations, Material Related Party Transaction shall be approved by the Member of the company. The company has entered into transaction with its holding company i.e Ashapura Intimates Fashion Limited, which are material as per the aforesaid regulations. The above Related Party Transaction being in the ordinary course of business, at an arms' length basis and in accordance with the Company's Policy on Related Party Transactions and in the ordinary course of business.

Further, disclosures in connection with the related party transaction/contract are:

Name of the related party	Ashapura Intimates Fashion Limited
Name of the Director or KMP who is related, if any	Mr. Harshad Thakkar , CMD Mr. Dinesh Sodha, Executive Director Mr. Hitesh Punjani, Executive Director
Description/Nature of Interested Party	Company in which three executive Directors are common and two executive directors holds more than 2% of its share capital
Nature of relationship	Holding Company
Nature, material terms, monetary value and particulars of the contract or arrangement	Nature: Sale of Finished Goods Duration: on Continues transaction basis, from year to year Value of the Transactions : At Arm's Length Price Value : Not exceeding Rs. 250 Crore during any financial year

Your director recommend for your approval, the ordinary resolution set out in the item no. 5 of the Notice.



Except Mr. Harshad Thakkar , Mr. Dinesh Sodha, and Mr. Hitesh Punjani, none of the Directors and Key Managerial Personnel of the Company and their relatives is concerned or interested, financial or otherwise, in the resolution set out at Item No. 5. Further, no voting done by any members of the Company, if such member is a related party, shall be counted for the purpose of passing of this resolution.

By Order of the Board of Directors

**For Momai Apparels Limited**

Sd/-  
**Bhoomi Mewada**  
**Company Secretary**  
**PAN: AWWPM6709N**

**Registered Office**

305-309,3rd Floor Pacific Plaza,  
B.S.Road, TPS IV, Mahim Division  
Dadar West, Mumbai 400 028

**Date: 3rd September, 2016**

**Place: Mumbai**

Profile of the Directors being re-appointed as required under Regulation 36 of the SEBI (Listing Obligation and Disclosure Requirement) Regulation , 2015

Particulars	Mr. Dinesh Sodha	Mr. Hitesh Punjani
Date of Birth	29/03/1978	20/04/1983
Date of Appointment	21/01/2010	15/04/2013
Qualification	10 <sup>th</sup> Pass	12 <sup>th</sup> Pass
Disclosure of Relationship between the Directors inter-se	None	None
Directorships in other Public Listed companies	Ashapura Intimates Fashion Limited	Ashapura Intimates Fashion Limited
Membership of Committees held in other Public Listed companies	None	CSR committee
Shares held in the Company	7,65,000	14,94,000





# MANAGEMENT DISCUSSION & ANALYSIS REPORT

## 1. Global Economy Overview

In the financial year 2015-16, global economic activity continued to remain subdued. The growth in emerging markets and developing economies, which account for around 70 percent of the global growth, declined for the fifth consecutive year, while the advanced economies continued to recover slowly. There were few key influencing factors to the global economy.

China's economy witnessed a faster than expected slowdown due to rebalancing economic activities moving away from investment and manufacturing towards consumption and service related activities.

Energy and various commodity prices witnessed a decline. Lower oil prices strain the fiscal positions of fuel exporters and weigh on their growth prospects, while supporting household demand and lowering business energy costs in importers. However, strain due to oil shock and its impact on investment climate and weak pick-up in oil-consuming economies due to limited pass-on of lower prices has resulted in global growth stalling.

The United States has been going through a gradual monetary policy tightening scenario where the U.S. Federal Reserve lifted the federal funds rate from the zero lower bound, while monetary easing continued in the euro area and Japan. Prospects of a gradual increase in policy interest rates in the United States as well as bouts of financial volatility amid concerns about emerging market growth prospects have contributed to tighter external financial conditions, declining capital flows, and further currency depreciations in many emerging market economies.

According to IMF, Growth in advanced economies is projected to rise by 0.2 percentage points in 2016 to 2.1 percent, and hold steady in 2017. Growth in emerging market and developing economies is projected to increase from 4 percent in 2015 the lowest since the 2008-09 financial crisis to 4.3 and 4.7 percent in 2016 and 2017, respectively.

## 2. Indian Economy Overview

India remained a relatively bright spot in the global economy with its growth story continuing to bloom. One of the contributors to the strong growth experienced by the Indian economy was the sharp decline in crude oil prices. According to Asian Development Bank estimates, the Indian economy grew at 7.6% in FY2015 (ending 31 March 2016). Despite a weak monsoon for a second consecutive year, agriculture grew by 1.1% in FY2015. While the industry and private consumption accelerated to a growth of 7.3% and 7.6% respectively, the services growth moderated to 9.2%.

India continued to remain at the top of Nielsen's global consumer confidence index for the sixth quarter in a row. The Foreign Direct Investment (FDI) inflows increased 40 per cent during April-December 2015 to reach USD 29.44 billion, compared to same period last year. Also, India's foreign exchange reserves remained comfortable at USD 356 billion in the week up to March 25, 2016.

The regulatory regime witnessed easing and the Reserve Bank of India (RBI) cut interest rates four times as inflation eased sharply. Rate cuts had been widely called for by the industry to reduce the cost of borrowing and help stimulate growth. The government's strong focus on reviving growth was evident from the Union budget, where the Finance Minister gave relief to small tax payers, nudged the affluent to shell out more while focusing on the rural economy with much higher fiscal outlays. The Finance minister also reaffirmed that the government would continue the reform agenda to usher in the long awaited GST by passing the Constitutional Amendment Bill in the Parliament.

On the government initiative front, the "Make in India scheme", "Smart cities plan", "Jan-Dhan Yojna", "Digital India plan", "Skill Development & Start-up India initiatives", "Power for All", "UDAY", "Housing for All", "Scheme to revitalise public sector banks", "Ease of Doing Business (EoDB) initiative" and



other ambitious infrastructure programmes presents significant opportunities for investors to be part of one of the largest development programmes in the world. These programmes are expected to transform not only the cities and the country as a whole, but also the way business is done in India.

As per the World Economic outlook released by the IMF, India will be the fastest growing major economy in 2016-17 growing at 7.5%, ahead of China, at a time when global growth is facing increasing downside risks. India's growth is expected to continue to be driven by private consumption, which has benefited from lower energy prices and higher real incomes. With the revival of sentiment and pickup in industrial activity, a recovery of private investment is expected to further strengthen growth.

### **3. Global textile at Apparel Industry Overview**

The global textile market is estimated to be around US \$1.15 trillion which is nearly 1.8 % of the world's GDP. Almost 70-75% of this market is concentrated in Europe, USA, China and Japan. Comparing the major markets, India has the lowest per capita spend on garment (\$37) which is only 3 % of Australia, the highest one (\$1,131). China is the single largest exporter with a 39% share while India stands at a second with a 5% share. While the apparel market is still largely dominated by EU & USA, countries like China, India and Russia are emerging as future destinations for apparel consumption. The high growth in the market will be primarily driven by the increase in population as well as the per capita apparel spending of the already large population in these countries. A study by CRISIL and Wazir Advisors has estimated that the global apparel market will be around US\$ 2 Trillion by 2020. This high growth in apparel consumption in developing economies will further drive the growth of textile manufacturing and trade in these countries.

Presently, apparel constitutes more than half of the share of the global textile and apparel trade followed by fabric and yarn. Growth in global trade will bring about investments in the countries having strong supply. Textiles exports from India will touch US \$185 billion by the year 2024-25. Growth in exports of certain segments has increased such as handicrafts (17%), carpets (15%) and ready-made garments (12%). India has a share of approximately 5% of the global textile and apparel trade.

### **4. Indian Textile & Apparel Industry Outlook**

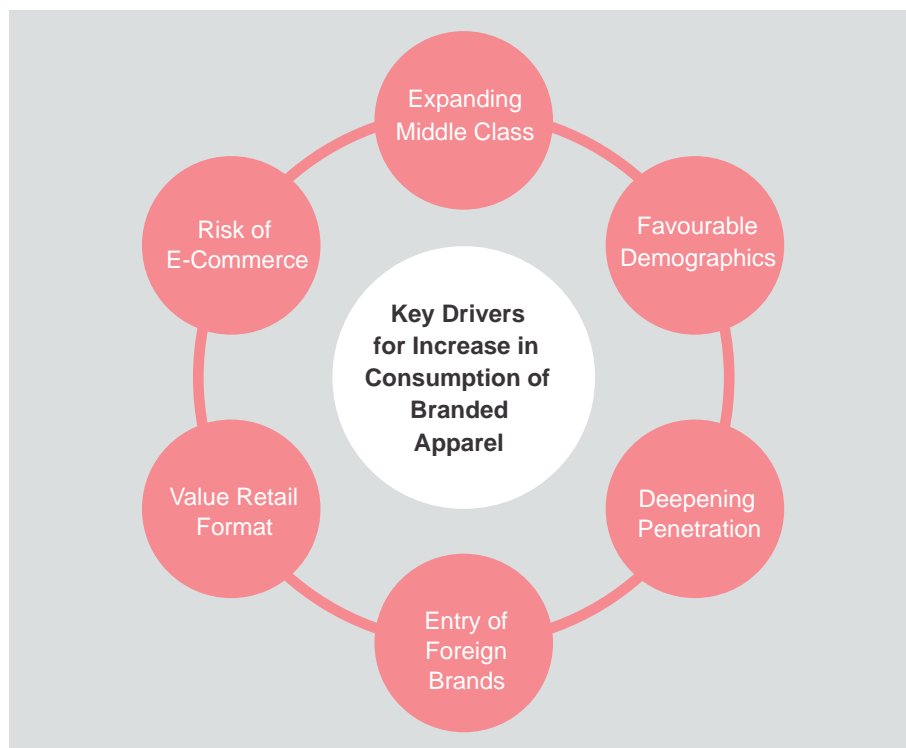
**a. Indian Textile Overview** The Indian textile industry accounts for about 24% of the world's spindle capacity and 8 % of global rotor capacity. Abundant availability of raw materials like silk, wool, cotton and jute combined with a skilled workforce have made India, a sourcing hub. The potential size of the Indian textiles and apparel industry is currently estimated to be around US \$108 billion and is expected to reach US \$223 billion by 2021, according to a report by Corporate Catalyst. The Textile Industry is one of the largest contributors to India's exports (11%) worth US \$41.4 billion and accounts for approximately 5% of India's GDP and 14% of overall Index of Industrial Production (IIP). It employs over 4.5 crore people directly and 6 crore indirectly, rendering it the second largest job creator after agriculture in the country.

Domestic textile consumption and textile exports are expected to cross 10% CAGR each. India's share in the global textile market is set to catapult to 8% in 2020 as per a report by Edel Invest Research. China is expected to vacate .USD100bn of textile space over the next 5-6 years due to appreciating currency, rising labour costs, high energy costs and sharpening focus on domestic market. Countries like India, Vietnam, Bangladesh and Sri Lanka are likely to be the key beneficiaries. The total Indian textile exports are estimated to touch US \$ 60bn over the next 5 years. The textile and apparel industry can be broadly divided into two segments -yarn and fibre, and processed fabrics and apparel.Increased penetration of organised retail, favourable demographics, and rising income levels are likely to drive demand for textiles. Rising government focus and favourable policies is leading to growth in the textiles and clothing industry. The Ministry of Textiles is encouraging investments through increasing focus on schemes such as Technology Up-gradation Fund Scheme (TUFS). As per the 12th Five Year Plan, the Government plans to provide a budgetary support of US \$4.25 billion to textiles. Free trade with ASEAN countries and



proposed agreement with European Union will also help boost exports.

**b. Indian Branded Apparel Market** Exciting time is seen ahead for the Indian domestic apparel sector which is set to double by 2021. Also it is expected that the branded apparel sector will out space the industry growth rate by 1.5 times. Strong precedent lies ahead as India moves towards a discretionary demand inflection point of US\$2000 GDP per capita. Top brands have registered 24% CAGR over 2011-2015 setting a strong precedent for what lies ahead and this growth is sustained over the next 5-10 years as the highly fragmented apparel market consolidates and consumers continue to upgrade to leading brands. Menswear market in India was INR 1,05,050 Cr in 2014, and is expected to grow at a CAGR of 9.2% to reach INR 1,61,570 Cr in 2019 and INR 2,52,550 Cr in 2024. Women's apparel market pegged at INR 93,080 Cr in 2014, is expected to reach INR 2,49,710 Cr by 2024 as it will grow at a CAGR of 10.4% during this period. The three fastest growing categories are Denim, innerwear and T-shirts growing at a CAGR of 18%, 17% and 15%. The following can be taken as the multiple growth catalysts for Branded Apparel in India:



Source: CLSA

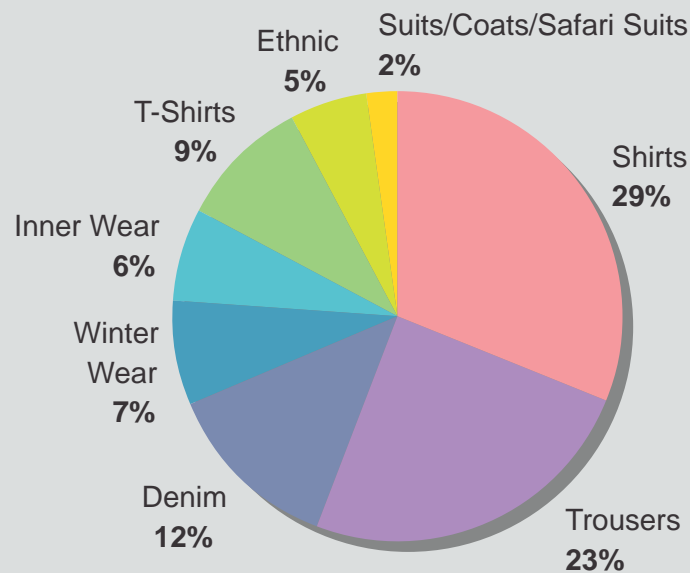
**c. Indian Leisure Wear Market Overview** Indian Casual Market is flourishing with the flourishing consumer sector which is driven by growth in income levels, changing lifestyles and the entry of foreign players. Casual wear brands in India have shown potential in all segments of the market- premium, medium, lower and is going beyond the boundaries of urban markets in major metros, casual wear is picking up pace in mini metros, Tier II and III cities as well.

The size of men's casual wear market was INR 41,500 Cr in 2014 and is expected to grow to INR 68,450 Cr by 2019. Owing to the gradual shift of men's apparel market towards casual wear such as denims, T-shirts/polo and active wear are growing at a much faster CAGR of 14%, 12% and 14% respectively. This is as a result of growing fashion consciousness and aspiration beliefs, increasing brandization, and acceptance of specialized clothing not just in metros, but also in mini metros and tier I and tier II cities across India.

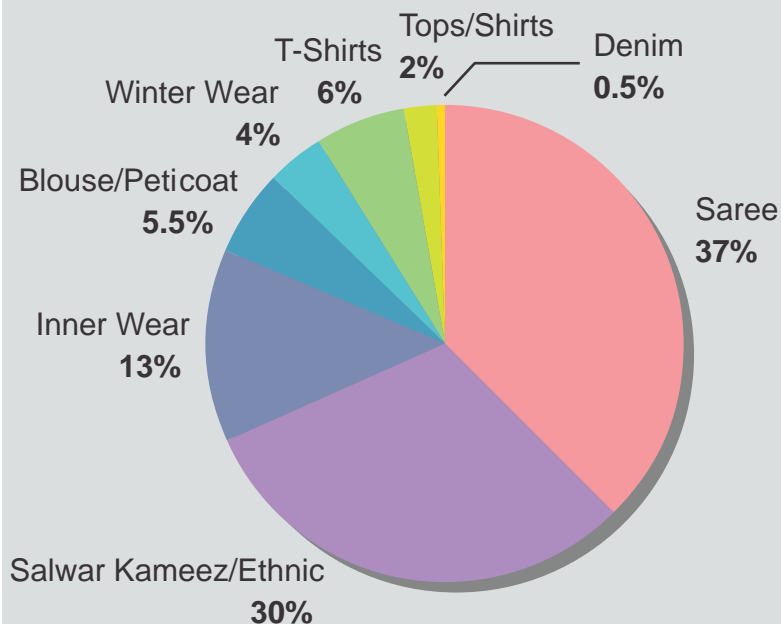


The women's casual wear market size was INR 4,350 Cr in 2014 and is expected to grow to INR 8,894 Cr by 2019. A women's casual wear collection largely comprises of fashionable skirts, tops made out of chiffon, silk, velvet, cargo, cropped or utility pants, capris and shirts made out of denim, silk and chambray, different washes of denim, leather or denim jackets etc. Because comfort and effectiveness is of utmost importance, casual wear is quickly replacing the traditional wear of woman's everyday wardrobe. Complimentary accessories like scarves, hats, mittens, handcrafted belts etc have made the women's casual wear market much more versatile and dynamic.

**CATEGORICAL BREAK-UP - MEN'S WEAR (2014)**



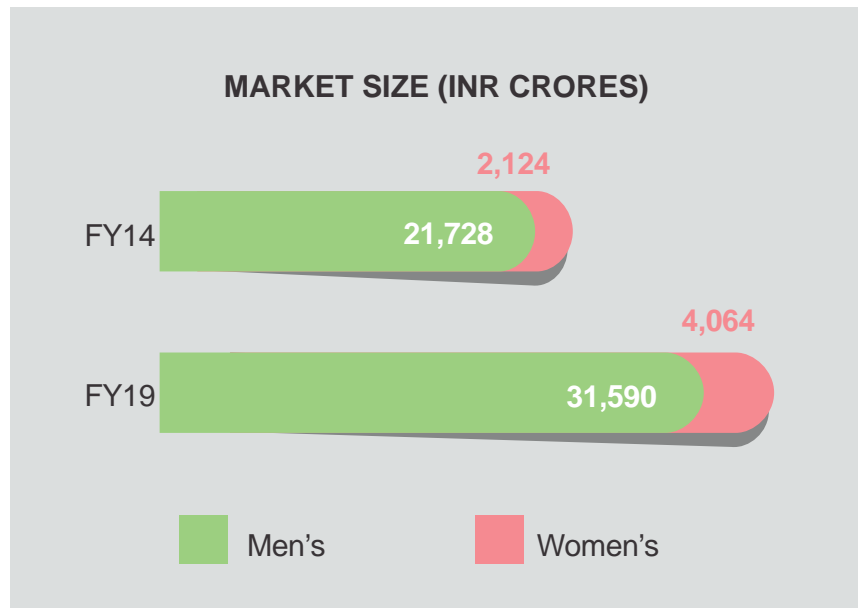
**CATEGORICAL BREAK-UP - WOMEN'S WEAR (2014)**





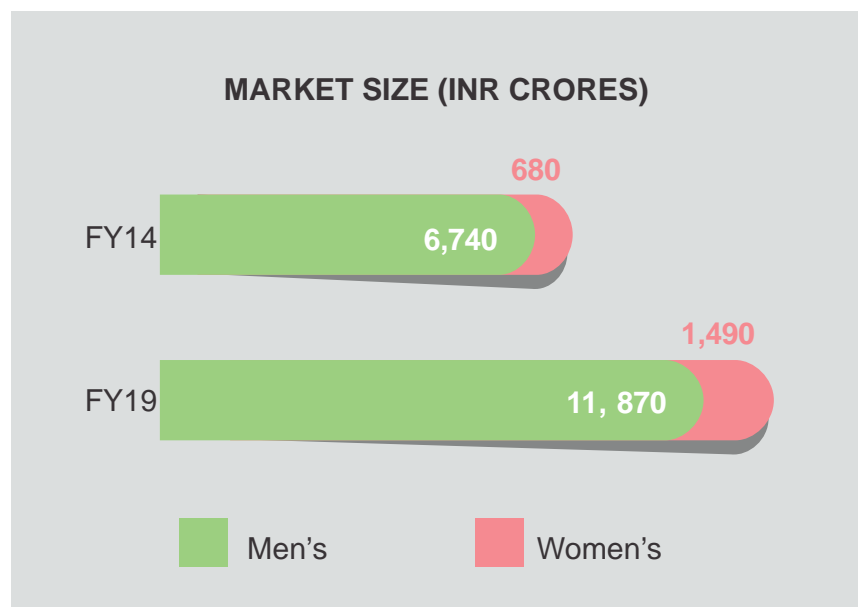
### Casual Shirts/Tops/Trousers/Skirts

Due to comfort factor, a large number of choices for fabric, designs, fit - this category of casuals has been quite popular from many years with youth in both urban as well as rural areas. The market size for men's casual shirts and trousers was INR 21,728Cr in 2014 and is estimated to grow at CAGR of 7% to reach INR 31,520Cr in 2019. Whereas, the market size for women's casual shirts and trousers was INR 2,214Cr in 2014 and is estimated to grow at CAGR of 12 % to reach INR 4,064Cr in 2019.



### T-shirts

T-shirts is considered as one of the most comfortable and dynamic categories of casual wear. Due to its soft knit fabric, the fits, and the versatile use t-shirts comprises of highly demanded product segment and is acceptable to a huge consumer range. The market size for men's T-shirts was INR 6,740 Cr in 2014 and is estimated to grow at CAGR of 14 % to reach INR 11,870 Cr in 2019. And for women, the market size for t-shirts was INR 680 Cr in 2014 and is estimated to grow at CAGR of 15% to reach INR 1,490 Cr in 2019.





### **(i) Casual Wear as a Lifestyle product**

Indian market is an emerging market for the casual wear, as it suits the changing lifestyles and fast paced youth of this century and it meets the demand of comfort and hectic life style other than making them look and feel good. Thus, the manufacturers of clothes have started to make and offer a vast line of casual wear of different styles and price ranges. Also, because of the same reason most apparel brand are extending their formal wear brand and repositioning them into other wardrobe sections like casual wear so as to turn the brand into a lifestyle label.

### **(ii) E-tailing**

Casual wear market has witnessed a rapid growth in e-commerce due to rising penetration of internet across India. Owing to its convenience, speed, competitive pricing along with multiple payment options such as online payment and cash on delivery is expected to aid the growth of apparel market through online retailing channel in the coming years.

### **(iii) Growth drivers**

There are various growth drivers for success of Casual wear like the rising standard of living, also people are now left with higher disposable income and there is rise in casualization of men and women's wardrobes. One of the main keys for success of Casual wear brands is also constantly innovating new product range which includes wide range of styles in terms of prints, designs and fabrics, so as to match the changing preferences of the customers, they are being more creative.

India's growth driver is the youth and its preferences, and today's youth are exhibiting more mobility; openness and desire to experiment are opting for cool, smart casual wear. Basically, the rapid growing urban population has been the reason for changed taste, preference and trends towards fashion outfits. Due to large part of existing options, changing styles and exposure to world fashion, the average Indian apparel consumer has become much more whimsical.

### **(iv) The Way Ahead for Casual Wear**

The Indian casual wear market is poised for promising growth. Factors including a booming middle class population, a paradigm shift in consumers' choices and disposable income ensure promising future for casual wear segment. There is a high scope for innovative products in this segment. India has become a market with a plethora of opportunities and brands and retailers who understand the needs of Indian customers' better are expected to leverage the opportunities to derive growth.

Source: Technopak

### **d. Indian Sportswear Overview**

Today's generation is aware of the fact that different types of fitness activities require different attire. The products that fall under sportswear are sports bras, running shorts and tops, track pants, jackets, gym bottoms, socks, etc., which are not widely available. A limited range is available at intimate wear stores as the focus there is on innerwear alone and most products tend to get segmented under comfort wear. Hence, there is untapped opportunity can be cashed in on by brands and retailers. In major cities, foreign brands dominate this category with great variety along with private labels, creating sportswear brands visibility through a strong distribution network, even into tier-II and III cities via EBOs, organised MBOs, departmental stores, and unorganised stores. Indian brands continue to be available mainly through the unorganised route. Smaller local and regional players have greater presence through unorganised stores, in regions closer to the manufacturing units.





### **e. Indian Sleepwear Overview**

The sleepwear category for women includes chemise, pyjamas sets, short length and long robes, tube dresses, nightgowns and nightshirts, top-pyjamas night suits. Sleepwear constitutes a fairly significant part of all lingerie outlets, with lower product width and depth compared to intimate wear. In comparison, for men its shorts, t-shirts, and pyjamas that form the core product range. In this category, consumers are not very brand-driven but are design, style, and comfort-driven. Indian and foreign brands, as well as private labels, are available in metros and mini metros through department stores and EBOs. Local, smaller players display a retail presence similar to that for active wear, with product availability concentrated regionally. Departmental stores enjoy a good standing with customers; however, it is the local unorganised stores which are most popular for this category.

### **f. Indian Kidswear Market**

The kids' Apparel market in India that is for children as young as one year to as old as 14 years, is witnessing a CAGR of 9-10% and set to grow from INR 90,000 crore now to INR 100,000 crore by 2020. The volume of market share of kids' apparels in the total apparel market is at 24.9%, as against a 15% share in 2005.

Kids' Apparel Market is the fastest growing industry in India. Since Indian market is moving more towards international look also in terms of children's apparel, there is an excellent opportunity for the players to lay the strong foundation. Branded kids apparel market is in its nascent stage in India with a handful of national and international brands. Industry analyst estimate that market size of branded kids wear in India (including brands like Ruff Kids, Ruff Baby, Planet Kids, Gini & Jony, ZAPP, Li'l Tomatoes and Weekender Kids) is estimated to be around INR 1,000 crores. Today Indian kids wear branded market is growing at 15% per annum. The presence of international brands like Barbie, Mothercare, Benetton Kids, Pepe, Lee Kids, Tommy Hilfiger and Adams Kids in Indian market witnesses the growth potential.

### **Some major changes in trends are taking place which are:**

1. There is shift taking place on account of rise in the disposable income of the people and the increasing influence of western world.
2. The emergence of kids as an independent buyer group. Influenced by mass media and peer pressure, today's kids are more informed and self-conscious.

### **g. Indian Innerwear Market**

The Indian innerwear market is worth INR 17,750 crore (2013), which is estimated to grow at a CAGR of -13% to reach INR 59,540 over the period of 2013-23 and women innerwear market is estimated to grow at a CAGR of —15% to INR 44,000 crores over the same period. Higher disposal income, consumers' shifting focus from a price sensitive category to a brand sensitive category coupled with growing number of working force and the increasing demand of western wear continues to drive growth in the sector.

Source: AUM Report, Technopak Advisors.

Source: Technopak

### **(i) The women's innerwear market**

The women's innerwear market is worth INR 10,880 crores contributing to around 60% to the market and growing at a promising CAGR of 15%. With the increase share of working women, there has been an increase in the share of western wear in their wardrobe. Also, with the increase in exposure, there is an increased demand for better fits and quality alongside the demand for a wider range of colours, styles and accessories.





Brand consciousness is no more restricted to external apparel. Women are increasingly getting conscious about the brands and styles of their intimate wear too. In fact, this changing preference is no longer restricted to just the metros, but has spread to mini metros, tier-I, II and III cities. This openness to indulge in branded lingerie has led to a growth in the number of international and domestic innerwear brands present in India.

On the basis of product pricing, the innerwear market is divided into super-premium, premium, medium, and economy segments. Due to the increased awareness, the increase in number of brands, and rising discretionary spending, all segments have registered growth. Foreign brands have brought in variety through international styles and fabrics. Indian women are also willing to spend higher-than-before amounts on innerwear. This has provided an exponential boost to premium and super-premium innerwear brands. Mid-segment brands have started extending their product portfolios. In women's innerwear, the mid-premium segment makes up 52 percent of the market and is expected to grow the fastest, at a CAGR of 22 percent over the next 5 years.

Within the women's innerwear segment, there is potential of growth in maternity wear segment. Currently only selected brands, mostly international ones, offer multiple styles of maternity products.

#### **(ii) The men's innerwear market**

Men's Innerwear market is roughly INR 6,870 crore which is growing at 9 per cent includes products like vests, briefs or boxers, basic t-shirts, shorts, pyjamas, sleepwear and active wear. Various apparel brands and retailers which were predominantly focusing on active wear, casual wear and formal wear have extended their product portfolios to men's innerwear segment to leverage its growth.

Men's innerwear can be divided into super-premium, premium, medium, and economy segments. Within that the economy segment is the highest contributor at 55 percent, the mid-price segment contributes 36 percent, and the premium and super-premium segments together constitute 14 percent. It is expected that the premium and mid-price segments will grow fastest, and exponentially, in the next few years. This is largely due to consumers becoming more informed and they seek high fashion quotient along with comfort, hygiene, brand image and smart prices.

Consumers residing in tier-I, II and III cities are not necessarily fond of premium brands alone, they straddle all segments including the mass segment. Premium brands are still aspirational for these consumers. Price, comfort and easy availability form the basis of any purchase for this consumer.

### **5.TRENDS IN THE INDIAN FASHION MARKET**

**a.** Changing consumer trends and preferences There has been an exponential change in the trends and preferences of the consumers taste, needs and wants. The price sensitivity population has been replaced by quality, brand recall and stylish. Rising demand for readymade garments is replacing stitched clothes along with higher comfort level.

**b.** Fast fashion creating innovative disruption Fast fashion implies quickly capturing the latest fashion and catwalk trends and replicating them in a retail format. This requires an efficient supply chain and quick & inexpensive designing and manufacturing. This philosophy of quick and outsourced manufacturing, replicating latest designs at affordable prices with a short shelf life, is used by some of the apparel brands as new products are launched every week, existing products have a short shelf life, inducing shoppers to visit stores often, generating higher volumes. As the inventory is fast moving, the need to discount products to clear out stock is low, keeping margins stable.

**c.** Modern retail key to success Explosion of malls, high streets, large format stores and multi-brand outlets has spurred preference for branded apparel and thus, relatively minuscule and unknown domestic brands have also started growing rapidly as they gained visibility in the modern retail milieu.



Their success prompted many international brands to enter India. Hence, in recent years there has been increasing traction in organised retail. Apparel players opt for the franchisee format to grow, as franchisees operating on reasonable scale with control over their working capital are capable of generating free cash flows.

**d. E-commerce revolution a blessing in disguise** Due to retail space, infrastructure and operational challenges, most retailers had to look for other avenues to reach out to consumers. E-commerce provides this platform anchored by rising internet penetration and jump in the number of Indians owning an internet-enabled smart phone. E-commerce offers consumers attractive discounts on good quality trendy products, a larger bouquet of products & brands to choose from, convenience of cash on delivery and ease in returning products. The online retailing market is expected to grow to USD44bn by 2018 (USD13bn in 2014) with apparel being one of the biggest beneficiaries (31 % online retail presence already).

## **6. CHALLENGES FOR FASHION RETAIL IN INDIA**

Some key challenges faced by retailers and fashion retailers in general, have been addressed through innovative thinking by some retailers, but many of these issues need to be addressed by collective bargaining and mutual collaboration at industry level.

### **a. Heterogeneity of the Market**

Heterogeneity is a key characteristic of the Indian retail market in general. The Indian retail market is characterized by a diverse spread of customers with unique preferences. From a retailer's perspective, this requires a thorough understanding of consumer preferences across the country and of the similarity and differences in consumer buying patterns.

### **b. Evolving Customer Needs**

Indian retail fashion markets requires rediscovering the customer within a short time span and then rearrange the organization's structure, retail formats, and product portfolios accordingly. It has to continuously focus on the process of learning, unlearning, and relearning. Again, this alone is not sufficient; the insights gained in the process must be translated into actionable business decisions.

### **c. Rising Real Estate Rentals**

High leasing costs resulting from mispriced commercial real estate is a major concern for Indian retailers. Additionally, it is very difficult for retailers to find suitable commercial retail space in most Indian cities. Real estate rents and space availability are characterized by fragmented ownership, irregular auctions, inappropriate store designs, etc. Retailers have to push governments to allocate more retail space which can be rented/leased- out at reasonable cost.

### **d. Complex Tax Regime**

Thanks to multiple tax enforcement authorities, varying tax rates, duplication of taxes at different points the current tax regime continues to be complex and also the taxes charged by different states vary from one another, and so a national retailer needs to understand state-specific tax rules and plan retail models accordingly. The Goods and Services Tax (GST), which aimed to enforce a uniform tax regime, is yet to come into force.

**e. Infrastructural Bottlenecks** Indian fashion retail is hit by infrastructural bottlenecks due to the poor conditions of roads, highways, etc. which creates supply chain constraints and increases inventory costs.

### **f. Demand of Fibre & Polyester based products**

There is lack of fibre neutrality. Customer demand for manmade fibre-based apparel is growing globally.



It is unfortunate that India lacks to manufacture and process manmade fibre-based apparel in general and polyester-based apparel. This bottleneck is partially caused by government regulations that impose high excise duties and import duties on polyester. There is thus a need to overcome the deficiencies in the polyester-based fashion products segment as it is difficult to resist the growing demand for manmade fibre-based clothing.

## **7. CONCLUSION\**

The opportunity in this market is immense for those who can visualise the future and reinvent them at par with changing consumer preferences and associated challenges. To stay in the market, realigning and restructuring of the business models as per the evolving needs of the dynamic market is essential. The industry encompasses a plethora of opportunities but tapping these opportunities, and converting them to business value, requires a holistic understanding of the industry, starting from fibre-to-fashion retail. Fashion retailers have to go beyond the boundaries of sales, marketing, merchandising, and category management, and have to explore upstream and allied industries with accuracy. Many organizations in India are now gradually moving towards improving their profitability and efficiency by implementing various supply chain techniques. The most commonly used tools are information technology-based apparel retailers have started seeing information technology as an important tool to improve efficiencies and are taking definitive steps towards leveraging IT tools in reducing the gaps in the supply chain. Companies have begun understanding the need for building a sufficiently flexible supply chain which enables them to capitalize on new growth possibilities like developing a new product in the shortest possible time. The future belongs to those companies wherein a robust and flexible supply chain can become the base for any growth initiative.

**Sources: IBEF, CMIE, CCI, Edel Invest Research, Wazir Advisors, Technopak**



# CORPORATE GOVERNANCE REPORT

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

Corporate Governance primarily involves transparency, complete disclosure, independent monitoring of the state of affairs and being fair to all stakeholders.

The objective of the Company is not only meet the statutory requirements of the code but to go well beyond it by instituting such systems and procedures as are in accordance with the latest global trend of making management completely transparent and institutionally sound.

The Company has always believed in the concept of good Corporate Governance involving transparency, empowerment, accountability and integrity with a view to enhance stakeholder value. The company has professionals on its Board of Directors who get actively involved in the deliberations of the board as well as committees of directors on all important policy matters.

## 2. BOARD OF DIRECTORS

The board of directors of the company consists of Executive and Independent Directors. The day to day affairs of the company are entrusted with the senior management personnel, headed by the CFO and Managing director of the company. The board meets regularly to discuss, review and decide upon the matters such as policy formulation, setting up of goals, appraisal of performance with the goals and control functions, etc. The board thus exercise close control over the overall functioning of the company with a view to enhance stakeholder value.

There are no inter-se relationships between the Board members.

**a. The details of each member of the board along with the number of Directorship/ Committee Membership are as given below:**

Name	Date of Appointment	Category of Director	Directorships in other Indian Public Limited Companies (Excluding MAL)	No. of Board committees In which Chairman / Member (Excluding MAL)	
				Chairman	Member
Mr. Harshad Thakkar	21/01/2010	Chairman/Executive Director	1	NIL	2
Mr. Dinesh Sodha	21/01/2010	Executive Director	1	NIL	NIL
Mr. Hitesh Punjani	15/04/2013	Executive Director	1	NIL	NIL
Mr. Tarak Gor	16/08/2014	Non-Executive/ Independent Director	0	0	0
Mrs. Anupama Sharma	27/11/2014	Non-Executive/Women Independent Director	1	NIL	2
Mr. Alok Nag	16/08/2014	Non-Executive/ Independent Director	0	0	0



Notes:

1. Directorships exclude Private Limited Companies, Foreign Companies and Section 8 Companies and Alternate Directorships (if any).
2. Chairmanship/Membership of Committee only includes Audit Committee and Stakeholders Relationships Committee in Indian Public Limited companies other than MAL.

**b. Independent Directors**

The Non-Executive Independent Directors fulfill the conditions of independence specified in Section 149 of the Companies Act, 2013 and Regulation 16(b) of the Listing Regulation. A formal letter of appointment to Independent Director as provided in Companies Act, 2013 and the Listing Regulations has been issued and same is available on website at <http://www.momaiapparels.com/annual-reports/2014/dec/appointment-letters.pdf>

**c. performance Evaluation and Independent Directors Meeting**

The Directors other than Independent Directors of the Company evaluate the performance of Independent Directors of the Company on following criteria:

- invests time in understanding the company and its unique requirements;
- brings in external knowledge and perspective to the table for discussions at the meetings;
- expresses his/ her views on the issues discussed at the Board and keeps himself/ herself current on areas and issues that are likely to be discussed at the Board level.

During the year under review, the independent Directors met on January 15 , 2016, inter alia, to discuss:

- Evaluation of performance of non-Independent Director and the Board of Directors as a whole;
- Evaluation of performance of the chairman of company, taking into account the views of the Executive and Non-executive Directors;
- Evaluation of the quality, content and timeliness of flow of information between the management and the board that is necessary for the board to effectively and reasonably perform its duties.

All the independent Directors were present for this meeting.

**d. Board Meeting**

The Board meets at regular intervals to discuss and decide on business strategies/ policies and review the financial performance of the company.

The notice and detailed agenda along with the relevant notes and other material information are sent in advance separately to each director to enable the Directors to take an informed decision.



In the Financial year 2015-16, the Board met five times. The interval between two meetings was well within the maximum period mentioned under section 173 of the Companies Act, 2013 and the Listing Regulation.

Attendance of Directors at the Board Meetings and at the last Annual General Meetings:

Name of Directors	Meeting of Board of Directors of the Company					AGM held on Sept 26, 2015
	May 21, 2015,	Aug 29, 2015	Nov 14, 2015	Jan 15, 2016	Mar 31, 2016	
Mr. Harshad Thakkar	Yes	Yes	Yes	Yes	Yes	Yes
Mr. Dinesh Sodha	Yes	Yes	No	Yes	Yes	Yes
Mr. Hitesh Punjani	Yes	No	No	Yes	Yes	Yes
Mr. Alok Nag	Yes	Yes	No	Yes	No	Yes
Mrs. Anupama Sharma	Yes	Yes	Yes	No	Yes	Yes
Mr. Tarak Gor	Yes	Yes	Yes	Yes	Yes	Yes

#### e. Conflict of Interests

Each Director informs the company on an annual basis about the Board and the committee positions he occupies in other companies including chairmanships and notifies changes during the year. The members of the board while discharging their duties, avoid conflict of interest in the decision making process. The members of the Board restrict themselves from any discussions and voting in transactions in which they have concern interest.

#### f. Familiarisation Programme

The company has put in place a system to familiarize its independent directors about the company, its financial products, the industry and business model of the Company. In addition, the Company also keep the independent directors, updated on the events and developments in the industry and business environment.

During the financial Year 2015-16 a familiarization Programme was conducted on May 21<sup>st</sup>, 2015 and March 31, 2016 which was attended by the Independent Directors of the company. The Policy on Familiarisation Programme is updated on the website of the company :

<http://www.momaiapparels.com/annual-reports/Policies/Familiraisation%20programme.pdf>

### **3.COMMITTEES OF BOARD OF DIRECTOR**

The committee plays a crucial role in the governance structure of the company. These committee has been constituted to deal with specific areas/activities and the terms of reference of committee are approved by the board and are in line with requirement of the Act. The committees are formed under the formal approval of the board to carry out clearly defined roles. The board supervises the execution of its responsibilities by the committees.



## (A) Audit Committee

The Audit committee of the company is constituted in line with the provisions of Regulation 18 of the SEBI (LODR Regulation), 2015 read with Section 177 of the Companies Act 2013. The role of the audit committee is to supervise the company's financial reporting process and disclosure of its financial information, to recommend the appointment of Statutory auditors and internal auditors and fixation of their remuneration, to review and discuss with the auditors about internal control systems, adequacy of the internal control systems, major accounting policies and practices, compliances with accounting standards, Listing Regulations and other legal requirements concerning financial statements and related party transactions.

### i. **Composition:**

The Company has complied with the requirements of Regulation 18 of the SEBI (Listing Obligation and disclosure requirements) Regulation 2015 as regards to the composition of the audit committee. The audit committee constituted as follows;

Name of the Member	Position	Category
Mr. Tarak Gor	Chairperson	Non Executive / Independent Director
Mrs. Anupama Sharma	Member	Non Executive / Independent Director/ Women Director
Mr. Harshad Thakkar	Member	Managing Director/Executive

Ms. Bhoomi Mewada, Company secretary of the Company acts as the Secretary to the Committee.

### **Term of Reference**

The scope and function(s) of the Audit Committee are in accordance with the provisions of Section 177 of the act, the provisions of Regulation 18 of the SEBI (LODR) Regulation, 2015. Audit Committee is mainly entrusted with supervising and monitoring company's internal controls and financial reporting process amongst the other terms of reference which are explained below:

- Oversight of our Company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible.
- Recommending to the Board, the appointment, re-appointment and, if required, the replacement or removal of the statutory auditor and the fixation of audit fees.





- Reviewing the adequacy of internal audit function, discussing with internal auditors any significant findings and follow-up thereon, reviewing with the management annual and half yearly financial statements before submission to the board for approval.
- Approval or subsequent modification of any transactions of the company with related parties.
- Review and monitor the auditors independence and performance and effectiveness of the audit processes, scrutiny of inter corporate loans and investments, if any, evaluation of internal financial controls and risk management system; and reviewing the functioning of the Whistle Blower mechanism.
- To monitor the end use of funds raised through public offers and related matters.
- To oversee the financial reporting process and the disclosures of its financial information to ensure that the financial statement are correct sufficient and credible.
- To review with the management, the half yearly and yearly financial results before submission to the board for their approval.
- Matters required to be included in the directors responsibility statement to be included in the board report as per section 134 of the act.
- Changes if any in accounting policies and practices along with reasons for the same.
- Major accounting entries involving estimates based on the exercise of judgment by the management.
- Compliance with listing and other legal requirements relating to financial statements;
- Disclosures of the related party transactions.

### Meeting and Attendance during the year

Date of the Meeting	Mr. Tarak Gor (Chairperson)	Mrs. Anupama Sharma (Member)	Mr. Harshad Thakkar (Member)
May 21, 2015	Yes	Yes	Yes
August 29, 2015	Yes	Yes	Yes
November 14, 2015	Yes	Yes	Yes
January 15 2016	Yes	No	Yes
March 31, 2016	Yes	Yes	Yes

### (B) Nomination and Remuneration Committee

The “Nomination and Remuneration committee has been constituted by the board as per requirements of the provisions of section 178 (1) of the Companies Act, 2013 and Regulation 19 of the SEBI Regulation.

The Broad terms of reference of the Company’s Nomination and Remuneration Committee are to identify persons who are qualified to become Directors and who may be appointed in senior management in accordance with criteria laid down and to recommend to the board their appointment / removal, to formulate the criteria for evaluation of independent directors and the board, to determine and recommend to the board the remuneration payable to Whole Time Directors and to determine and recommend policy for remuneration to Directors, Key Managerial Personnel’s and other employees.



### **i. Composition**

The Nomination and Remuneration Committee comprised of the following members as on March 31, 2016.

Name of the Member	Position	Category
Mr. Tarak Gor	Chairperson	Non Executive / Independent Director
Mr. Alok Nag	Member	Non Executive / Independent Director
Mrs. Anupama Sharma	Member	Non Executive / Independent Director/ Women Director

Ms. Bhoomi Mewada, Company secretary of the Company acts as the Secretary to the Committee.

### **ii. Term of Reference:**

The scope and functions of the NRC are in accordance with the provisions of Section 178 of the Act, Regulation 19 of the SEBI Listing Regulations and Clause 49 of the erstwhile Listing Agreement.

- to take all appropriate/ necessary steps, decisions required in connection with managerial remuneration;
- to delegate all or any of the power hereby conferred to it;
- to settle any question, matter or doubt that may arise in relation thereto in order to give effect to the foregoing resolution or otherwise considered necessary by the aforesaid committee to be in the best Interest of the Company;
- to supervise and monitor the process of issuance/ grant/ vesting/ cancellation of Stock Options and such other share based benefits as may be decided to be granted to the employees of the Company/ Holding Company, from time to time, as per the provisions of the applicable laws, more particularly in terms of Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014;
- to perform such other acts, deeds, things and powers as may be delegated to the Committee by the Board from time to time.
- to do for and on behalf of the Board all acts, deeds and things which may be necessary for effective implementation of the foregoing resolutions.

### **iii.Meeting and Attendance during the year**

Date of the Meeting	Mr.Tarak Gor (Chairperson)	Mr. Alok Nag (Member)	Mrs. Anupama Sharma (Member)
August 29, 2015	Yes	Yes	Yes
November 14, 2015	Yes	No	Yes
January 15, 2016	No	Yes	Yes



## **(C)Stakeholder Relationship Committee**

The Stakeholder Relationship committee is constituted in line with the provisions of section 178(5) of the Companies Act, 2013 and Regulation 20 of SEBI Regulation.

The Committee is responsible for assisting the Board of Directors in the Board's overall responsibilities relating to attending and Redressal of the grievances of the security holders of the company.

### **i.Composition:**

The Stakeholder Relationship Committee comprised of the following members as on March 31, 2016.

Name of the Member	Position	Category
Mr. Tarak Gor	Chairperson	Non Executive / Independent Director
Mrs. Anupama Sharma	Member	Non Executive / Independent Director/ Women Director
Mr. Harshad Thakkar	Member	Managing Director, Executive

Ms. Bhoomi Mewada, Company secretary of the Company acts as the Secretary to the Committee.

### **ii.Terms of Reference:**

The scope and functions of the SRC are in accordance with the provisions of Section 178 of the Act, Regulation 20 of the SEBI Listing Regulations and Clause 49 of erstwhile Listing Agreement. The scope and functions of the SRC is as follows:

- to consider and resolve Redressal of shareholders and investors of the Company in respect of matters relating to transfer and transmission of shares, Non-receipt of Dividend/ Annual Report, delays in transfer of shares and Dematerialization/ re-materialization of shares etc.;
- to evaluate the performance of the Registrar and Transfer Agent of the Company;
- to review and approve the allotment of shares, approval of transfer or transmission of equity shares, debentures or any other securities;
- to allot securities of the Company from time to time;
- to issue duplicate certificates and new certificates on split/ consolidation/ renewal, etc.;
- to provide guidance and recommendations for providing Shareholder friendly services.
- to carry out any other function as may be required as per the provisions of the Act, applicable SEBI Regulations and Listing Agreement(s), as amended from time to time.



### iii. Meeting and Attendance during the year

Date of the Meeting	Mr. Tarak Gor (Chairperson)	Mrs. Anupama Sharma (Member)	Mr. Harshad Thakkar (Member)
May 21, 2016	Yes	Yes	Yes
January 15, 2016	Yes	Yes	No
March 31, 2016	Yes	Yes	Yes

### iv. Stakeholders' / Investors' Complaints:

The total number of complaint received and resolved during the year ended March 31, 2016 was NIL. There were no complaints outstanding as on March 31, 2016. Summary of Shareholder complaints received during the year under review is as follows:

Sr. No.	Nature of Complaints	Complaints Received	Complaints Redressed
1	Non-receipts of Dividends	NIL	NIL
2	Non-receipts of shares lodged for transfer	NIL	NIL
3	Non-receipts of Duplicate/Consolidated Share Certificates	NIL	NIL
4	Non-receipt of demand Credit/Remat requests	NIL	NIL
5	others (e.g. Queries received from other statutory Authorities, etc.)	NIL	NIL
6	Total	NIL	NIL

The status of security holders grievances is monitored by the committee periodically and the minutes of the committee are made available to the board. The complaints received from the security holders, SEBI (SCORES), Stock Exchanges and any other Regulatory Authorities are reviewed and they are replied by the Company/ Registrar & Share Transfer Agent regularly. The status of the pending complaints as well as the system of Redressal mechanism is reviewed by the committee periodically.



#### **(D)Corporate Social Responsibility Committee**

- The terms and reference of the Corporate Social Responsibility Committee broadly comprises of Formulating and recommending to the board of directors the CSR policy and monitoring the same from time to time.
- The committee will review and evaluate the agenda, suggest modifications and discuss and recommend action plan to take the CSR activities forward.
- CSR Committee will monitor the CSR activities by the company as well as ensure that the company spends atleast the minimum sum as may be prescribed from time to time pursuant to Companies Act, 2013 and Companies (Corporate social Responsibility Policy) Rules, 2014 or such higher amount as may be decided by the board.
- During the year under review, the committee met one time on 31st March ,2016. The necessary quorum was present for all the meetings.

Name of the Member	Category	No. of Meeting Attended
Mr. Harshad Thakkar	Managing Director, Executive	1
Mr. Hitesh Punjani	Executive Director	1
Mr. Alok Nag	Non Executive-Independent Director	1

#### **4. REMUNERATION OF DIRECTORS**

The Non executive Directors are paid sitting fee for meetings of the board and committees of directors and commission, if any. There is no pecuniary relationship or transaction with the Non executive directors of the company.

The Company pays remuneration to its Chairman and Managing Director, executive director by way of Salary and Perquisites and allowances.



## 5.GENERAL MEETINGS

### a.Location and time of the last three Annual General Meetings:

Year	AGM	Location	Day and date	Time	No. of Special Resolution
2012-2013	4th AGM	305-309, 3rd Floor, Pacific Plaza Plot No.570, TPS IV, Off B.S.Road, Mahim Division , Dadar West Mumbai – 400 028	Wednesday, 25th Sept, 2013	11.00 a.m.	Nil
2013-2014	5th AGM	305-309, 3rd Floor, Pacific Plaza Plot No.570, TPS IV, Off B.S.Road, Mahim Division , Dadar West Mumbai – 400 028	Wednesday, 10th Sept 2014	10.30 a.m	I) Appointment Of Mr. Shrikant Maheshwari as Independent Director ii) Appointment Of Mr. Alok Nag as Independent Director iii) Appointment Of Mr. Tarak Gor as Independent Director
2014-2015	6th AGM	305-309, 3rd Floor, Pacific Plaza Plot No.570, TPS IV, Off B.S.Road, Mahim Division , Dadar West Mumbai – 400 028	Saturday, 26th Sept, 2015	11.00 a.m	i)Appointment of Mrs. Anupama Sharma as Independent Director ii) Approval Of Related Party Transactions With Ashapura Intimates Fashion Limited



**b. Details of Postal Ballot(s) conducted during the Financial Year 2015-16:**

During the year, one special resolution was passed by way of Postal Ballot. However, the approval of the public Shareholders was sought on Particulars of the objects to be altered i.e proposed to alter the object(s) which was mentioned in the Red Herring Prospectus regarding Acquisition of land for setting up New Manufacturing Facility of Rs. 7 crores (Rupees Seven Crores) reserved for Acquisition of Land (for setting up New Manufacturing Facility), are now proposed to be utilized for repayment / prepayment of outstanding Loans, through postal ballot including voting by electronic means, pursuant to Section 110 of the Act read with the Companies (Management and Administration) Rules, 2014 and other applicable provisions of the Act and the rules, circulars and notifications thereunder (including any statutory modification or re-enactment thereof), Clause 35B of the erstwhile Listing Agreement and circular number CIR/CFD/DIL/5/2013 dated February 4, 2013 read with circular number CIR/CFD/DIL/8/2013 dated May 21, 2013, both issued by the Securities and Exchange Board of India ("SEBI Circulars"). As per the said SEBI Circulars, the resolution passed by means of Postal Ballot was to be declared as approved, provided the votes cast by the public shareholders in favor of the Composite Scheme were more than the number of votes cast by the public shareholders against it. The Company successfully completed the process of obtaining approval of its public shareholders including voting by electronic means in accordance with the SEBI Circulars.





- i. Details of Voting Pattern: The details of results of the postal ballot and E-voting as per the details furnished by the Scrutinizer are as follows:

Promoter/ Public	Mode of Voting	No. of shares held	No. of votes polled	% of votes polled on outstanding shares	No. of votes in favour	No. of votes against	% of votes in favour on votes polled	% of votes against on polled
Promoter and Promoter Group	E- Voting	31,20,677	2,30,177	7.38%	2,30,177	0	100%	0.00%
	Poll		NA	NA	NA	NA	NA	NA
	Postal Ballot		0	0.00	0	0	0.00%	0.00%
	<b>Total</b>		<b>2,30,177</b>	<b>7.38%</b>	<b>2,30,177</b>	<b>0</b>	<b>100.00%</b>	<b>0.00%</b>
Public- Institutions	E- Voting	0	0	0.00%	0	0	0.00%	0.00%
	Poll		NA	NA	NA	NA	NA	Na
	Postal Ballot		0	0.00%	0	0	0.00%	0.00%
	<b>Total</b>		<b>0</b>	<b>0.00%</b>	<b>0</b>	<b>0</b>	<b>0.00%</b>	<b>0.00%</b>
Public- Non Institutions	E- Voting	1,13,08,858	27,46,000	24.28%	27,44,400	1,600	99.94%	0.06%
	Poll		NA	NA	NA	NA	NA	NA
	Postal Ballot		36,94,656	32.67%	36,94,656	0	100.00%	0.00%
	<b>Total</b>		<b>64,40,656</b>	<b>56.95%</b>	<b>64,39,056</b>	<b>1,600</b>	<b>99.98%</b>	<b>0.02%</b>
<b>Total</b>		<b>1,44,29,535</b>	<b>66,70,833</b>	<b>46.23%</b>	<b>66,69,233</b>	<b>1,600</b>	<b>99.98%</b>	<b>0.02%</b>

ii. Person who conducted the Postal Ballot exercise:

The Company had appointed Mr. Uday Nair, Practicing Chartered accountant, to act as the Scrutiniser ("Scrutinizer") and to receive and scrutinize the completed Ballot Forms received from the Members and also to scrutinize the E-voting process in a fair and transparent manner. In compliance with the provisions of Sections 108 and 110 of the Act read with the Rules made thereunder including any modification thereof from time to time and Clause 35B of erstwhile Listing Agreement, the Company offered E-voting facility as an alternate to all the members of the Company. For this purpose, the Company had entered into an agreement with Central Depository Services Limited ("CDSL") for facilitating the E-voting to enable the Members to cast their votes electronically instead of dispatching postal ballot form.



iii. Details of Special Resolution proposed to be conducted through Postal Ballot:

Any Special Resolutions, as may be required to be passed through Postal Ballot, will be conducted as per the provisions of Act (as may be amended/ re-enacted from time to time) and as per the provisions of other applicable law(s), from time to time.

iv. Procedure for Postal Ballot:

In compliance with Clause 35B of the Listing Agreement and Sections 108, 110 and other applicable provisions of the Act read with the Rules framed thereunder, the Company provided E-voting facility to all its members, to enable them to cast their votes electronically. The Company engaged the services of Central Depository Services Limited ("CDSL") for the purpose of providing E-voting facility to all its members, during the year under review. The members had the option to vote either by Postal Ballot or E-voting. The Company dispatched the Postal Ballot notices and forms along with postage prepaid business reply envelope to its members, whose names appeared on the register of Members/ list of beneficiaries as on Record Date. The postal ballot notice was sent to members in electronic form to the e-mail addresses registered with Depository Participants (in case of electronic shareholding)/ the Company's Registrar and Share Transfer Agents (in case of physical shareholding). The Company also published a notice in the newspaper declaring the details of completion of dispatch and other requirements as mandated under the Act and applicable Rules. Voting Rights were reckoned on the paid-up value of the Shares registered in the names of the Members as on the Record Date. Members desiring to exercise their votes by physical postal ballot forms were requested to return the forms duly completed and signed, to the Scrutinizer on or before the closing of the voting period. Members desiring to exercise their votes by electronic mode were requested to vote before close of business hours on the last date of E-voting. The Scrutinizer submitted his report to the Chairperson, duly authorised by the Board for the purpose, after the completion of the scrutiny and the consolidated results of the voting by postal ballot were then announced by the Chairperson/ Authorised Officer. The results were also displayed on the website of the Company i.e. [www.momaiapparels.com](http://www.momaiapparels.com), besides being communicated to the Stock Exchanges, Depository and Registrar and Share Transfer Agent. The date of declaration of the result by the Company was deemed to be the date of passing the resolution.

## **6. MEANS OF COMMUNICATION**

For easy reference of the Shareholders, the half yearly results/ annual results, along with the Limited Review thereon, are made available on the website of the Company i.e. [www.momaiapparels.com](http://www.momaiapparels.com) Aforesaid results are also filed with the concerned Stock Exchanges simultaneously so as to enable them to display the results on their notice board/ website.



## **7. SUBSIDIARY COMPANY**

The company no subsidiary as on March 31, 2016.

## **8. CEO/ CFO CERTIFICATION**

As per Regulation 33 of the SEBI Listing Regulation, Mr. Harshad Thakkar, Chairman and Managing Director and Mr. Anurag Gangwal, Chief Financial Officer have reviewed the financial statement for the year ended 31<sup>st</sup> March, 2016 and provided the certification on the same.

## **9. REPORT ON CORPORATE GOVERNANCE**

The Company has obtained the certificate from its statutory auditors regarding compliance with the provisions relating to corporate governance laid down in Part E of Schedule V to the SEBI Listing Regulations, 2015. This certificate is annexed to the Directors' Report and will be sent to the stock exchanges, along with the Annual Report to be filed by the Company.

## **10. OTHER DISCLOSURE**

### **i. Details of materially significant related party transactions that may have potential conflict with the interests of the Company at large**

During the year, there were no materially significant transactions with related parties that may have potential conflict with the interest of the company at large. Related Party transactions have been disclosed in the notes to financial statements and in Board's Report. Policy on dealing with related party transactions is posted on the company's website <http://www.momaiapparels.com/annualreports/Policies/Policy%20on%20Related%20Party%20Transaction.pdf>.

### **ii. Details of non-compliance by the Company, penalties and strictures imposed on the Company by Stock Exchange or SEBI or any statutory authority, on any matter related to capital markets, during the last three years**

The company has complied with all applicable provisions of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and other SEBI Regulations wherever applicable. No penalties have been imposed or stricture issued by SEBI or National Stock Exchange or any statutory authorities on matters relating capital Markets during the last three years.



### **iii. Whistle Blower policy and affirmation that no personnel have been denied access to the Audit Committee**

The Company has a whistle-Blower Policy for establishing a Vigil Mechanism to report genuine concerns regarding unethical behavior and mismanagement, if any. No employee of the company was denied access to the Audit Committee. The same is available on our website at <http://www.momaiapparels.com/annual-reports/2014/dec/VIGIL-MECHANISM-POLICY.pdf>

### **iv. Compliance of Corporate Governance**

The company has complied with the mandatory requirements of the Corporate Governance of the Listing Regulations. There were no pecuniary relationships or transactions of Non-Executive Directors vis-à-vis the company during the year under review, except payment of sitting fees.

### **v. Insider Trading Code:**

The Securities and Exchange Board of India (SEBI) has promulgated the SEBI (Prohibition of Insider Trading) Regulations, 2015 ("the PIT Regulations"). The PIT regulations has come into effect from May 15, 2015 and replaced the earlier Regulations. The objective of the PIT Regulations is to curb the practice of insider trading in the securities of a listed company.

The company has adopted an 'Internal Code of Conduct for Regulating, Monitoring and Reporting of Trades by insiders (the code) in accordance with the requirements of the PIT Regulations.

The code is applicable to Promoter and Promoters Group, all directors and such designated employees who are expected to have access to Unpublished Price Sensitive Information relating to the company. The company secretary is the compliance officer for monitoring adherence to the regulations.

The company has also formulated 'The Code of Practices and Procedures for fair disclosure of Unpublished Price Sensitive Information (UPSI)' in compliance with SEBI (Prohibition of insider trading) Regulations, 2015. This code is displayed on the company's website: <http://www.momaiapparels.com/annual-reports/Policies/Insider%20Trading%20Policy.pdf>

### **vi. Code of Conduct for Board Members and Senior Management**

This Code of Conduct has been framed and adopted by the Company in compliance with the provisions of Clause 49 of erstwhile Listing Agreement (now Regulation 17 of the SEBI Listing Regulations). The code incorporates the duties of Independent Directors as laid down in the Act and also helps the Board Members and Senior Managers to observe the highest standards of ethical conduct and integrity and to work to the best of their ability and judgment.



#### **vii. Policy on Preservation of Documents:**

Pursuant to the provisions of Regulation 9 of the SEBI Listing Regulations, the Company has adopted this policy for preservation of documents.

This Policy contains guidelines for identifying Documents (as define under the SEBI Listing Regulations) that need to be maintained, the period of preservation of such Documents and its destruction/ disposal. This Policy aims to provide efficient and systematic control on the periodicity and destruction of business related Documents.

#### **viii. Policy for Determining of Material Subsidiary Companies:**

Pursuant to the provisions of Regulation 16 of the SEBI Listing Regulations, the Company has adopted this policy for determining material subsidiary.

#### **ix. Policy for Determination of Materiality of Information or Event:**

Pursuant to the provisions of Regulation 30 of the SEBI Listing Regulations, the Company has adopted this policy for determination of materiality of information or event for facilitating prompt disclosure of material price sensitive information to the stock exchange(s) in compliance with the provisions of the SEBI Listing Regulations.

This Policy shall act as a guidance for determining materiality of such price sensitive information, so as to ensure prompt disclosure of material price sensitive information/ event to the stock exchange(s), where the securities of the Company are listed, so that present and potential investors are able to take informed decision relating to their investment in the Company and to avoid creation of false market in the securities of the Company.

#### **x. Policy for Archival of Documents:**

Pursuant to the provisions of Regulation 30 of the SEBI Listing Regulations has adopted this policy for the archival of documents of the Company (the “Policy”), to comply with the provisions of the SEBI Listing Regulations, The policy provides that beyond the Mandatory Hosting Period (i.e. 5 years from the date of each disclosure on the website of the Company), the Disclosed Information shall be archived for such other additional period as may be required considering the requirement of various statutes, law, regulations etc. and other legal and administrative aspects.

#### **xi. Code of Practices and Procedures for Fair Disclosure of Unpublished Price Sensitive Information (UPSI):**

This Code of Conduct has been framed and adopted by the Company in compliance with the provisions of SEBI (Prohibition of Insider Trading) Regulations, 2015 (“SEBI PIT Regulations”), to adhere to each of the Principles of Fair Disclosure for purposes of Code of Practices and Procedures for Fair Disclosure of Unpublished Price Sensitive Information, as set out in Schedule A to the SEBI PIT Regulations.



## CEO-CFO CERTIFICATION

The Board of Director  
Momai Apparels Limited  
Mumbai

Dear members of the board,

We, Mr. Harshad Thakkar, Managing Director and Mr. Anurag Gangwal, Chief Financial Officer of Momai Apparels Limited ('MAL') to the best of our knowledge and belief, certify that:

1. We have reviewed the Balance Sheet, Statement of Profit and Loss account and Cash Flow Statement of the company and all the notes on accounts and the Board Report.
2. These statements do not contain any materially untrue statement or omit to state a material fact necessary to make the statement made in light of the circumstances under which such statement were made, not misleading with respect to the period covered by this report.
3. The Financial Statement, and other financial information included in this report, present in all material respects a true and fair view of the company's affair, the financial conditions, results of operations and cash flow of the company as at, and for, the periods presented in this report and are in compliance with existing accounting standards and applicable rules and regulations.
4. There are no transactions entered into by the company during the year that are fraudulent, illegal or violate the company's code of conduct and ethics, except as disclosed to the company's auditors and the company's audit committee of the board of directors.
5. We are responsible for establishing and maintaining disclosure controls and procedures and internal controls over financial reporting for the company and we have:
  - a. Designed such disclosures controls and procedures or cause such disclosures controls and procedures to be designed under our supervision to ensure that material information relating to company, including its subsidiary is made known to us by others within those entities, particularly during the period in which this report is being prepared.
  - b. Designed such internal control which provides reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with Generally Accepted Accounting Principles (GAAP) in India.



6. We further declare that all board members and senior management personnel have affirmed compliance with the code of conduct and ethics for the year 2015-16.

sd/-

**Harshad Thakkar**  
**Managing Director**

sd/-

**Anurag Gangwal**  
**Chief Financial Officer**

**Date : 25th August, 2016**  
**Place: Mumbai**

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### **DECLARATION**

As provided under the provisions of Schedule V of the SEBI Listing Regulations and Clause 49 of the erstwhile Listing Agreement entered with the Stock Exchange(s), from time to time, I hereby declare that all the Board of Directors and Senior Management personnel of the Company have affirmed the Compliance with the Code of Conduct for the year ended March 31, 2016.

sd/-

**Harshad Thakkar**  
**Managing Director**

**Date : August 25th , 2016**  
**Place : Mumbai**





## SHAREHOLDERS INFORMATION

In terms of the provisions of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“SEBI Listing Regulations”), of Schedule V General Information of the Company for reference of the Shareholders, is provided as under:

**Corporate Identification Number (CIN): L18109MH2010PLC199178**

### **Registered Office:**

305-309, 3rd Floor, Pacific Plaza Plot No.570,

TPS IV, Off B.S.Road, Mahim Division ,

Dadar West Mumbai – 400 028

Phone: 022-24331551

Fax: 022-24331506

**Website:** [www.momaiapparels.com](http://www.momaiapparels.com)

**Email:** [investors@momaiapparels.com](mailto:investors@momaiapparels.com)

### **Factory Location:**

Momai Apparels Ltd

Plot no 240, sardar chowk,

Opp. Kinjal chemical factory,

Ind. A1 Type Shed No. 30,

GIDC,Tal. Vapi, Dis. Valsad, Gujarat – 369195

### **Registrar and Transfer Agents (“RTA”):**

Link InTime India Pvt. Ltd.

Pannalal Silk Mills Compound,

C-13, Lal Bhadur Shastri Road,

Sadan Wadia, Bhandup (West),

Mumbai – 400078, Maharashtra, India.

Tel. : (022) 2594 6970 Fax : (022) 2594 6969.

### **Seventh Annual General Meeting:**

**Date :** September 29, 2016

**Day:** Thursday

**Time :** 10:00 a.m



**Venue:** Kohinoor Hall & Banquets, Veer Savarkar Marg, Prabhadevi, Opp Siddhivinayak Temple Mumbai, Maharashtra- 400025

**Financial Year:**

Your Company follows “April to March” as the Financial Year. The Financial Year of the Company is April 01, 2015 to March 31, 2016.

**Dividend**

The Company has not recommended any dividend for the financial year 2015-16.

**Stock Exchange where shares are listed**

National Stock Exchange of India Limited (“NSE Emerge”)  
Exchange Plaza, Plot No. C/1, G Block,  
Bandra-Kurla Complex,  
Bandra (East), Mumbai – 400051

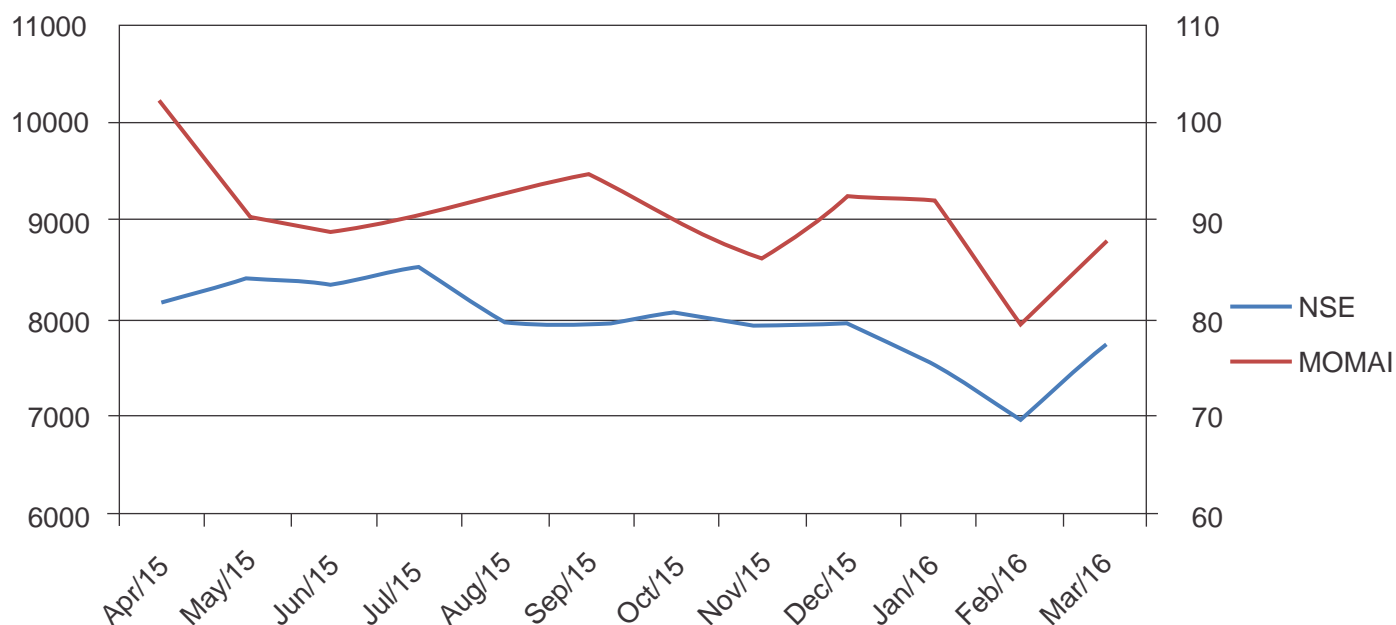
**Symbol: MOMAI**

**Market Price Data: The monthly high and low price of Shares Traded on NSE (Emerge).**

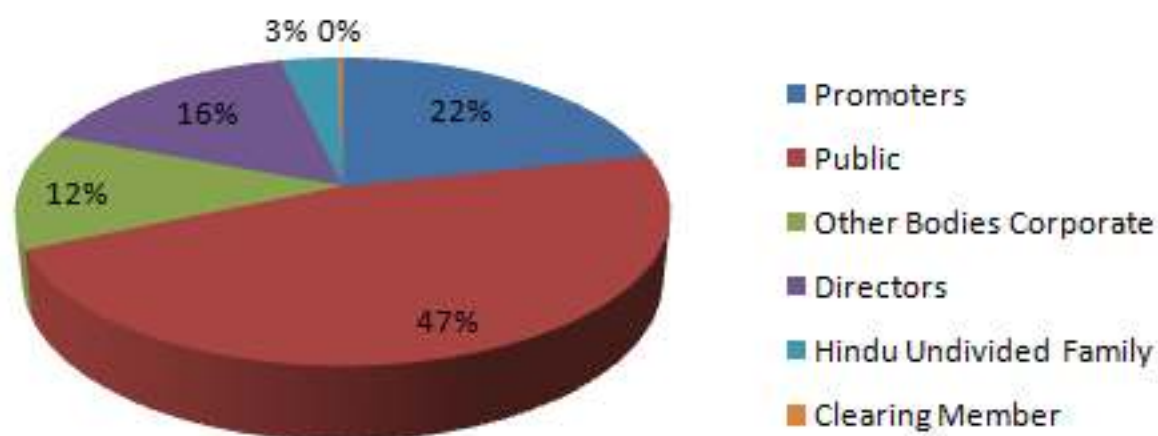
Month- Year	NSE		
	HIGH	LOW	CLOSE
April 2015	115.00	84.00	102.00
May 2015	106.40	90.00	90.45
June 2015	94.50	88.60	89.00
July 2015	94.50	89.05	90.20
August 2015	93.00	83.00	93.00
September 2015	98.00	89.00	95.00
October 2015	97.90	85.50	90.00
November 2015	90.50	86.00	86.00
December 2015	97.00	83.00	92.50
January 2016	105.00	88.00	92.00
February 2016	92.00	78.00	79.50
March 2016	90.00	80.00	88.00



## Performance in comparison to broad based indices MOMAI V/S NSE Share Price movement for the period from April 2015 to March 2016 (MAL).



## Share holding as on 31st Mar 2016





### Category-wise Shareholding pattern of the Company as on March 31, 2016:

Category	No. of Shareholders	No. of Shares	%
Promoters	2	3120677	21.63
Public	488	6759058	46.84
Other Bodies Corporate	26	1770800	12.27
Directors	2	2259000	15.65
Hindu Undivided Family	63	480000	3.33
Clearing Member	8	40000	0.27
<b>Total</b>	<b>589</b>	<b>14429535</b>	<b>100.00</b>

### Distribution of shareholding as on March 31, 2016:

Category	No. of Shareholders	PERCENTAGE	NO. OF SHARES	% of Total Share Capital
1-1000	4	0.68	8	0.00
1001-2000	317	53.82	5,07,600	3.52
3001-4000	54	9.17	1,72,800	1.20
4001-5000	30	5.09	1,44,200	1.00
5001-10000	65	11.04	5,16,800	3.58
10001 –above	119	20.20	1,30,88,127	90.70
<b>Total</b>	<b>589</b>	<b>100.00</b>	<b>1,44,29,535</b>	<b>100.00</b>

### Share Transfer system:

Share Transfer, Transmission and Duplicate issue of Shares in physical form are normally effected within a period of 15 days if receipt of documents complete in all respects. Company has Link Intime India Pvt. Ltd as Registrar and Share Transfer Agent which handles the Transfer, Transmission and Issue of Duplicate Share certificate within the aforesaid period from the lodgment of the documents.

### Dematerialization of shares and liquidity:

The Equity Shares of the Company were admitted for trading NSE (Emerge) w.e.f. 16th October, 2014 and are traded in Dematerialised and physical form. These shares of the Company are admitted for trading under both the Depository Systems in India i.e.



NSDL and CDSL. The International Securities Identification Number (ISIN) allotted to the Company's Equity Shares under the Depository System is INE133R01015

The distribution of number of Equity Shareholders in dematerialised and physical mode as on March 31, 2016 is as detailed herein below:-

Mode of Holding	No. of Shares	Percentage to total issued capital
CDSL	6631477	45.96
NSDL	3198600	22.17
Physical	4599458	31.87
<b>Total</b>	<b>14429535</b>	<b>100</b>

Outstanding GDRs/ ADRs/ Warrants or any Convertible instruments, conversion date and likely impact on equity:

There are no outstanding GDRs/ ADRs/ Warrants or any Convertible instruments, pending for conversion as on March 31, 2016.

For and on behalf of the Board of director

sd/-

Harshad Thakkar

Chairman and Managing Director

DIN: 01869173

Date: August 29<sup>th</sup> 2016

Place: Mumbai.



# DIRECTOR REPORT

The director pleasure in presenting the 7<sup>th</sup> Annual Report of your company together with the Annual Financial statement for the year ended 31<sup>st</sup> March, 2016.

## Profit and Loss Account

Particulars	Year Ended 31.03.2016 (In Lakhs)	Year Ended 31.03.2015 (In Lakhs)
Revenue	13850.99	12316.74
EBITDA	1131.88	1059.40
Profit before tax	450.96	556.68
Profit after Tax	312.18	366.49

## Operation

During the year under review, The Total Net Revenue Increased from Rs. 12316.74/- Lakhs to Rs. 13850.99/-Lakhs. Further, the company made a profit of Rs. 450.96/- Lakhs before taxation compared to Rs.556.68/- Lakhs in the previous year. Net profit after tax amounted to Rs. 312.18 Lakhs as compared to Rs.366.49 Lakhs in the previous year.

## Transfer to Reserves

The amount proposed to be transferred to General Reserves is Rs. 312.18/-Lakhs which is also mentioned in the financials.

## Dividend

No dividend was declared by the Company during the financial year 2015-16.

## Directors and Key Managerial Personnel

In accordance with the provisions of section 152(6) of the Companies Act, 2013 and Companies Articles of Association Mr.Dinesh Sodha and Mr. Hitesh Punjani is liable to retire by rotation at the ensuing Annual General Meeting and being eligible, offer themselves for re-appointment. The board recommends their appointment.

## Key Managerial Personnel

1.Mr. Harshad Thakkar

Chairman and Managing Director

2.Mr. Anurag Gangwal

Chief Financial Officer

3.Ms.Bhoomi Mewada

Company Secretary



Mr. Alok Nag, Mr. Tarak Gor and Mrs. Anupama Sharma are Independent Directors of the Company. Further details on the directors including criteria for qualification, independence etc. are given in the Corporate Governance Report which form part of this Annual Report.

## **Capacity expansion**

The company has expanded the production capacity by shifting the factory unit at Vapi Gujarat. The production capacity is increased with new innovative machineries.

## **Human Capital**

Your company believes that human talent is its fundamental strength. The Companies nurtures competencies and skills through learning and development programme and recognize talent and reward it through performance management system. Your Company has generally enjoyed cordial relations with its employees. Worker and staff employees are paid in accordance with the wage agreement. The statement containing particulars of employees as required under section 197(12) of the Companies Act, 2013 read along with rules 5(2) and 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules 2014 is annexed herewith as Annexure I form part of this Report.

The employee strength of the company as on 31<sup>st</sup> March, 2016 was 39.

## **Directors Responsibility Statement**

The Financial Statements are prepared in accordance with the Generally Accepted Accounting Principles (GAAP) under the historical cost convention on accrual basis except for certain financial instruments which are measured at fair values.

The Director confirms that:

- In preparation of the annual accounts for the Financial Year ended March 31, 2016, the applicable accounting standards have been followed.
- They have selected such accounting policies and applied them consistently and made judgment 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.
- They have taken proper and sufficient care towards 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 the fraud and other irregularities.
- They have prepared the annual accounts on going concern basis.
- They have laid down Internal Financial Controls, which are adequate and are operating effectively.
- They have devised proper systems to ensure compliance with the provisions of all applicable laws and such systems are adequate and operating effectively.





## Share Capital

The Paid up Equity share capital of the company as on 31st March, 2016 is Rs. 14.42 Crore. During the year company has neither issued shares with differential voting rights nor granted stock options or sweat equity.

### Declaration by independent directors

The board has received the declaration from all the Independent directors as per the Section 149(7) of the Companies Act, 2013 and the board is satisfied that all the Independent directors meet the criteria of independence as mentioned in section 149(6) of the Companies Act, 2013

## OTHER DISCLOSURES UNDER THE COMPANIES ACT, 2013 READ WITH RULES MADE THEREUNDER (“ACT”) AND OTHER APPLICABLE LAW, RULES AND REGULATION.

### Familiarization programme for Independent Director

The company's policy on programme and measures to familiarize independent directors about the company, its business, updates and development includes various measures viz. issue of appointment letters containing terms and conditions, duties etc. management information reports, presentation and other programme as may be appropriate from time to time. The policy and programme aims to provide insights into the company to enable independent directors to understand the business, functionalities, business model and other matters. The said policy is displayed on the company's website at <http://www.momaapparels.com/annualreports/Policies/Familiraisation%20programme.pdf>

### Number of Meeting of the Board

During the year board meet five times in the year. The details of the board and various committees meeting are given in the Corporate Governance Report.

Sr. No.	Date of the Meeting	Place
1.	21st May, 2015	Mumbai
2.	29th August, 2015	Mumbai
3.	14th November, 2015	Mumbai
4.	15th January, 2016	Mumbai
5.	31st March, 2016	Mumbai

The gap between the meetings was as prescribed under the Companies Act, 2013 and Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“SEBI Listing Regulations”)

### Performance evaluation

Pursuant to the provisions of the Companies Act, 2013 and SEBI (LODR) Regulations, 2015, during the year under review, the Board has carried out an annual performance evaluation of its own performance, and that of its Committees and individual directors. Manner in which such formal annual evaluation was made by the Board is given below:



Performance evaluation criteria for Board, Committees of the Board and Directors were approved by the Board at its meeting. Based on the said criteria, rating sheets were filled by each of the directors towards the end of the year with regard to evaluation of performance of the Board, its Committees and Directors (except for the director being evaluated) for the year under review. A consolidated summary of the ratings given by each of the directors was then prepared, based on which a report of performance evaluation was prepared by the Chairman in respect of the performance of the Board, its Committees and Directors during the year under review. The report of performance evaluation so arrived at was then noted and discussed by the Nomination and Remuneration Committee and Board at their meetings held on 31st March 2016.

## **Corporate Governance**

The company is committed to maintain highest standards of corporate governance and adhere to the corporate governance requirements set out by SEBI. Your Company continues to follow the principles of good corporate governance and the board of directors lays strong emphasis on transparency, accountability and integrity. Your company has complied with partly mandatory requirements of SEBI (LODR) Regulation, 2015 and has obtained the report on Corporate Governance from the statutory auditor of the company as Annexure II.

## **Extract of Annual Return**

The extract of the annual return in the form of MGT 9 is annexed to this report as Annexure III.

## **Auditors**

### **Statutory Auditor**

At the Annual General Meeting held on 10th September, 2014, M/s. Bagaria & Co., LLP Chartered Accountants (Firm Registration No.: 113447W/W-10001), were appointed as Statutory Auditors of the company to hold office till the conclusion of the Annual General Meeting to be held in the calendar year 2017. In terms of the first proviso to section 139 of the Companies Act, 2013, the appointment of the auditors shall be placed for ratification at every Annual General Meeting. Accordingly, the same has been ratified by the shareholders. The members are requested to ratify the appointment of, M/s. Bagaria & Co., LLP Chartered Accountants as statutory auditors of the Company and to fix their remuneration for the year 2016-17.

The Statutory Audit Report does not contain any qualification, reservation or adverse remark or disclaimer made by Statutory Auditor.

### **Secretarial Auditor**

Pursuant to the provisions of section 204 of the Companies Act, 2013 and rules made thereunder, the Company has re-appointed, M/s. Jaiprakash Singh & Associates, Practicing Company Secretary, (Membership No. 7391) to undertake the secretarial audit of the Company. Secretarial Audit Report for the year 2015-16 issued by him in the prescribed form MR-3 is annexed to this Report as Annexure IV.

The said Secretarial Audit Report does not contain any qualification, reservation or adverse remark or disclaimer made by the Secretarial Auditor.



## **Particulars of loans, guarantees or investments under Section 186 of the Act**

Details of Loans, Guarantee and Investment Covered under section 186 of the Companies Act, 2013 form part of the notes to the Financial Statement provided in this Annual Report.

## **Related party transactions**

All related party transactions (RPTs), which were entered into during the financial year were on an arm's length basis and were in the ordinary course of business and were also material RPTs under regulation 23 of the SEBI Listing Regulations, 2015.

During the year 2015-16, as required under section 177 of the Companies Act, 2013 and regulation 23 of the SEBI Listing Regulations, 2015, all RPTs were placed before Audit Committee for approval. A statement showing the disclosure of transactions with related parties as required under is set out separately in this Annual Report.

Particulars of contracts or arrangement with related parties referred to in section 188(1) of the Companies Act, 2013 in the prescribed form AOC-2, is appended as Annexure V to the Board Report.

There were no material transactions entered into with related parties, during the year under review, which may have had any potential conflict with the interests of the Company. A Policy on materiality of RPTs and also on dealing with RPTs has been formulated by the Board and same is available on our website [http://www.momaapparels.com/annualreports/Policies/Policy% 20on% 20Related %20Party%20Transaction.pdf](http://www.momaapparels.com/annualreports/Policies/Policy%20on%20Related%20Party%20Transaction.pdf)

## **Details relating to Deposits**

During the year under review, the Company has not accepted any fixed deposits from the public falling under Section 73 of the Act read with the Companies (Acceptance of Deposits) Rules, 2014. Thus, as on March 31, 2016, there were no deposits which were unpaid or unclaimed and due for repayment.

## **Corporate Social Responsibility**

The Company firmly believes that the industry owes duty of welfare to the society at large and it shall pursue the commitment of social responsibility and carry out the social work directly and/or through other welfare registered organization.

The Company's policy on Corporate Social Responsibility (CSR) States various CSR activities that the Company could undertake to discharge its responsibilities towards the society.

For the year ended 31st March, 2016, the company has made provision of Rs.8, 97,817/- and has not spent any amount on CSR and attaching herewith Annexure VI of the same.



## **Whistle Blower Policy/ Vigil Mechanism**

The company has framed a Whistle Blower Policy/ Vigil Mechanism providing a mechanism under which an employee/ director of the company may report violation of personnel policies of the company, unethical behaviour, suspected or actual fraud, violation of code of conduct. The vigil Mechanism ensures standard of professionalism, honesty, integrity and ethical behavior. The Whistle Blower Policy/ Vigil Mechanism is uploaded on the Company's website: [www.momaiapparels.com](http://www.momaiapparels.com)

## **Subsidiary, Associates or Joint Venture**

The company does not have any Subsidiary, Associate Company or Joint Ventures at the end of the financial year 2015-16.

## **Company's Policy on Directors Appointment and Remuneration**

The Nomination and Remuneration committee has put in a place the policy on board diversity for appointment of directors taking into consideration qualification and wide experience of the directors in the field of banking, finance, regulatory, administration, legal, commercial vehicle segment apart from compliance of legal requirements of the company. The company has laid down remuneration criteria for directors, key managerial personnel and other employees in the Nomination and Remuneration Committee.

The policy, inter-alia includes criteria for determining qualifications, positive attributes, independence of a director, and expertise and experience required for appointment of directors, KMP and senior management.

The Nomination and Remuneration Policy is available on company's website:

<http://www.momaiapparels.com/annualreports/Policies/Nomination%20and%20Remuneration%20Polic.pdf>

## **Management Discussion and Analysis Report (MDAR)**

The Management Discussion and Analysis Report which forms part of the annual report.

## **Internal Financial Control and Its Adequacy**

The board has adopted policies and procedures for ensuring the orderly and efficient conduct of its business, including adherence to the company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, the timely preparation of reliable financial disclosures.

## **Other Information/ Disclosures'**

There are no significant or material orders were passed by the Regulators or Courts or Tribunals which impact the going concern status and Company's operations in future.

There are no material changes and commitments affecting the financial position of the Company which has occurred between the end of the Financial Year of the Company i.e., March 31st, 2016.



In terms of The Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 and Rules, it is mandatory to review status of sexual harassment related complaints in the Annual Report. There were no incidents of Sexual Harassment reported in the Company. For protection against sexual harassment, Corporate Governance has formed an internal complaints committee to which employees can write in their complaints. The Company has a Prevention of Sexual Harassment Policy which has formalised a free and fair enquiry process for dealing with such issues, with clear timelines.

### **Committees of Board**

Currently, the board has four committees: The Audit Committee, Nomination and Remuneration Committee, Stakeholder Relationship Committee and Corporate Social Responsibility Committee. A detailed note on board composition and its committees is provided in the Corporate Governance report.

### **Scheme of Amalgamation**

Pursuant to Sections 391 to 394 of the Companies Act, 1956 (or re-enactment thereof upon effectiveness of the Companies Act, 2013), the audit committee and the board of the company at a meeting held on March 31, 2016 have approved the Scheme of the Amalgamation of the company with its holding company Ashapura Intimates Fashion Limited as per the Draft Scheme of Amalgamation placed before them.

The same scheme has been submitted to National Stock Exchange of India Limited for their approval. The aforesaid scheme of amalgamation shall be subject to requisite approvals of the shareholders, the Hon'ble High court of Bombay and other statutory/ regulatory authorities, as may be applicable. The documents relating to the aforesaid is disclosed on the website: [www.momaiapparels.com](http://www.momaiapparels.com)

### **Code of Conduct**

The Board of Director has adopted the insider trading policy in accordance with the requirement of the SEBI (Prohibition of Insider Trading) Regulation, 2015. The insider trading policy of the company lays down guidelines and procedures to be followed, and disclosures to be made while dealing with the shares of the company, as well as consequences of violation. The policy has been formulated to regulate, monitor and ensure reporting of deals by employees and to maintain the ethical standards of dealing in company securities.

The insider trading policy of the company covering code of practices and procedures for fair disclosures of unpublished price sensitive information and code of conduct for the prevention of insider trading is available on our website:

<http://www.momaiapparels.com/annualreports/Policies/Insider%20Trading%20Policy.pdf>

### **Conservation of Energy, Technical Absorption and Foreign Exchange Earning and Outgo.**

The information pursuant to section 134(3)(m) of the Companies Act, 2013 read with Companies (Accounts) Rules, 2014 is as follows:



- a. The company has no activity involving conservation of energy or technology absorption.
- b. There is no foreign exchange earnings and outgo.

### **Acknowledgement and Appreciation**

The Director wish to convey their appreciation to all of the company's employees for their enormous personal efforts as well as their collective contribution to the company's performance. The Director would like to thank the shareholders, customer, dealers, suppliers, bankers, Government and all other business associates for the continuous support given by them to the company and their confidence in its management.

### **For and On Behalf of the Board**

sd/-

**Harshad Thakkar**  
**Managing Director**  
**DIN: 01869173**

**Place: Mumbai**

**Date: 25<sup>th</sup> August, 2016**



## Annexure 1

(Particulars of employees and related details )

The information required under section 197 of the Act read with rule 5(1) of the companies (Appointment and Remuneration of Managerial Personnel) Rule, 2014 are given below:

**a.The ratio of the remuneration of each director to the median remuneration of the employees of the Company for the financial year:**

Name of the directors	Ratio to median remuneration
Mr. Harshad Hirji Thakkar	14.10 : 1
Mr. Dinesh Chanubha Sodha	7.05 : 1
Mr. Hitesh Subhash Punjani	3.52 : 1

**b.The percentage increase in remuneration of each director, chief executive officer, chief financial officer, company secretary in the financial year:**

Director, chief executive officer, chief financial officer, company secretary	% increase in remuneration in the financial year
Mr. Harshad Hirji Thakkar	NIL
Mr. Dinesh Chanubha Sodha	NIL
Mr. Hitesh Subhash Punjani	NIL
Mr. Anurag Gangwal	NIL
Ms. Bhoomi Mewada	NIL

**c.The percentage increase in the median remuneration of employees in the financial year:**  
1.35%

**d.The number of permanent employee on the rolls of Company: 39**





**e.Comparison of the remuneration of the key managerial personnel against the performance of the Company:**

Aggregate remuneration of key managerial personnel (KMP)in FY 16 (Rs. Crores)	0.22
Revenue (Rs. crores)	138.51
Remuneration of KMP (as a % of revenue)	0.25
Profit before Tax (PBT) (Rs. crores)	4.51
Remuneration of KMP (as a % of PBT)	6.87

**f.Variations in the market capitalization of the Company, price earning ration as at the closing date of the current financial year and previous financial year:**

Particulars	March 31, 2016	March 31, 2015	% Change
<b>Market capitalization (Rs. Crores)</b>	<b>126.98</b>	<b>121.20</b>	<b>4.55</b>
<b>Price Earnings Ratio</b>	<b>40.74</b>	<b>26.58</b>	<b>1.416</b>

**g.Percentage increase over decrease in the market quotations of the shares of the Company In comparison to the rate at which the Company came out with the last public offer:**

The first public offer of the company was at Rs. 78 in the year 2014 as against the face value Of Rs.10/- per share of the company. On 31st March, 2016 ( NSE Emerge ) closing was at Rs.88 Registering a growth of 880%.

**h.Average percentile increase already made in the salaries of employees other the managerial Personnel in the last financial year and its comparison with percentile increase in the managerial Remuneration and justification thereof and point if there are any exceptional circumstances for Increase in the managerial remuneration:**

The average annual increase was around NIL%. However, during the course of the year, the total increase is approximately NIL%, after accounting for promotions and increase in hiring salaries for Trainees.

Increase in the managerial remuneration for the year was NIL%.



I. Comparison of each remuneration of the key managerial personnel against the performance of the Company:

	Mr. Harshad Hirji Thakkar, Managing Director	Mr. Dinesh Chanubha Sodha, Executive Director	Mr. Hitesh Subhash, Punjani Executive Director	Mr. Anurag Gangwal, Chief Financial Officer	Ms. Bhoomi Mewada, Company Secretary
Remuneration in FY 16 (Rs. Crores)	0.24	0.12	0.06	0.04	0.027
Average Revenue (Rs. Crore)	138.51	138.51	138.51	138.51	138.51
Remuneration % of revenue	0.17	0.09	0.04	0.029	0.019
Profit before Tax (PBT)	4.51	4.51	4.51	4.51	4.51
Remuneration (as % of PBT)	5.32	2.66	1.33	0.89	0.60

j. The key parameters for any variable component of remuneration availed by the directors:  
NIL

k. The ratio of the remuneration of the highest paid director to that of the employees who are not directors but receive remuneration in excess of the highest paid director during the year:  
NIL.



**I. Affirmation that the remuneration is as per the remuneration policy of the Company:**

The Company affirms remuneration is as per the remuneration policy of the Company.

**For and on behalf of the Board of Director**

Sd/-

**Harshad Thakkar**  
**Managing Director**  
**DIN: 01869173**

**Date: 12th July, 2016**  
**Place: Mumbai**



## Annexure 2

### Auditors' Certificate on Corporate Governance

To,  
The Members,  
**Momai Apparels Limited**

We have examined the compliance of conditions of Corporate Governance by **Momai Apparels Limited** ('the Company'), for the year ended 31st March, 2016 as stipulated in Clause 49 of the Listing Agreement ('Listing Agreement') of the Company with the Stock Exchanges for the period 1st April, 2015 to 30th November, 2015 and as per the relevant provisions of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations 2015, ('Listing Regulations') as referred to in Regulation 15(2) of the Listing Regulations for the period 1st December, 2015 to 31st March, 2016.

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

In our opinion and to the best of our information and according to the explanations given to us and based on the representations made by the Directors and Management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above mentioned Listing Agreement / Listing Regulations, as applicable.

We further state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of The Company.

**For Bagaria & Co., LLP**  
**Chartered Accountants**  
**Firm's Registration No – 113447W / W-100019**

sd/-  
**Vinay Somani**  
**Partner**  
**M.No. – 143503**  
**Mumbai,**  
**May 28th, 2016**



## Annexure 3

# FORM NO. MGT 9

## EXTRACT OF ANNUAL RETURN

as on financial year ended on 31.03.2016

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

## I REGISTRATION &amp; OTHER DETAILS:

i	CIN	L18109MH2010PLC199178
ii	Registration Date	21/01/2010
iii	Name of the Company	MOMAI APPARELS LIMITED
iv	Category/Sub-category of the Company	Company limited by shares/Indian Non-Government Company
v	Address of the Registered office & contact details"	305 to 309,3rd Floor, Pacific Plaza, Plot No.570, TPS IV Off B.S. Road, Mahim Division, Dadar-(W), Mumbai, Maharashtra-400028 (India)
vi	Whether listed company	Company limited by shares
vii	Name , Address & contact details of the Registrar & Transfer Agent, if any.	LINK INTIME INDIA PRIVATE LIMITED C-13 Pannalal Silk Mills Compound, LBS Marg, Bhandup (West), Mumbai-400078. Website: www.linkintime.co.in

## II PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

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

Sr. No	Name & Description of main products/services	"NIC Code of the Product /service"	"NIC Code of the Product /service"
1	Division Manufacture of all kind of textile products(including wearing apparel).	18101	18101

## III PARTICULARS OF HOLDING , SUBSIDIARY &amp; ASSOCIATE COMPANIES

SI No	Name & Address of the Company	CIN/GLN	"Holding/ Subsidiary /Associate"	"% Of Shares Held"	"Applicable Section"
1	Ashapura Initmates Fashion Limited	L17299MH2006PLC163133	Holding	20.03	2(46)

## IV CATEGORY WISE SHAREHOLDING

Sr No	Category of Shareholders	Shareholding at the beginning of the year - 2015				Shareholding at the end of the year - 2016				% Change during the year
		Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
(A)	Shareholding of Promoter and Promoter Group									
[1]	Indian									
(a)	Individuals / Hindu Undivided Family	2,30,177	-	2,30,177	1.60	2,30,177	-	2,30,177	1.60	-
(b)	Central Government / State Government (s)	-	-	-	-	-	-	-	-	-
(c)	Financial Institutions / Banks	-	-	-	-	-	-	-	-	-
(d)	Any Other (Body Corporate)	28,90,500		28,90,500	20.03	28,90,500		28,90,500	20.03	
	<b>Sub Total (A)(1)</b>	<b>3,120,677</b>	<b>-</b>	<b>3,120,677</b>	<b>21.63</b>	<b>3,120,677</b>	<b>-</b>	<b>3,120,677</b>	<b>21.63</b>	<b>-</b>
[2]	Foreign									
(a)	Individuals (Non-Resident Individuals / Foreign Individuals)	-	-	-	-	-	-	-	-	-
(b)	Government	-	-	-	-	-	-	-	-	-
(c)	Institutions	-	-	-	-	-	-	-	-	-
(d)	Foreign Portfolio Investor	-	-	-	-	-	-	-	-	-
(e)	Any Other (Specify)									
	<b>Sub Total (A)(2)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
	<b>Total Shareholding of Promoter and Promoter Group(A)=(A)(1)+(A)(2)</b>	<b>3,120,677</b>	<b>-</b>	<b>3,120,677</b>	<b>21.63</b>	<b>3,120,677</b>	<b>-</b>	<b>3,120,677</b>	<b>21.63</b>	<b>-</b>
(B)	Public Shareholding									
[1]	Institutions									
(a)	Mutual Funds / UTI	-	-	-	-	-	-	-	-	-
(b)	Venture Capital Funds	-	-	-	-	-	-	-	-	-
(c)	Alternate Investment Funds	-	-	-	-	-	-	-	-	-
(d)	Foreign Venture Capital Investors	-	-	-	-	-	-	-	-	-
(e)	Foreign Portfolio Investor	-	-	-	-	-	-	-	-	-
(f)	Financial Institutions / Banks	-	-	-	-	-	-	-	-	-
(g)	Insurance Companies	-	-	-	-	-	-	-	-	-
(h)	Provident Funds/ Pension Funds	-	-	-	-	-	-	-	-	-





Sr No	Category of Shareholders	Shareholding at the beginning of the year - 2015				Shareholding at the end of the year - 2016				% Change during the year
		Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
(i)	Any Other (Specify)									
	<b>Sub Total (B)(1)</b>	-	-	-		-	-	-		-
[2]	<b>Non-Institutions</b>				-				-	
(a)	Individuals									
(i)	Individual shareholders holding nominal share capital upto Rs. 1 lakh.	1,075,381	24,008	1,099,389	7.62	10,93,400	24,008	11,17,408	7.62	0.12
(ii)	Individual shareholders holding nominal share capital in excess of Rs. 1 lakh	3,210,600	4,890,450	8,101,050	56.14	42,25,200	3675450	79,00,650	54.75	1.39
(b)	NBFCs registered with RBI	-	-	-	-	-	-	-	-	-
(c)	Employee Trusts	-	-	-	-	-	-	-	-	-
(d)	Overseas Depositories(holding Drs) (balancing figure)	-	-	-	-	-	-	-	-	-
(e)	Any Other (Specify)									
	Hindu Undivided Family	-	-	-	-	4,80,000	-	4,80,000	3.32	3.33
	Clearing Member	58,019	-	58,019	0.40	40,000	-	40,000	0.40	18.65
	Other Director									
	Bodies Corporate	1,150,400	900,000	2,050,400	14.21	8,70,800	900,000	17,70,800	14.21	-1.94
	Sub Total (B)(3)	5,494,400	5,814,458	11,308,858	78.37	67,09,400	4599458	1,13,08,858	78.37	18.77
	Total Public Shareholding(B)=(B)(1)+(B)(2)+(B)(3)	5,494,400	5,814,458	11,308,858	78.37	67,09,400	4599458	1,13,08,858	78.37	18.77
(C)	Total (A)+(B)	<b>8,615,077</b>	<b>5,814,458</b>	<b>14,429,535</b>	<b>100.00</b>	<b>98,30,077</b>	<b>45,99,458</b>	<b>14,429,535</b>	<b>100.00</b>	-
[1]	Non Promoter - Non Public					-				
	Custodian/DR Holder	-	-	-	-	-	-	-	-	-
[2]	Employee Benefit Trust (under SEBI (Share based Employee Benefit) Regulations, 2014)	-	-	-	-	-	-	-	-	-
	Total (A)+(B)+(C)	<b>8,615,077</b>	<b>5,814,458</b>	<b>14,429,535</b>	<b>100.00</b>	<b>8,615,077</b>	<b>5,814,458</b>	<b>14,429,535</b>	<b>100.00</b>	





**(I) SHARE HOLDING OF PROMOTERS ( INCLUDING PROMOTER GROUP)**

Sr. No.	Shareholders Name	Share holding at the beginning of the Year			Share holding at the beginning of the Year			% change in share holding during the year
		No of shares	% of total shares of the company"	% of shares pledged encumbered to total shares	No of shares	% of total shares of the company"	% of shares pledged encumbered to total shares	
1	ASHAPURA INTIMATES FASHION LIMITED	2,890,500	20.03	-	2,890,500	20.03	-	-
2	HARSHAD HIRJI THAKKAR	230,177	1.60	-	230,177	1.60	-	-
	<b>Total</b>	3,120,677	21.63	-	3,120,677	21.63	-	-

**(ii) CHANGE IN PROMOTERS' SHAREHOLDING ( SPECIFY IF THERE IS NO CHANGE)**

Sr. No.	Particulars	Share holding at the beginning of the Year		Cumulative Share holding end of the year	
		No. of Shares	% of total shares of the company	No. of Shares	% of total shares of the company
1	At the beginning of the year	3,120,677	20.03	3,120,677	20.03
2	At the end of the year	3,120,677	20.03	3,120,677	20.03

**(iii) Shareholding Pattern of top ten Shareholders (other than Directors, Promoters & Holders of GDRs & ADRs)**

Sr. No	Name of Shareholders	Share holding at the beginning of the Year		Cumulative Share holding end of the year	
		No. of Shares	% of total shares of the company	No. of Shares	% of total shares of the company
1	K Kalidas Fashion Private Limited	900,000	6.24	900,000	6.24
2	Rasiklal Thakkar	734,750	5.09	555,550	3.85
3	Ranjanben Thakkar	555,550	3.85	555,550	3.85
4	Jayesh Purushotam Ganatra	464,000	3.22	464,000	3.22
5	Kesariyaji Capital Private Limited	-	-	450,000	3.12
6	Preeana Juthani	371,200	2.57	371,200	2.57
7	Manish Thakkar	327,770	2.27	327,770	2.27
8	DimpleThakkar	324,065	2.25	324,065	2.25
9	Krishna C. Tandon (HUF)	Nil	-	209,600	1.45
10	Choice Equity Broking Private Limited	505,600	3.50	30,400	0.21

**(iv) SHAREHOLDING OF DIRECTORS AND KMP**

Sr. No	Name of Shareholders	Share holding at the beginning of the Year		Cumulative Share holding end of the year	
		No. of Shares	% of total shares of the company	No. of Shares	% of total shares of the company
1	Harshad Thakkar				



Sr. No	Name of Shareholders	Share holding at the beginning of the Year		Cumulative Share holding end of 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	230,177	1.60	230,177	1.60
	At the end of the year	230,177	1.60	230,177	1.60
2	<b>Dinesh Chanabha Sodha</b>	-			
	At the beginning of the year	1,215,000	8.42	1,215,000	8.42
	Pledge on 11 Dec 2015	-450,000	-3.12	765,000	5.30
	At the end of the year	765,000	5.30	765,000	5.30
3	<b>Hitesh Subhash Pujani</b>				
	At the beginning of the year	1,494,000	10.35	1,494,000	10.35
	At the end of the year	1,494,000	10.35	1,494,000	10.35

## V INDEBTEDNESS

Indebtedness of the Company including interest outstanding/accrued but not due for payment				
	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtness at the beginning of the financial year				
i) Principal Amount	341,282,055	714,408	-	34,19,96,463
ii) Interest due but not paid	1,228,167	14,343	-	12,42,510
iii) Interest accrued but not due	-	-	-	-
Total (i+ii+iii)	<b>342,510,222</b>	<b>728,751</b>	-	34,32,38,973
Change in Indebtedness during the financial year				
Additions	144,724,912	-	-	14,47,24,912
Reduction	-	-	-	<b>14,47,24,912</b>
Net Change	<b>144,724,912</b>	-	-	
Indebtedness at the end of the financial year				
i) Principal Amount	505,963,899		-	505,963,899.
ii) Interest due but not paid	2,015,516	-	-	2,015,516
iii) Interest accrued but not due	-	-	-	-
Total (i+ii+iii)	<b>507,979,415</b>	-	-	<b>507,979,415</b>



## VI REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

### A. Remuneration to Managing Director, Whole time director and/or Manager:

Sl.No	Particulars of Remuneration	Name of the MD/WTD/Manager			Total Amount
1	Gross salary	Harshad Thakkar	Dinesh Sodha	Hitesh Punjani	
	(a) Salary as per provisions contained in section 17(1) of the Income Tax. 1961.	2,400,000.00	1,200,000.00	600,000.00	4,200,000.00
	(b) Value of perquisites u/s 17(2) of the Income tax Act, 1961	-	-	-	-
	(c ) Profits in lieu of salary under section 17(3) of the Income Tax Act, 1961	-	-	-	-
2	Stock option	-	-	-	-
3	Sweat Equity	-	-	-	-
4	Commission	-	-	-	-
	as % of profit	-	-	-	-
	others (specify)	-	-	-	-
5	Others, please specify	-	-	-	-
	<b>Total (A)</b>	<b>2,400,000.00</b>	<b>1,200,000.00</b>	<b>600,000.00</b>	<b>4,200,000.00</b>
	Ceiling as per the Act				

### B. Remuneration to other directors:

Sl.No	Particulars of Remuneration	Name of the Directors			Total Amount
1	Independent Directors	Alok Nag	Tarak Gor	Anupama Sharma	
	(a) Fee for attending board committee meetings	45,800.00	45,800.00	48,625.00	140,225
	(b) Commission	-	-	-	-
	(c ) Others, please specify	-	-	-	-
	Director Remuneration	-	-	-	-
	Director Remuneration	-	-	-	-
	<b>Total (1)</b>	-	-	-	-
2	Other Non Executive Directors	-	-	-	-
	"(a) Fee for attending board committee meetings"	-	-	-	-
	(b) Commission	-	-	-	-
	(c ) Others, please specify.	-	-	-	-
	<b>Total (2)</b>	-	-	-	-
	<b>Total (B)=(1+2)</b>	-	-	-	-
	<b>Total Managerial Remuneration</b>	<b>45,800.00</b>	<b>45,800.00</b>	<b>48,625.00</b>	<b>140,225</b>
	<b>Overall Cieling as per the Act.</b>				



### C. REMUNERATION TO KEY MANAGERIAL PERSONNEL OTHER THAN MD/MANAGER/WTB

Sl. No.	Particulars of Remuneration	Key Managerial Personnel		
		Company Secretary	CFO	Total
1	<b>Gross Salary</b>			
	(a) Salary as per provisions contained in section 17(1) of the Income Tax Act, 1961.	335,161.00	406,946.00	742,107
	(b) Value of perquisites u/s 17(2) of the Income Tax Act, 1961	-	-	-
	(c) Profits in lieu of salary under section 17(3) of the Income Tax Act, 1961	-	-	-
2	Stock Option	-	-	-
3	Sweat Equity	-	-	-
4	Commission	-	-	-
	as % of profit	-	-	-
	others, specify	-	-	-
5	Others, please specify	-	-	-
	<b>Total</b>	<b>335,161.00</b>	<b>406,946.00</b>	<b>742,107</b>

### VII. PENALTIES/PUNISHMENT/COMPOUNDING OF OFFENCES

There was no penalties, punishment or compounding of offences during the year ended 31st March, 2016.



**Secretarial Audit Report**

**FOR THE FINANCIAL YEAR ENDED 31ST MARCH, 2016.**

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

To,  
The Members  
MOMAI APPARELS LIMITED  
SHOP NO 305-309, 3RD FLOOR, PACIFIC PLAZA PLOT,  
NO 570 TPS IV OFF B.S.ROAD MAHIM DIVISION DADAR-W  
MUMBAI, Maharashtra-400028  
INDIA

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

Based on our verification of MOMAI APPARELS LIMITED the books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, I hereby report that in my opinion, the Company has, during the audit period covering the financial year ended on 31st March, 2016, 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:

1. I have examined the books, papers, minute books, forms and returns filed and other records maintained by MOMAI APPARELS LIMITED ("The Company") for the financial year ended on 31st March, 2016, according to the provisions of:

I. The Companies Act, 2013 (the Act) and the Rules made hereunder;

II. The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the Rules made hereunder;

III. The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;

IV. The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act') as amended till date to the extent applicable to the Company:-

a) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992;

b) The Securities and Exchange Board of India (Substantial Acquisition of Share and Takeover) Regulations, 2011;

c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;

d) The Securities and Exchange Board of India (Listing obligation Disclosure Requirements) Regulation, 2015;



e)The Memorandum and Articles of Association;

VI. Other applicable laws as inform to us by the Company:

a)Employees State Insurance Act, 1948.

b)Professional Tax Act, 1975

c)Provident Fund Act,1952

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

i) Secretarial Standards issued by The Institute of Company Secretaries of India.

ii) The Listing Agreements entered into by the Company with the National Stock Exchange of Limited.

I have relied on the representation made by the Company and its various heads for systems and mechanism formed by the Company for compliance under other applicable Acts, Laws and Regulations to the Company.

During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above

2.I further report that the Company has, in my opinion, complied with the provisions of the Companies Act, 2013 and the Rules made under that Act and the provisions of Companies Act, 2013 as notified by Ministry of Corporate Affairs and the Memorandum and Articles of Association of the Company, with regard to:

a)Maintenance of various statutory registers and documents and making necessary entries therein;

b)Closure of the Register of Members;

c)Forms, returns, documents and resolutions required to be filed with the Registrar of Companies and the Central Government;

d)Service of documents by the Company on its Members, Auditors and the Registrar of Companies;

e)Notice of Board meetings and Committee meetings of Directors;

f)The meetings of Directors and Committees of Directors including passing of resolutions by circulation;

g)The 6th Annual General Meeting held on 26th September 2015;

h)Minutes of proceedings of General Meetings and of the Board and its Committee meetings;

i)Approvals of the Members, the Board of Directors, the Committees of Directors and the government authorities, wherever required;

j)Constitution of the Board of Directors / Committee(s) of Directors, appointment, retirement and reappointment of Directors including the Managing Director and Whole-time Directors;



l) Appointment and remuneration of Auditors ;

m) Declaration and payment of dividends;

During the period under review, the Company has complied with the provisions of the Acts, Rules, Regulations, Guidelines, Standards, etc. as mentioned above.

3. I further report that:

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

Adequate notice is generally given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent generally 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 and none of the members have expressed their dissent.

4. I further report that:

Based on the information received and records maintained 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.

5. I further report that:

Based on the information received and record maintained, the Company has made provisions of Rs.8,97,817/- for CSR activity as required under the provisions of section 135 of the Companies Act, 2013. The entire amount was remained unspent during the year. During the year, TDS amounting Rs.2,55,592 was due by 7th September, 2015 actually paid on April, 2016.

sd/-

**CS Jaiprakash Singh**  
**Jaiprakash R Singh & Associates**  
**FCS No.:7391**  
**C P No.:4412**

**Place : Mumbai**  
**Date : 25.08.2016**



**Annexure 5**

Form No.AOC-2

Particulars of Contract/ arrangement made with related parties

[Pursuant to clause (h) of sub section (3) of Section 134 of the Companies Act, 2013 and Rule 8(2) of the Companies (Accounts) Rules, 2014]

This form pertains to the disclosures of particulars of contract/arrangement entered into by the company with related parties referred to in sub-section (1) of section 188 of the Companies act, 2013 including certain arm's length transactions under third proviso thereto.

**1.Details of contract or arrangement or transactions not at arm's length basis**

There were no contracts or arrangement or transactions entered into during the year ended March 31, 2016, which were not at arm's length basis.

**2.The details of material contract or arrangement or transaction at arm's length basis for the year ended March 31, 2016 are as follows:**

(Rs in Lakhs)

Name of the related Party	Nature of Relationship	Nature of Contracts / Arrangements /Transactions	Duration of Contract	Salient terms	Date of approval by the Board	Date of Shareholders Approval	Amount Paid as advances (if any)
Ashapura Intimates Fashion Limited	Holding Company	Sale of Finished Good and Rent paid	On Continual Basis	Aggregate value of contract for the year 2015-16 is Rs.7485.59 1.Sale Amounting to Rs.7461.68/- 2.Rent Paid amounting to Rs. 23.91/-	29th August, 2015	26th September, 2015	NIL

**On Behalf of the Board of Directors**

sd/-  
Harshad Thakkar  
Managing Director  
DIN: 01869173

Place: Mumbai  
Date: 25th August, 2016



## Annexure 6

### Annual Report on Corporate Social Responsibility (CSR) Activities

1.	A brief outline of the company's CSR Policy including overview of projects or programs proposed to be undertaken and reference to the web-link to the CSR Policy	Pursuant to Section 135(1) of the Companies Act, 2013 read with Companies (Corporate Social Responsibility) rules, 2014 the board of director have constituted a CSR committee. The board also framed a CSR Policy in compliance with the provisions of section 135 of the companies act, 2013 and the same is displayed on the website of the company at <a href="http://www.momaiapparels.com">www.momaiapparels.com</a>
2.	The Composition of the CSR Committee	The Board of Directors of the Company has constituted the Corporate Social Responsibility Committee of Directors. CSR Committee is formed as per the applicable provisions of the Companies Act, 2013 and the Committee is responsible for the implementation/monitoring and review of the policy and various projects / activities undertaken under the policy. The Committee comprise of Mr. Harshad Thakkar (Chairman and Managing Director), Mr. Hitesh Punjani (Executive Director), Mr. Alok Nag (Non-Executive Independent Director)
3.	Average net profit of the company (Standalone) for preceding three financial years	Rs. 4,48,90,873/-
4.	Prescribed CSR Expenditure spent (Two percent of the amount as in item 3 above)	Not spent any amount by the company. The company will be spending the same in the financial year 2016-17.
5.	Details of CSR spent during the financial year: a) Total amount spent for the financial year b) Amount unspent, if any	Nil Rs. 8,97,817/-

On Behalf of the Board of Directors

sd/-  
**Harshad Thakkar**  
**Managing Director**  
DIN: 01869173

**Date: 25th August, 2016**  
**Place: Mumbai**



## INDEPENDENT AUDITORS REPORT

To,  
The Members of  
Momai Apparels Limited

We have audited the accompanying financial statements of M/s Momai Apparels Limited, which comprise the Balance Sheet as at March 31, 2016, Statement of Profit and Loss, Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

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

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

### **Auditors' Responsibility**

Our responsibility is to express an opinion on these financial statements based on our audit. We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

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

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances but not for the purpose of expressing an opinion on whether the Company has in place an adequate internal financial controls system over financial reporting and the operating effectiveness of such controls. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by the Company's directors, as well as evaluating the overall presentation of the financial statements.

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



## Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2016, its profit and its cash flows for the year ended on that date.

## Report on Other Legal and Regulatory Requirements

As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the said Order.

1. As required by section 143(3) of the Act, we report that:

a) We have sought & obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;

b) In our opinion proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.

c) The Balance Sheet, the Statement of Profit and Loss and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.

d) In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under section 133 of the Act, read with rule 7 of the Companies (Accounts) Rules, 2014;

e) On the basis of written representations received from the directors as on March 31, 2016, and 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 section 164(2) of the Act.

f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure 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 does not have any long term contracts including derivative contracts for which there were any material foreseeable losses; and

(iii) There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.



**For Bagaria & Co. LLP**  
**Chartered Accountants**  
**Firm Registration No – 113447W/W-100019**

**sd/-**  
**Vinay Somani**  
**Partner**  
**Membership No.: 143503**  
**Mumbai, May 28th, 2016**



## **“Annexure A” to the Independent Auditor's Report - 31.03.2016**

On the basis of such checks as we considered appropriate and according to the information and explanation given to us during the course of our audit, we report that:

1. (a) The Company has maintained proper records showing full particulars including quantitative details and situation of its fixed assets.

(b) As explained to us, fixed assets have been physically verified by the management at reasonable intervals; no material discrepancies were noticed on such verification.

(c) The title deeds of immovable properties are held in the name of the Company.

2. According to the information & explanations given to us, the inventories have been physically verified by the management during the year and no material discrepancies were observed.

3. According to the information and explanations given to us and on the basis of our examination of the books of account, the Company has not granted any loans, secured or unsecured, to companies, firms or other parties listed in the register maintained under Section 189 of the Companies Act. Consequently, the provisions of clauses 3(iii)(a), 3(iii)(b) and 3(iii)(c) of the order are not applicable to the Company.

4. 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.

5. According to the information and explanations given to us, the Company has not accepted any deposits from the public. Therefore, the provisions of sections 73 to 76 or any other relevant provisions of the Companies Act and the rules framed there under are not applicable to the Company.

6. As informed to us, the Central Government has not prescribed maintenance of cost records under section 148(1) of the Companies Act, 2013 for the services provided by the Company.

7. (a) According to the information and explanations given to us and on the basis of our examination of the books of account, and records, the Company has generally been regular in depositing undisputed statutory dues including Provident Fund, Employees' State Insurance, Income-tax, Sales-tax, Wealth Tax, Service Tax, duty of customs, duty of excise, value added tax, cess to the extent applicable 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 outstanding as at March 31, 2016 for a period of more than six months from the date they became payable.

Name of the Statute	Income Tax Act, 1961
Nature of Dues	TDS
Amount (Rs.)	2,55,592
Period to which amount relates	April 2015 to August 2015
Due Date	7th of subsequent months
Date of Payment	30th April, 2016

(b) According to the information and explanations given to us, there are no dues of income tax, wealth tax, service tax, sales tax, duty of customs, duty of excise, value added tax, cess which have not been deposited on account of any dispute.



8. 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 and financial institutions. The Company has not issued any debentures.

9. The Company has not raised any moneys by way of initial public offer during the year. Based on our audit procedures and the information & explanations given by the management, we report that the Company has applied the moneys raised from term loans for the purpose for which they were raised.

10. 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.

11. The Company has paid / provided the managerial remuneration in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Companies Act.

12. In our opinion, the company is not Nidhi Company. Therefore the provisions of clause 4 (xii) of the order are not applicable to the company.

13. Based on the audit procedures performed and the information and explanations given to us all transactions with the related parties are in compliance with section 177 and 188 of the Companies Act, 2013 and the details have been disclosed in the Financial Statements as required by the applicable accounting standards.

14. 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.

15. 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.

16. In our opinion, the Company is not required to be registered under section 45IA 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.

**For Bagaria & Co. LLP**  
**Chartered Accountants**  
**Firm Registration No – 113447W/W-100019**  
**sd/-**  
**Vinay Somani**  
**Partner**  
**M.No.143503**  
**Mumbai, May 28th, 2016**

“Annexure B” to the Independent Auditor’s Report – 31.03.2016

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 M/s. Momai Apparels Limited ("the Company") as of March 31, 2016 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

### Management's Responsibility for Internal Financial Controls

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

### Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on 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 judgement, 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 authorizations of management and directors of the company; and

(3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

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

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

### Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 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.

For Bagaria & Co. LLP  
Chartered Accountants  
Firm Registration No – 113447W/W-100019

sd/-  
Vinay Somani  
Partner  
M.No.143503  
Mumbai, May 28th, 2016



# MOMAI APPARELS LIMITED

## BALANCE SHEET AS AT 31ST MARCH, 2016

	Note	Amounts (in Rs.)	
		" As at 31st March 2016 "	" As at 31st March 2015 "
<b>EQUITY AND LIABILITIES</b>			
<b>Shareholders' Funds</b>			
Share Capital	3	144,295,350	144,295,350
Reserves and Surplus	4	500,856,816	469,883,119
<b>Non-Current Liabilities</b>			
Deferred tax liabilities (Net)	5	1,783,251	1,224,143
Long-term borrowing	6	175,824,641	52,567,251
<b>Current Liabilities</b>			
Short-term borrowing	7	308,647,747	277,389,077
Trade payables	8	80,080,011	199,630,605
Other current liabilities	9	26,062,113	15,134,836
Short-term provisions	10	15,427,195	33,427,853
<b>TOTAL</b>		<b>1,252,977,124</b>	<b>1,193,552,234</b>
<b>ASSETS</b>			
<b>Non-Current Assets</b>			
Fixed assets			
Tangible assets	11	97,549,564	78,389,765
Intangible assets		-	-
Other Non-current assets	12	2,457,941	3,383,571
<b>Current Assets</b>			
Inventories	13	420,704,090	501,737,275
Trade Receivables	14	386,187,951	386,934,278
Cash and Cash equivalents	15	133,715,620	73,769,085
Short-Term loans and advances	16	212,361,958	149,338,260
<b>TOTAL</b>		<b>1,252,977,124</b>	<b>1,193,552,234</b>
Significant Accounting Policies	2		
See accompanying Notes to the Financial Statements	1 to 32		

**As per our report of even date**  
**For Bagaria & Co. LLP**  
**Chartered Accountants**

sd/-  
**Vinay Somani**  
**Partner**  
**Membership No.-143503**  
**Mumbai**  
**Date : 28th May, 2016**

**For & on behalf of the Board of Directors**

sd/-  
**Harshad Thakkar**  
**Director**  
**DIN: 01869173**

sd/-  
**Anurag Gangwal**  
**Chief Financial Officer**

sd/-  
**Bhoomi Mewada**  
**Company Secretary**



# MOMAI APPARELS LIMITED

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH, 2016

	Note	Amounts (in Rs.)	
		" As at 31st March 2016 "	" As at 31st March 2015 "
<b>REVENUE</b>	17		
Revenue from Operations	18	1,378,241,001	1,228,002,588
Other operating revenue		6,858,003	3,671,266
<b>TOTAL REVENUE</b>		<b>1,385,099,004</b>	<b>1,231,673,854</b>
<b>EXPENSES</b>	19		
Cost of Materials Consumed		1,084,099,342	1,119,098,073
Changes in Inventories of Finished Goods, Stock-in-Process	20	81,033,185	(90,492,173)
Manufacturing Expenses	21	73,376,219	72,561,501
Employee Benefits Expense	22	15,981,175	15,423,829
Finance Costs	23	57,085,047	44,520,801
Depreciation / Amortization Expense	24	11,007,130	5,750,666
Other Expenses	25	17,421,227	9,142,887
<b>TOTAL EXPENSES</b>		<b>1,340,003,325</b>	<b>1,176,005,584</b>
Profit Before Tax		45,095,679	55,668,271
Tax expense:			
- Current tax		14,136,920	19,005,117
- Short / (Excess) Provision in Earlier Years		(818,307)	
- Deferred tax		559,109	13,814
<b>Profit for the year</b>		<b>31,217,957</b>	<b>36,649,340</b>
Earnings per equity share of face value of Rs.10 each			
(1) Basic		2.16	3.16
(2) Diluted		2.16	3.16
Significant Accounting Policies	2		
See accompanying Notes to the Financial Statements	1 to 32		

As per our report of even date  
For Bagaria & Co. LLP  
Chartered Accountants

sd/-  
Vinay Somani  
Partner  
Membership No.-143503  
Mumbai  
Date : 28th May, 2016

For & on behalf of the Board of Directors

sd/-  
Harshad Thakkar  
Director  
DIN: 01869173

sd/-  
Anurag Gangwal  
Chief Financial Officer

sd/-  
Bhoomi Mewada  
Company Secretary



# MOMAI APPARELS LIMITED

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

	Amounts (in Rs.)	
	" As at 31st March 2016 "	" As at 31st March 2015 "
<b>A. CASH FLOW FROM OPERATING ACTIVITIES:</b>		
<b>Net Profit After Tax as per Profit &amp; Loss Statement</b>	31,217,957	36,649,340
<b>Adjusted for:</b>		
Depreciation	10,996,500	5,740,036
Interest & Finance Charges	57,085,047	44,520,801
<b>Operating Profit before Working Capital Changes</b>	<b>99,299,504</b>	<b>86,910,177</b>
<b>Adjusted for:</b>		
(Increase)/Decrease in Inventories	81,033,185	(90,492,173)
(Increase)/Decrease in Trade Receivable	746,327	(223,748,498)
(Increase)/Decrease in loans and advances	(62,108,698)	(151,453,176)
Increase/(Decrease) in Trade & Other Payables	(136,378,148)	53,375,677
<b>Cash Generated From Operations</b>	<b>(17,407,830)</b>	<b>(325,407,994)</b>
Taxes Paid	-	-
Cash Inflow Before Prior Period Adjustments	(17,407,830)	(325,407,994)
<b>Net Cash from Operating Activities</b>	<b>(17,407,830)</b>	<b>(325,407,994)</b>
<b>B. CASH FLOW FROM INVESTING ACTIVITIES</b>		
Acquisition of Fixed Assets	(30,156,300)	(103,107)
Preliminary and preoperative expenses	10,630	(64,370)
<b>Net Cash from Investing Activities</b>	<b>(30,145,670)</b>	<b>(167,477)</b>
<b>C. CASH FLOW FROM FINANCING ACTIVITIES</b>		
Proceeds from issue of Equity Shares	-	55,552,000
Proceeds from Share Premium	(88,587)	363,310,664
Deferred Tax Asset/ Liability	559,109	13,814
Loans Taken / (Repaid)	164,270,232	(2,356,550)
Interest & Finance Charges	(57,085,047)	(44,520,801)
Proposed Dividend & Taxes	(155,674)	(12,732,261)
<b>Net Cash from Financial Activities</b>	<b>107,500,033</b>	<b>359,266,866</b>
Net Increase in Cash and Cash Equivalents	59,946,534	33,691,395
Opening Balance of Cash and Cash Equivalents	73,769,085	40,077,689
<b>Closing Balance of Cash and Cash Equivalents</b>	<b>133,715,619</b>	<b>73,769,085</b>

As per our report of even date  
For Bagaria & Co. LLP  
Chartered Accountants  
sd/-  
Vinay Somani  
Partner  
Membership No.-143503  
Mumbai  
Date : 28th May, 2016

For & on behalf of the Board of Directors  
sd/-  
Harshad Thakkar  
Director  
DIN: 01869173  
sd/-  
Bhoomi Mewada  
Company Secretary  
sd/-  
Anurag Gangwal  
Chief Financial Officer



# MOMAI APPARELS LIMITED

NOTES ON ACCOUNTS AS ON 31ST MARCH, 2016

## 1. Corporate Information.

Momai Apparels Limited ("the Company") was incorporated on January 21, 2010 as a private limited company under the Companies Act and registered with the ROC with name "Momai Apparels Private Limited". The Company was converted into a public limited company vide fresh certificate of incorporation dated September 05, 2013.

The CIN of Momai Apparels Limited is L18109MH2010PLC199178. The Company is listed on the NSE SME platform "Emerge". The registered office of the Company is situated at Unit No. 305-309, 3rd Floor, Pacific Plaza, Plot No. 570, TPS IV, Off Bhawani Shankar Road, Mahim Division, Dadar (West), Mumbai – 400 028, Maharashtra, India. MAL is engaged in the business of manufacturing of non-branded intimate garments.

## 2. Significant Accounting Policies

**A. Basis of preparation of Financial Statements.** These financial statements have been prepared to comply in all material aspects with applicable accounting principles in India, the applicable Accounting Standards prescribed under Section 133 of the Companies Act, 2013 ('Act') read with Rule 7 of the Companies (Accounts) Rules, 2014, the provisions of the Act (to the extent notified) and other accounting principles generally accepted in India, to the extent applicable.

### B. Use of Estimates

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

### C. Revenue Recognition

- Revenue from sale of goods is recognised when all the significant risks and rewards of ownership in the goods are transferred to the buyer as per the terms of the contract, the Company retains no effective control of the goods transferred to a degree usually associated with ownership and no significant uncertainty exists regarding the amount of the consideration that will be derived from the sale of goods. Sales are recognised net of trade discounts, rebates and sales taxes.

- Interest on investments is recognised on a time proportion basis taking into account the amounts invested and the rate of interest.

- Dividend income on investments is recognised when the right to receive dividend is established."

### D. Tangible Fixed Assets

"Tangible fixed assets are stated at cost net of recoverable taxes, trade discounts and rebates, less accumulated depreciation and accumulated impairment losses, if any. The cost of Tangible fixed assets comprises its purchase price, borrowing cost and any cost directly attributable to bringing the asset to its working condition for its intended use. Subsequent expenditures related to an item of tangible asset are added to its book value only if they increase the future benefits from the existing asset beyond its previously assessed standard of performance. Tangible fixed assets not ready for the intended use on



the date of Balance Sheet are disclosed as "Capital work-in-progress".

## **E. Depreciation, Amortisation And Depletion**

"Depreciation on Tangible Fixed Assets is provided on a pro-rata basis to the extent of depreciable amount

Assets costing Rs. 5000 or less are fully depreciated in the year of purchase.

## **F. Impairment Of Assets**

An asset is treated as impaired when the carrying cost of asset exceeds its recoverable value. An impairment loss is charged to the Profit and Loss Statement in the year in which an asset is identified as impaired. The impairment loss recognised in prior accounting period is reversed if there has been a change in the estimate of recoverable amount.

## **G. Investments**

"Investments are classified into current and non-current investments. Current investments are stated at the lower of cost and fair value. Non-current investments are stated at cost. A provision for diminution is made to recognise a decline, other than temporary, separately for each individual non-current investments."

Investments that are readily realisable and are intended to be held for not more than one year from the date on which such investments are made, are classified as "Current investments". All other investments are classified as "Non-Current investments".

## **H. Inventories**

Raw Materials & Finished Goods have been valued at Cost or Net realisable value, whichever is lower. Work in Progress is valued at estimated cost of production as identified by the Management. The Inventory is physically verified by the management at regular intervals. Cost of Inventory comprises of Cost of Purchase, Cost of Conversion and other Costs incurred to bring them to their respective present location and condition.

## **I. Trade Receivables & Other Loans & Advances**

Trade receivables and Loans and advances are stated after making adequate provisions for doubtful balances.

## **J. Provisions and Contingent liabilities**

"Provisions are recognised when there is a present obligation as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and there is a reliable estimate of the amount of the obligation. Provisions are measured at the best estimate of the expenditure required to settle the present obligation at the Balance Sheet date and are not discounted to its present value. These are reviewed at each year end date and adjusted to reflect the best current estimate."

Contingent liabilities are disclosed when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non occurrence of one or more uncertain



future events not wholly within the control of the Company or a present obligation that arises from past events where it is either not probable that an outflow of resources will be required to settle the obligation or a reliable estimate of the amount cannot be made.

## **K. Employee Benefits**

### **- Defined Contribution Plans**

The Company makes specified monthly contributions towards Provident Fund, Superannuation Fund and Pension Scheme. The Company's contribution is recognised as an expense in the Profit and Loss Statement during the period in which the employee renders the related service.

### **- Defined Benefit Plans**

The Company is not providing for any defined benefit plan to the employees for post retirement.

## **L. Taxation**

Tax expense for the year comprises current tax and deferred tax.

Current tax is measured at the amount expected to be paid to the tax authorities, using the applicable tax rates. Any additional liability arising during the course of assessment proceedings will be accounted for as "Tax of earlier years" on actual determination of liability by the Income Tax Dept.

"Deferred tax is recognised for all the timing differences, subject to the consideration of prudence in respect of deferred tax assets. Deferred tax assets and liabilities are measured using the tax rates and tax laws that have been enacted or substantively enacted by the Balance Sheet date. Deferred tax assets are recognised and carried forward only to the extent that there is a reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realised. In situations where the Company has unabsorbed depreciation or carry forward tax losses, all deferred tax assets are recognised only if there is virtual certainty supported by convincing evidence that they can be realised against future taxable profits. The carrying amount of deferred tax assets is reviewed at each Balance Sheet date for any write down, as considered appropriate."

## **M. Foreign Currency Transaction**

Foreign currency transactions are accounted for at the exchange rates prevailing at the date of the transaction. Gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies are recognised in the Statement of Profit and Loss.

All other exchange differences are recognised as income or as expenses in the period in which they arise.

"Forward exchange contracts outstanding as at the year end on account of firm commitment transactions are marked to market and the losses, if any, are recognised in the Statement of Profit and Loss and gains are ignored in accordance with the announcement of the Institute of Chartered Accountants of India on 'Accounting for Derivatives' issued in March 2008."

## **N. Borrowing Costs**

Borrowing costs that are directly attributable to the acquisition, construction or production of qualifying assets are capitalized as part of the cost of that assets. Other borrowing costs are recognized as an





expense in the period in which they are incurred.

## O. Earning per Share

Basic earnings per share is calculated by dividing the net profit for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period. The weighted average number of equity shares outstanding during the period and for all periods presented is adjusted for events, such as bonus shares, other than the conversion of potential equity shares, that have changed the number of equity shares outstanding, without a corresponding change in resources. For the purpose of calculating diluted earnings per share, the net profit for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period is adjusted for the effects of all dilutive potential equity shares.

<b>3. SHARE CAPITAL</b>	<b>" As at 31st March 2016 "</b>	<b>" As at 31st March 2015 "</b>
<b>AUTHORISED SHARE CAPITAL</b>		
1,60,00,000/- Equity Shares Of Rs. 10/- each	160,000,000	160,000,000
<b>ISSUED, SUBSCRIBED &amp; PAID UP CAPITAL</b>		
1,44,29,535 ( PY 1,44,29,535) Equity Shares of Rs.10/- Each Fully Paid Up	144,295,350	144,295,350
<b>Total issued , subscribed and paid up capital</b>	<b>144,295,350</b>	<b>144,295,350</b>

<b>3.1 Reconciliation of the number of shares outstanding Share Capital beginning and at the end of the reporting period .</b>		
<b>Equity Shares</b>	<b>" As at 31st March 2016 "</b>	<b>" As at 31st March 2015 "</b>
At the beginning of the year	14,429,535	8,874,335
Add: Issued during the year	-	-
Add: Issued during the year - Initial Public Offer	-	5,555,200
Add: Bonus Shares Issued during the year	-	-
<b>Outstanding at the end of the year</b>	<b>14,429,535</b>	<b>14,429,535</b>

During the year ended March, 31, 2015 the Company made an Initial Public Offering (IPO) through book building process of 55,55,200 (nos) Equity Shares of Rs. 10 each. Out of the total offering 17,08,800 nos of shares were allotted as pre IPO issue allotment & 38,46,400 nos of shares were allotted in IPO. The Company has raised Rs.43.33 crores through the fresh issue of shares and incurred share issue expenses of Rs.1.44 crore which have been adjusted with securities premium account in line with the requirements of Section 52 of the Companies Act, 2013.





### 3.2 Details of Shareholders holding more than 5% equity shares in the Company.

Particulars	As at 31st March, 2016		As at 31st March, 2015	
	Shares (nos)	% of Holding in the Class	Shares (nos)	% of Holding in the Class
Dinesh Chanhubha Sodha	765,000	5.30%	1,215,000	8.42%
Hitesh Subhash Punjani	1,494,000	10.35%	1,494,000	10.35%
Ashapura Intimates Fashion Ltd	2,890,500	20.03%	2,890,500	20.03%
K Kalidas Fashions Pvt Limited	900,000	6.24%	900,000	6.24%

### 3.3 For the period of Five years immediately preceding the date as at which the Balance Sheet is prepared:

Particulars	As at 31st March, 2016
(a) Aggregate number of Equity Shares allotted as fully paid up pursuant to contract(s) for the takeover of businesses without payment being received in cash.	1,480,000
(b) Aggregate number of Equity Shares allotted as fully paid up as Bonus shares.	2,498,000

### 3.4 Terms/ Rights Attached to Equity Shares

The Company has only one class of shares referred to as equity shares having a par value of Rs.10 per share. Each holder of equity shares is entitled to one vote per share. The Company declares and pays dividends in Indian Rupees. The final dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting, except in the case of interim dividend.

## 4. RESERVES & SURPLUS

Particulars	As at 31st March, 2016	As at 31st March, 2015
<b>Surplus in Statement of Profit &amp; Loss</b>		
As per last balance sheet	51,819,058	27,901,980
Add :- Net Profit after tax transferred from the Statement of Profit and Loss for the year.	31,217,957	36,649,340
<b>Amount Available for Appropriation</b>	<b>83,037,016</b>	<b>64,551,319</b>
Less : Capitalisation of Profits	-	-
Less : Dividend On Equity Shares	-	(10,822,151)
Less : Tax on Dividend on Equity Shares.	(155,674)	(1,910,110)
(A)	82,881,342	51,819,058
<b>Securities Premium Account</b>		
As per Last Balance sheet	418,064,061	54,753,397
Add : Issued during the Year	-	377,753,600
Less : Share issue related expenses *	88,587	14,442,936
<b>Balance at the end of the Year (B)</b>	<b>417,975,474</b>	<b>418,064,061</b>
<b>TOTAL (A+B)</b>	<b>500,856,816</b>	<b>469,883,119</b>

\* Expenses amounting to Rs. 88,587 have been incurred by the Company during the FY 2015-16 towards Share issue expenses related to earlier year. Share Issue expenses of Rs. 1,44,42,936 incurred by the Company has been met out of the Securities Premium Account in accordance with the requirements of Section 52 of the Companies Act, 2013.



<b>5. DEFERRED TAX LIABILITIES (NET)</b>	As at 31st March, 2016	As at 31st March, 2015
Major components of Deferred tax liabilities/ (assets) arising on account of timing differences as at 31st March, 2016 are as follows:		
<b>Deferred Tax Liabilities</b>		
On difference between book balance and tax balance of fixed assets	1,783,251	2,069,260
Expense Claimed for Tax purpose on payment basis	-	-
<b>Total Deferred Tax Liabilities</b>	<b>1,783,251</b>	<b>2,069,260</b>
<b>Deferred Tax Assets</b>		(845,117)
Provision for Expense allowed for tax purpose on payment basis	-	-
Others	-	(845,117)
<b>Total Deferred Tax Assets</b>	<b>-</b>	<b>-</b>
<b>Net Deferred Tax Liability</b>	<b>1,783,251</b>	<b>1,224,143</b>
<b>Net Deferred Tax (Expense) For The Year</b>	<b>559,109</b>	

<b>6. LONG TERM BORROWINGS</b>	As at 31st March, 2016	As at 31st March, 2015
<b>SECURED</b>		
From Banks & Financial Institutions	15,926,555	17,408,438
From Others	159,898,086	35,158,813
<b>TOTAL</b>	<b>175,824,641</b>	<b>52,567,251</b>

### Terms & Conditions in respect of the Term Loans taken from Banks & Financial Institutions

#### 1) SIDBI - Term Loan

<b>- Security</b>	a) First charge by way of mortgage of immovable properties at unit no 301 admeasuring 305 sq ft carpet area on 3rd floor pacific plaza, maszid galli, off bhavani shankar road, Dadar West, Mumbai 28, owned by Ashapura Intimate Fashions Limited (AIFL). b) Personal Guarrantees of Directors of the Company & Corporate Guarrantee of AIFL.	
<b>- Rate of Interest</b>	12.25 % p.a with monthly rest	
<b>- Repayment</b>	Repayment in 78 Monthly Installments, commencing after 3 months from the date of First disbursement.	
	<b>Nos of Monthly Installment</b>	<b>Installment amt Rs. in Lakhs</b>
	1st to 77th	1.28
	78th to 78th	1.44

#### 2) SIDBI - Loan Under GEM Scheme

<b>- Security</b>	a) Residual Charge on all the current & movable assets of the Company.
	b) Extension of first charge by way of mortgage of immovable properties at unit no 301 admeasuring 305 sq ft carpet area on 3rd floor pacific plaza, maszid galli, off



	bhavani shankar road, Dadar West, Mumbai 28, owned by Ashapura Intimate Fashions Limited (AIFL).	
	c) Personal Guarantees of Directors of the Company & Corporate Guarantee of AIFL. 16 % p.a with monthly rest. Repayment in 48 Monthly Installments, commencing after 36 months from the date of First disbursement	
<b>- Rate of Interest</b>	16 % p.a with monthly rest.	
<b>- Repayment</b>	Repayment in 48 Monthly Installments, commencing after 36 months from the date of First disbursement.	
	<b>Nos of Monthly Installment</b>	<b>Installment Amt Rs in Lakhs</b>
	1st to 27th	1.62
	28th to 47th	2.68
	48th to 48th	2.66

#### 4) Capri Global Capital Limited (I)

- Loan Amount	Rs. 1,28,00,000
- Security	Gala No 1, Ground Floor, Pacific Plaza Premises Co-op Soc Plot No 570, Garage Galli, Dadar (W) Mumbai 400028.
- Rate of Interest	14.50 % p.a
- Repayment	48 EMI of Rs 3.52998 Lakhs each commencing from 5/05/2014.

#### 5) Capri Global Capital Limited (II)

- Loan Amount	Rs. 1,22,00,000
- Security	a) Godown No 111. 1st Floor Building no D-5, Hari Har Compound, Bhiwandi Thane 421302 b) Godown No 15, Ground Floor, Bldg No D-6, Hari Har Compound, Bhiwandi Thane 421302 c) Godown No 112,113 1st Floor Building No D-6, Hari Har Compound, Bhiwandi Thane 421302
- Rate of Interest	14.50 % p.a
- Repayment	48 EMI of Rs 3.36452 Lakhs each commencing from 5/05/2014.

#### 6) Reliance Capital Ltd

- Loan Amount	Rs. 2,00,00,000
- Security	Mortgage of Immovable property t Mauli Krupa Krishna Complex CTS no 79 (3)/1 Dapode Bhivandi Thane 421308, Thane 421308 (MHS) - India.
- Rate of Interest	13.25 % p.a.
- Repayment	60 EMI of Rs 4.57625 Lakhs each.

#### 7) Reliance Capital Ltd - 316062

- Loan Amount	Rs. 1,47,24,912
- Security.	Mortgage of Machinery purchased out of the term loan proceeds.
- Rate of Interest.	14.15 % p.a.
- Repayment.	36 EMI of Rs 5.04336 Lakhs each.



## 8) Fullerton India Credit Co. Ltd

- Loan Amount	Rs. 13,00,00,000
- Security.	Mortgage of Shops 305 to 309 at Pacific Plaza Premises Co-op Soc Plot No 570, Garage Galli, Dadar (W) Mumbai 400028.
- Rate of Interest.	11.90 % p.a.
- Repayment.	180 EMI of Rs 15.51865 Lakhs each.

<b>7. SHORT TERM BORROWINGS.</b>	As at 31st March, 2016	As at 31st March, 2015
Secured		
Punjab National Bank CC Account *	308,647,747	212,192,056
(Secured by way of hypothecation of stock and book debts, repayable on demand)		
Punjab National Bank OD Account**	-	65,197,021
(Secured by way of hypothecation of Fixed Deposits)		
	<b>308,647,747</b>	<b>277,389,077</b>

### Terms & Conditions in respect of the Short Term Borrowings taken from Banks.

* Punjab National Bank CC A/c No - 1253008700001081	
- Security :	Secured by mortgage of property located at Unit no 305, 306, 307, 308, 309, & G-2 located at Pacific Plaza Masjid Galli, Dadar (W) Mumbai.
- Rate of Interest	14.50% floating.
- Repayment Terms	Fund based working capital limit & is repayable on demand.
** Punjab National Bank OD A/c No - 1253009300009765	
- Security :	Secured by Fixed Deposit of Rs. 7 crores with same Bank.
- Rate of Interest	9% fixed.
- Repayment Terms	Fund based working capital limit & is repayable on demand.

<b>8. TRADE PAYABLES</b>	As at 31st March, 2016	As at 31st March, 2015
Others	80,080,011	199,630,605
<b>TOTAL</b>	<b>80,080,011</b>	<b>199,630,605</b>



<b>9. OTHER CURRENT LIABILITIES</b>	As at 31st March, 2016	As at 31st March, 2015
Current maturities of Long term borrowings (A)	<b>21,219,111</b>	<b>12,719,279</b>
Interest accrued but not due on borrowings (B)	<b>1,864,961</b>	<b>610,621</b>
Other Payables:		
Creditors for Asset	2,903,967	1,003,861
Distributors deposits	-	727,000
Dividend Payable	74,075	74,076
(C)	<b>2,978,041</b>	<b>1,804,937</b>
<b>TOTAL (A + B + C)</b>	<b>26,062,113</b>	<b>15,134,836</b>

<b>10. SHORT TERM PROVISIONS</b>	As at 31st March, 2016	As at 31st March, 2015
Provision for Taxation ( Net off of Advance Tax & TDS)	12,064,756	18,094,571
Duties & Taxes	2,464,622	2,601,021
Provision for proposed final dividend	-	10,822,151
Provision for dividend distribution tax on proposed final dividend	-	1,910,110
Provision for CSR Expenditure	897,817	-
<b>TOTAL</b>	<b>15,427,195</b>	<b>33,427,853</b>

## 11. FIXED ASSETS

Description	Gross Block			Depreciation/Amortisation/Depletion			Net Block		
	As at 01.04.15	Addition	Deduction	As at 31.03.16	Up to 01.04.15	For the period 01.04.15 to 31.03.16	Up to 31.03.16	As at 31.03.2016	As at 31.03.2016
Tangible Assets									
Office Premises at Dadar 305 To 309	41,258,586	-	-	41,258,586	4,050,149	1,886,468	5,936,617	35,321,969	37,208,437
Office Premises at Dadar shop no 1	10,640,560	-	-	10,640,560	812,060	502,236	1,314,296	9,326,264	9,828,500
Building No. 1	6,190,710	-	-	6,190,710	332,553	285,292	617,845	5,572,865	5,858,157
Building No. 2	20,461,086	-	-	20,461,086	1,099,476	942,910	2,042,386	18,418,700	19,361,610
Plant & Machinery	4,714,155	24,242,216	-	28,956,371	1,618,630	5,066,282	6,684,912	22,271,459	3,095,525
Furniture & Fixture	4,877,334	3,409,868	-	8,287,202	2,152,302	1,697,116	3,849,418	4,437,783	2,725,031
Electrical Installation	389,693	1,864,257	-	2,253,950	170,492	343,173	513,666	1,740,284	219,200
Office Equipment	93,776	-	-	93,776	75,951	16,962	92,913	863	17,825
Computers & Printers	169,460	534,385	-	703,845	113,175	227,661	340,837	363,009	56,285
Air Conditioner	59,271	105,574	-	164,845	40,078	28,399	68,476	96,369	19,194
Sub - Total (A)	88,854,631	30,156,300	-	119,010,931	10,464,866	10,996,500	21,461,367	97,549,564	78,389,765
Intangible Assets									
									-
Sub - Total (B)	-	-	-	-	-	-	-	-	-
Total (A + B)	88,854,631	30,156,300	-	119,010,931	10,464,866	10,996,500	21,461,367	97,549,564	78,389,765
Previous Year	88,751,524	103,107	-	88,854,631	4,724,830	5,740,036	10,464,866	78,389,765	84,026,694





<b>12. OTHER NON - CURRENT ASSETS</b>	As at 31st March, 2016	As at 31st March, 2015
Deposits	2,426,050	3,341,050
Preliminary Expenses		
Opening Balance	<b>29,541</b>	<b>36,926</b>
Less : Written off during the year	7,385	7,385
	22,156	29,541
<b>Preoperative Expenses</b>		
Opening Balance	12,980	16,225
Less : Written off during the year	3,245	3,245
	9,735	12,980
<b>TOTAL</b>	<b>2,457,941</b>	<b>3,383,571</b>

<b>13. INVENTORIES</b>	As at 31st March, 2016	As at 31st March, 2015
(As Certified by the Management )		
- WIP & Finished Goods	420,704,090	501,737,275
- Acquired Stock	-	-
<b>TOTAL</b>	<b>420,704,090</b>	<b>501,737,275</b>

The Inventories have been valued at cost. The Inventory is physically verified by the management at regular intervals. Cost of Inventory comprises of Cost of Purchase, Cost of Conversion and other Costs incurred to bring them to their respective present location and condition.

<b>14. TRADE RECEIVABLES</b>	As at 31st March, 2016	As at 31st March, 2015
<b>Sundry Debtors</b>		
(Unsecured, Considered Good )		
Outstanding for More than Six Months	85,955,344	45,073,906
Others	300,232,607	341,860,372
<b>TOTAL</b>	<b>386,187,951</b>	<b>386,934,278</b>

<b>15. CASH &amp; CASH EQUIVALENT</b>	As at 31st March, 2016	As at 31st March, 2015
Cash on hand*	179,642	1,433,827
Bank Balance with Scheduled Banks	10,270	208,595
- In Current Account		
- In Deposit Account**	133,525,708	72,126,662
<b>TOTAL</b>	<b>133,715,620</b>	<b>73,769,085</b>



\* As certified by the Management.

\*\* Includes Interest accrued on same.

<b>16. SHORT TERM LOANS &amp; ADVANCES</b>	As at 31st March, 2016	As at 31st March, 2015
Loan & Advances	238,461	162,820
( Unsecured, Considered Good )	400,397	286,527
Loans & advances to Employees	285,968	1,990
Prepaid Expenses	210,647,860	148,886,923
Balance with Revenue Authorities	789,272	-
Advances to Suppliers		
Advance recoverable in cash or in kind		
<b>TOTAL</b>	<b>212,361,958</b>	<b>149,338,260</b>

<b>17. REVENUE FROM OPERATIONS</b>	As at 31st March, 2016	As at 31st March, 2015
Gross Sales less returns		
Domestic	137,49,19,061	122,80,02,580
Export	33,21,940	-
<b>TOTAL</b>	<b>1,378,241,001</b>	<b>1,228,002,588</b>

<b>18. OTHER INCOME</b>	As at 31st March, 2016	As at 31st March, 2015
Sundry Balances Written back (Net off write offs)	-	615,022
Interest on Fixed Deposit	5,637,277	2,362,957
Duty Drawback	258,978	-
Discount on Expenses	743,103	670,787
Others	218,645	22,500
<b>TOTAL</b>	<b>6,858,003</b>	<b>3,671,266</b>

<b>19. COST OF MATERIALS CONSUMED</b>	As at 31st March, 2016	As at 31st March, 2015
Opening Stock	-	-
Add: Purchases	1,084,099,342	1,119,098,073
Less: Closing Stock	-	-
<b>TOTAL</b>	<b>1,084,099,342</b>	<b>1,119,098,073</b>

<b>20. CHANGES IN INVENTORIES</b>	As at 31st March, 2016	As at 31st March, 2015
Finished Goods & WIP		
Opening Stock	501,737,275	411,245,102
Less : Closing Stock	420,704,090	501,737,275
<b>TOTAL</b>	<b>81,033,185</b>	<b>(90,492,173)</b>





<b>21. MANUFACTURING EXPENSES</b>	As at 31st March, 2016	As at 31st March, 2015
Direct Manufacturing Expense	62,197,539	65,705,394
Consumption of Stores & Spares	936,072	983,545
Rent - Factory & Machinery	8,230,794	4,156,160
Electricity & Power	2,011,815	1,716,402
<b>TOTAL</b>	<b>73,376,219</b>	<b>72,561,501</b>

<b>22. EMPLOYEE BENEFIT EXPENSES</b>	As at 31st March, 2016	As at 31st March, 2015
Salaries & Wages	13,634,855	11,906,071
Contribution to Provident and Other Funds	558,263	604,285
Staff Welfare Expenses	1,788,057	2,913,473
-		
<b>TOTAL</b>	<b>15,981,175</b>	<b>15,423,829</b>

<b>23. FINANCE COSTS</b>	As at 31st March, 2016	As at 31st March, 2015
Interest Expense:		
On Cash Credit & Overdraft	43,738,976	30,013,248
On Term Loans	10,486,569	10,386,144
Others	1,582,568	2,268,447
Other Borrowing Cost	1,276,934	1,852,962
<b>TOTAL</b>	<b>57,085,047</b>	<b>44,520,801</b>

<b>24. DEPRECIATION &amp; AMORTIZATION EXPENSES</b>	As at 31st March, 2016	As at 31st March, 2015
Depreciation (Refer Note - 11)	10,996,500	5,740,036
Preliminary Expenses w/o	10,630	10,630
<b>TOTAL</b>	<b>11,007,130</b>	<b>5,750,666</b>



25. OTHER EXPENSES	As at 31st March, 2016	As at 31st March, 2015
Repairs and Maintenance:		
Buildings	3,764,667	0
Machinery	525,648	81,934
Other Assets	-	0
Insurance	419,451	3,51,037
Rates and Taxes	1,179,645	14,53,111
Professional Fees	2,625,627	13,12,957
Security Charges	843,639	2,97,511
Office Expenses	530,628	5,83,942
Advertisement Expenses	196,556	169,700
Conveyance & Travelling expenses	1,485,849	1,392,000
Printing & Stationery	171,499	327,934
Telephone & Internet Expenses	80,188	77,020
Transportation Charges	1,719,979	2,228,904
Comission Expense	393,000	-
ROC Fees Paid	15,800	179,830
Miscellaneous Expenses	1,390,089	462,286
Provision for CSR Expenditure	897,817	-
Bad Debts Written off	844,065	-
Auditor's Remuneration (Refer note no 25.18)	337,080	224,720
<b>TOTAL</b>	<b>17,421,227</b>	<b>9,142,887</b>

25.1 PAYMENT TO AUDITORS	As at 31st March, 2016	As at 31st March, 2015
Payments to the Auditor towards (incl Service Tax)		
- Statutory Audit Fee	280,900	168,540
- Tax Audit Fee	56,180	56,180
- Other Matters	-	-
<b>TOTAL</b>	<b>337,080</b>	<b>224,720</b>

26. VALUE OF IMPORTS CALCULATED ON CIF BASIS	As at 31st March, 2016	As at 31st March, 2015
Raw Materials	-	-
Components and Spare Parts	-	-
Capital Goods	15,154,186	-
<b>TOTAL</b>	<b>15,154,186</b>	-



<b>27. EARNINGS &amp; EXPENDITURE IN FOREIGN CURRENCY</b>	As at 31st March, 2016	As at 31st March, 2015
Earnings in Foreign Currency	-	-
Expenditure in Foreign Currency	-	-
<b>TOTAL</b>	-	-

**\* Purchase Price of Imported Machinery**

<b>28. EARNINGS PER SHARES</b>	As at 31st March, 2016	As at 31st March, 2015
Total Operations for the year ( Amt in Rs )		
Profit/ Loss for the year ( Amt in Rs )	31,217,957	36,649,340
Net Profit or loss for calculation of EPS	31,217,957	36,649,340
Weighted Average Nos of Share during the year (nos) ( Amt in Rs )	14,429,535	11,591,600
Earnings Per Share (Rs/Share) ( Amt in Rs )	2.16	3.16

**29. RELATED PARTY DISCLOSURES**

(i) List of related parties where control exists and related parties with whom transactions have taken place and relationships:

<b>Name of Related Party</b>	<b>Relation</b>
a) Ashapura Intimates Fashion Ltd	Associate Concern.
b) Harshad H. Thakkar	Director (Key Managerial Personnel)
c) Dinesh Sodha	Director (Key Managerial Personnel)
d) Hitesh Punjani	Director (Key Managerial Personnel)

(ii) Transactions during the year with related parties :

<b>Nature of Transactions</b>	<b>FY 2015-16</b>	<b>FY 2014-15</b>
1. Sales	729,101,191	1,023,289,219
2. Rent (Factory & Machinery)	2,520,438	2,487,348
3. Rent	360,000	360,000
4. Remuneration to Directors	4,200,000	4,200,000
5. Reimbursement of Expenses	297,000	647,918

**30. CAPITAL & OTHER COMMITMENTS.**

The Company does not have any executed contracts of material capital commitment & other material commitment as at the reporting date.

**31. FINANCIAL DERIVATIVES & HEDGING TRANSACTIONS.**

There are no outstanding Foreign Currency exposure hedged or unhedged) as at the reporting date.



## 32. PREVIOUS YEAR FIGURES

Previous year's figures have been regrouped, reclassified/ reinstated where ever necessary to correspond with current year's classification/ disclosure.

As per our report of even date  
For Bagaria & Co. LLP  
Chartered Accountants  
sd/-  
Vinay Somani  
Partner  
Membership No.-143503  
Mumbai  
Date : 28th May, 2016

For & on behalf of the Board of Directors  
sd/-  
Harshad Thakkar  
Director  
DIN: 01869173  
sd/-  
Bhoomi Mewada  
Company Secretary  
sd/-  
Anurag Gangwal  
Chief Financial Officer



**MOMAI APPARELS LIMITED**  
**CIN: L18109MH2010PLC199178**

Regd. Office: Shop No.305-309, 3<sup>rd</sup> Floor, Pacific Plaza, Plot no. 570, Masjid Gali, Off Bhavani  
Shankar Road, Dadar(W), Mumbai- 400028  
Phone: 022-24331551

Email: [investors@momaiapparels.com](mailto:investors@momaiapparels.com) Website: [www.momaiapparels.com](http://www.momaiapparels.com)

**7<sup>th</sup> ANNUAL GENERAL MEETING ON 29<sup>th</sup> SEPTEMBER, 2016**

**FORM MGT 11**

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

**PROXY FORM**

<b>NAME OF THE MEMBER(S)</b>
Registered Address:
Name of e-mail Id:
Folio No/*Client Id./ DP Id:

I/We being the member (s) of-----shares of Momai Apparels Limited, hereby Appoint:

- 1) -----of-----having e mail id -----or failing  
him
- 2) -----of-----having e mail id-----or failing  
him
- 3) -----of-----having e mail id-----

And whose signature(s) are appended below as my/our proxy to attend and vote (on a poll)  
for me/us and my/our behalf at the **7<sup>th</sup> Annual General Meeting** of the company, to be held  
on Thursday, September 29<sup>th</sup>, 2016 at 10.00 A.M at Kohinoor Banquet Hall at Kohinoor  
Corner, Veer Savarkar Marg, Prabhadevi, Opp Siddhivinayak Temple Dadar West, Mumbai-  
400 025 and at any adjournment thereof in respect of such resolutions as are indicated  
below:



Ordinary business
1.To receive, consider and adopt the audited financial statements for the financial year ended 31st March, 2016 and the Reports of the Directors and Auditors thereon.
2. Re-appointment of Mr.Dinesh Sodha , who retire by rotation
3.Re-appointment of Mr. Hitesh Punjani, who retire by rotation
4.Ratification of the Appointment of Statutory Auditor
Special Business
5.Approval of Related Party Transactions

Signed this-----day of -----, 2016

Signature of Member: -----

Signature of Proxy holder(s)

Affix  
Revenue  
Stamp of  
Rs.1/-

**Note:**

1. 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.
2. For the Resolutions, the Explanatory Statement and notes, please refer to the notice of the Annual General Meeting.



**MOMAI APPARELS LIMITED**

**CIN: L18109MH2010PLC199168**

Redg Office: Shop No. 305-309, Pacific Plaza, 3<sup>rd</sup> Floor, Plot No.570, Masjid Galli, Off Bhavani  
Shankar Road, Dadar( West) Mumbai- 400 028

Phone: 022-24331551 Email: [investors@momaiapparels.com](mailto:investors@momaiapparels.com) website: [www.momaiapparels.com](http://www.momaiapparels.com)

**ATTENDANCE SLIP**

**PLEASE FILL ATTENDANCE SLIP AND HAND IT OVER AT THE ENTERANCE OF THE  
MEETING HALL**

DP Id*	
--------	--

Client Id*	
------------	--

Folio No.	
-----------	--

No. of Shares	
------------------	--

NAME OF THE SHAREHOLDER(S)/ PROXYHOLDER: \_\_\_\_\_

I hereby record my presence at the SEVENTH ANNUAL GENERAL MEETING of the Company held on Thursday, 29<sup>th</sup> SEPTEMBER, 2016 At Kohinoor Banquet Hall at Kohinoor Corner, Veer Savarkar Marg, Prabhadevi, Opp Siddhivinayak Temple Dadar West, Mumbai- 400 025.

**Signature of Shareholder/ Proxy**

Note:

1. Members are requested to bring their Attendance Slip , sign the same at the place provided and hand it over at the entrance of the venue.



ASHAPURA  
INTIMATES FASHION LTD

**Ashapura Intimates Fashion Limited**

3-4, Pacific Plaza, Ground Floor,  
Off B. S. Road, Mahim Division,  
Dadar (West), Mumbai - 400 028

Phone : 022-24331552 / 53

Website : [www.valentineloungegroup.com](http://www.valentineloungegroup.com)