

2016
ANNUAL
REPORT.

BOARD OF DIRECTORS AND GENERAL INFORMATION

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Board of Directors

Rajesh Batra : *Chairman & Managing Director*
 N. R. Mahalingam
 Arjun Bulchandani
 H. K. Vakharia
 S. D. Israni
 Nabankur Gupta
 Rajiv Batra
 N. Santhanam
 Pheroza Jimmy Bilimoria

Bankers

Axis Bank Limited
 HDFC Bank Limited

Company Secretary

Sudhanshu Namdeo

Auditors

Messrs S. P. Chopra & Co.
Chartered Accountants
 15/A, Horniman Circle,
 Bharat Insurance Building,
 Mumbai - 400 001.

Registered Office

Sahas, 4th Floor,
 414/2, Veer Savarkar Marg,
 Prabhadevi, Mumbai - 400 025.

Registrars & Share Transfer Agents

w.e.f. June 20, 2016
 Sharex Dynamic (India) Private Limited
 Unit No.1, Luthra Industrial Premises
 Safed Pool, Andheri Kurla Road
 Andheri (East), Mumbai - 400072
 Tel No. : +91 22 2851 5606/ +91 22 2851 5644 /
 +91 22 2851 6338 / +91 22 2852 8087
 Fax No.: +91 22 2851 2885
 Email Id : sharexindia@vsnl.com

Upto June 19, 2016
 Sharepro Services (India) Private Limited

- Shareholders intending to require information about accounts to be explained in the Meeting are requested to inform the Company at least 7 days in advance of the Annual General Meeting.
- Shareholders are requested to bring their copy of the Annual Report to the Meeting as the practice of handing out copies of the Annual Report at the Annual General Meeting has been discontinued.
- Please address all correspondence regarding share transfer work to the Registrars and Share Transfer Agents and not to the Company's Registered Office.

FINANCIAL HIGHLIGHTS

(Rs. in Lacs)

	2015-16	2014-15	2013-14	2012-13	2011-12	2010-11	2009-10	2008-09	2007-08	2006-07
Paid-up Capital	258.42	258.42	258.42	258.42	258.42	129.21	129.21	129.21	129.21	129.21
Reserves and Surplus	2988.10	3910.68	3783.69	3477.62	2827.19	2235.93	1665.70	1364.81	1210.16	1138.38
Net Worth	3246.52	4169.10	4042.10	3736.04	3085.60	2365.14	1794.91	1494.02	1339.37	1267.59
Fixed Assets	4796.73	4624.97	4208.86	4137.46	2245.45	2138.88	2053.74	2120.93	2149.61	2221.18
Depreciation	2091.61	1783.25	1378.43	1112.54	992.70	902.79	818.16	904.11	858.53	871.62
Net Block	2705.12	2840.72	2830.43	3024.92	1252.75	1236.09	1235.58	1216.81	1291.08	1349.56
Turnover	18590.98	18573.20	18514.53	16736.94	15657.98	9124.36	5844.95	4423.85	5061.56	4762.98
Earning before Taxes	(901.47)	303.79	570.21	1055.49	1199.08	926.51	702.61	266.45	216.22	159.95
Dividend	None	51.68	90.45	90.45	90.45	64.60	58.14	45.22	45.22	45.22
	N.A.	(20%)	(35%)	(35%)	(35%)	(50%)	(45%)	(35%)	(35%)	(35%)
Earning Per Share	(35.70)	8.82	15.94	29.26	31.95	49.94	28.55	14.30	9.65	10.30

NOTICE OF ANNUAL GENERAL MEETING**NOTICE**

NOTICE is hereby given that the Sixty Fourth Annual General Meeting of the Members of **CRAVATEX LIMITED** will be held on Friday, August 12, 2016 at 11.30 a.m. at Textiles Committee Auditorium, P. Balu Road, Prabhadevi Chowk, Prabhadevi, Mumbai – 400 025, to transact the following business:

ORDINARY BUSINESS

1. To consider and adopt the (a) audited Financial Statements of the Company for the year ended March 31, 2016 including audited Balance Sheet as at March 31, 2016 and the Statement of Profit and Loss, Cash Flow Statement for the year ended on that date together with Reports of the Directors and Auditors thereon; and (b) audited Consolidated Financial Statements of the Company for the year ended March 31, 2016 together with Reports of the Auditors thereon.
2. To appoint a Director in place of Mr. Nabankur Gupta (DIN 00020125) who retires by rotation and, being eligible, offers himself for re-appointment.
3. To consider and if thought fit, to pass, with or without modification(s), the following resolution as an Ordinary Resolution:

“RESOLVED THAT pursuant to the provisions of Section 139, 142 and other applicable provisions, if any, of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014, including any statutory modification(s) or re-enactment(s) thereof for the time being in force, M/s. S. P. Chopra & Co., Chartered Accountants (Registration No.101911W), be and are hereby re-appointed as Statutory Auditors of the Company to hold office from the conclusion of 64th Annual General Meeting till the conclusion of the 65th Annual General Meeting of the Company at such remuneration as shall be fixed by the Board of Directors of the Company.”

SPECIAL BUSINESS

4. To re-appoint Mr. Rajesh Batra (DIN : 00020764) as the Managing Director and in this regard to consider and if thought fit, to pass, with or without modification(s), the following resolution as an Ordinary Resolution:

“RESOLVED THAT in accordance with the provisions of Sections 196, 197 and 203 read with Schedule V and all other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (including any statutory modification(s) or re-enactment thereof, for the time being in force), approval of the Company be and is hereby accorded to the re-appointment of Mr. Rajesh Batra (DIN : 00020764) as the Managing Director, for a period of 3 (three) years with effect from June 1, 2016 on the terms and conditions including remuneration as set out in the Statement annexed to the Notice convening this Meeting, with liberty to the Board of Directors (hereinafter referred to as “the Board” which term shall be deemed to include Nomination and Remuneration Committee of the Board) to alter and vary the terms and conditions of the said re-appointment and / or remuneration as it may deem fit and as may be acceptable to Mr. Rajesh Batra, subject to the same not exceeding the limits specified under Section II of Schedule V of the Companies Act, 2013 or any statutory modification(s) or re-enactment thereof;

RESOLVED FURTHER THAT the Board be and is hereby authorised to do all acts and take all such steps as may be necessary, proper and expedient to give effect to this resolution.”

By Order of the Board of Directors

Sudhanshu Namdeo
Company Secretary

Place : Mumbai
Dated : May 27, 2016

CIN : L93010MH1951PLC008546

Registered Office:

Sahas, 4th Floor, 414/2, Veer Savarkar Marg,
Prabhadevi, Mumbai-400 025.

Tel. No.: +91 22 66667474, Fax No.: +91 22 24313210

E-mail: investors@cravatex.com

Website: www.cravatex.com

NOTICE OF ANNUAL GENERAL MEETING

NOTES

1. A member entitled to attend and vote at the meeting shall be entitled to appoint a proxy to attend and vote on a poll instead of himself/herself and the proxy need not be a member of the Company. A person can act as a proxy on behalf of members not exceeding fifty and holding in the aggregate not more than ten percent of the total share capital of the company carrying voting rights. A member holding more than ten percent, of the total share capital of the Company carrying voting rights may appoint a single person as proxy and such person shall not act as a proxy for any other person or shareholder.

The instrument appointing a proxy should be deposited at the registered office of the Company duly completed, stamped and signed, not less than forty-eight hours before the commencement of the meeting.

2. An Explanatory Statement pursuant to Section 102 of the Companies Act, 2013 in respect of the special business proposed to be transacted at the meeting is annexed hereto.
3. A statement giving the details of the Director seeking appointment/re-appointment under Item No. 2 & 4 of the accompanying Notice, as required by Regulation 36 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 is annexed herewith.
4. The Register of Members and Share Transfer Books of the Company will remain closed from Saturday, August 6, 2016 to Friday, August 12, 2016 (both days inclusive) for the purpose of annual general meeting.
5. Members holding shares in demat form are requested to notify immediately any change in their registered address or bank mandate to their Depository Participant (DP) quoting their Client IDs. Members holding shares in physical form are requested to notify immediately any change in their registered address or bank mandate to the Registrars and Share Transfer Agents of the Company quoting their Folio Number.
6. Unclaimed dividends for the financial year ended March 31, 2009 shall be transferred to the Investor Education and Protection Fund of the Central Government in terms of the provisions of Section 205(C) of the Companies Act 1956 (which are still applicable as the relevant sections under the Companies Act, 2013 are yet to be notified). Those members who have so far not encashed the dividend(s) from the year ended March 31, 2009, till the year ended March 31, 2015 are requested to approach the Registrars and Share Transfer Agents of the Company for payment.

In terms of the IEPF (Uploading of information regarding unpaid and unclaimed amounts lying with companies) Rules, 2012, the Company has uploaded the information in respect of the unclaimed dividends as on the date of the 63rd Annual General Meeting (AGM) held on August 14, 2015, on the website of the IEPF viz. www.iepf.gov.in and also under the "Investors Section" on the website of the Company viz. www.cravatex.com.

7. Members holding shares in physical form may nominate a person in respect of all the shares held by them whether singly or jointly. Members who hold shares singly are advised to avail of nomination facility in their own interest. Members holding shares in demat form may contact their respective Depository Participants for recording of nomination.
8. In respect of shares held in physical form, the bank account particulars viz. name and address of the branch of the bank, MICR code of the branch, account number with blank cancelled cheque should be sent to the Registrar & Share Transfer Agents of the Company for making payment of dividend through approved electronic mode.

Members holding shares in demat form are requested to provide the particulars of their bank account to their Depository Participant. The Registrar & Share Transfer Agents of the Company will not act on any such request received from the members for change in their bank account particulars. Further, instruction given by members for shares held in physical form would not be applicable to the dividend paid on shares held in demat form.

9. The Securities and Exchange Board of India (SEBI) has made it mandatory to furnish Permanent Account Number (PAN) by participants in securities market. Members are requested to submit the PAN to their Depository Participant (DP)/Registrar & Share Transfer Agents respectively.
10. Electronic copy of the annual report is being sent to the members whose email address are registered with the company/depository participants for communication purposes unless any member has requested for a physical copy of the same. Members who have not registered their email address so far are requested to register their e-mail address with the Registrar & Share Transfer Agents of the Company for receiving all communications from the Company electronically.

NOTICE OF ANNUAL GENERAL MEETING

11. Voting through electronic means

- I. In compliance with provisions of Section 108 of the Companies Act, 2013, Rule 20 of the Companies (Management and Administration) Rules, 2014 as amended by the Companies (Management and Administration) Amendment Rules, 2015 and regulation 44 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations 2015 (Listing Regulations), the Company is pleased to provide members facility to exercise their right to vote on resolutions proposed to be considered at the Annual General Meeting (AGM) by electronic means and the business may be transacted through e-Voting Services. The facility of casting the votes by the members using an electronic voting system from a place other than venue of the AGM ("remote e-voting") will be provided by National Securities Depository Limited (NSDL).
- II. The facility for voting through ballot paper shall be made available at the AGM and the members attending the meeting who have not cast their vote by remote e-voting shall be able to exercise their right at the meeting through ballot paper.
- III. The members who have cast their vote by remote e-voting prior to the AGM may also attend the AGM but shall not be entitled to cast their vote again.
- IV. The remote e-voting period commences on Tuesday, August 9, 2016 (9:00 am) and ends on Thursday, August 11, 2016 (5:00 pm). During this period members' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date of Friday, August 5, 2016, may cast their vote by remote e-voting. The remote e-voting module shall be disabled by NSDL for voting thereafter. Once the vote on a resolution is cast by the member, the member shall not be allowed to change it subsequently.
- V. The process and manner for remote e-voting are as under:
 - A. In case a Member receives an email from NSDL [for members whose email IDs are registered with the Company/ Depository Participants(s)] :
 - (i) Open email and open PDF file viz; "remote e-voting.pdf" with your Client ID or Folio No. as password. The said PDF file contains your user ID and password/PIN for remote e-voting. Please note that the password is an initial password.
 - (ii) Launch internet browser by typing the following URL: <https://www.evoting.nsd.com/>
 - (iii) Click on Shareholder - Login
 - (iv) Put user ID and password as initial password/PIN noted in step (i) above. Click Login.
 - (v) Password change menu appears. Change the password/PIN with new password of your choice with minimum 8 digits/characters or combination thereof. Note new password. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
 - (vi) Home page of remote e-voting opens. Click on remote e-voting: Active Voting Cycles.
 - (vii) Select "EVEN" of "CRAVATEX LIMITED".
 - (viii) Now you are ready for remote e-voting as Cast Vote page opens.
 - (ix) Cast your vote by selecting appropriate option and click on "Submit" and also "Confirm" when prompted.
 - (x) Upon confirmation, the message "Vote cast successfully" will be displayed.
 - (xi) Once you have voted on the resolution, you will not be allowed to modify your vote.
 - (xii) Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) are required to send scanned copy (PDF/ JPG Format) of the relevant Board Resolution/ Authority letter etc. together with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer through e-mail to jayshreedagli@gmail.com with a copy marked to evoting@nsdl.co.in
 - B. In case a Member receives physical copy of the Notice of AGM [for members whose email IDs are not registered with the Company/Depository Participants(s) or requesting physical copy] :
 - (i) Initial password is provided as below/at the bottom of the Attendance Slip for the AGM:

EVEN (Remote e-voting Event Number)	USER ID	PASSWORD/PIN
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 - (ii) Please follow all steps from Sl. No. (ii) to Sl. No. (xii) above, to cast vote.

NOTICE OF ANNUAL GENERAL MEETING

- VI. In case of any queries, you may refer the Frequently Asked Questions (FAQs) for Members and remote e-voting user manual for Members available at the downloads section of www.evoting.nsdl.com or call on toll free no.: 1800-222-990.
- VII. If you are already registered with NSDL for remote e-voting then you can use your existing user ID and password/PIN for casting your vote.
- VIII. You can also update your mobile number and e-mail id in the user profile details of the folio which may be used for sending future communication(s).
- IX. The voting rights of members shall be in proportion to their shares of the paid up equity share capital of the Company as on the cut-off date of August 5, 2016.
- X. Any person, who acquires shares of the Company and become member of the Company after dispatch of the notice and holding shares as of the cut-off date i.e. August 5, 2016, may obtain the login ID and password by sending a request at evoting@nsdl.co.in or evoting@sharexindia.com.
- However, if you are already registered with NSDL for remote e-voting then you can use your existing user ID and password for casting your vote. If you forgot your password, you can reset your password by using "Forgot User Details/Password" option available on www.evoting.nsdl.com or contact NSDL at the following toll free no.: 1800-222-990.
- XI. A member may participate in the AGM even after exercising his right to vote through remote e-voting but shall not be allowed to vote again at the AGM.
- XII. A person, whose name is recorded in the register of members or in the register of beneficial owners maintained by the depositories as on the cut-off date only shall be entitled to avail the facility of remote e-voting as well as voting at the AGM through ballot paper.
- XIII. Mrs. Jayshree S. Joshi Proprietress of Jayshree Dagli & Associates, Practicing Company Secretaries, Mumbai has been appointed as the Scrutinizer for providing facility to the members of the Company to scrutinize the voting and remote e-voting process in a fair and transparent manner.
- XIV. The Chairman shall, at the AGM, at the end of discussion on the resolutions on which voting is to be held, allow voting with the assistance of scrutinizer, by use of "Ballot Paper" for all those members who are present at the AGM but have not casted their votes by availing the remote e-voting facility.
- XV. The Scrutinizer shall after the conclusion of voting at the general meeting, will first count the votes cast at the meeting and thereafter unblock the votes cast through remote e-voting in the presence of at least two witnesses not in the employment of the Company and shall make, not later than three days of the conclusion of the AGM, a consolidated scrutinizer's report of the total votes cast in favour or against, if any, to the Chairman or a person authorized by him in writing, who shall countersign the same and declare the result of the voting forthwith.

The Results declared alongwith the report of the Scrutinizer shall be placed on the website of the Company www.cravatex.com and on the website of NSDL immediately after the declaration of result by the Chairman or a person authorized by him in writing. The results shall also be immediately forwarded to the BSE Limited, Mumbai.

By Order of the Board of Directors

Sudhanshu Namdeo
Company Secretary

Place : Mumbai
Dated : May 27, 2016

CIN : L93010MH1951PLC008546

Registered Office:

Sahas, 4th Floor, 414/2, Veer Savarkar Marg,
Prabhadevi, Mumbai-400 025.

Tel. No.: +91 22 66667474, Fax No.: +91 22 24313210

E-mail: investors@cravatex.com

Website: www.cravatex.com

NOTICE OF ANNUAL GENERAL MEETING

Statement Pursuant to Section 102(1) of the Companies Act, 2013 (“the Act”)

Item No. 4

The Board of Directors of the Company (the ‘Board’), at its meeting held on May 24, 2011 had, subject to the approval of Members, appointed Mr. Rajesh Batra as the Managing Director, for a period of 3 (three) years from the expiry of his present term, which expired on May 31, 2016 at the remuneration recommended by the Nomination and Remuneration Committee (the ‘NR Committee’) of the Board and approved by the Board.

Further, the Board at its meeting held on May 27, 2016 has, subject to the approval of Members, re-appointed Mr. Rajesh Batra as Managing Director, for a period of 3 (three) years from expiry of his present term, which expired on May 31, 2016, at the remuneration recommended by the NR Committee of the Board and approved by the Board.

It is proposed to seek the members’ approval for the re-appointment of and remuneration payable to Mr. Rajesh Batra as Managing Director in terms of the applicable provisions of the Act.

Section II of PART II of Schedule V of the Companies Act, 2013 provides that where in any financial year during the currency of tenure of a managing director, a company has no profits or its profits are inadequate, a Company having effective capital more than Rs. 5 Crores and less than Rs.100 Crores may, without Central Government approval, pay remuneration to the managing director not exceeding Rs.42 lacs per annum subject to approval of NR Committee, Board of Directors and Members by way of an Ordinary Resolution.

The NR Committee and the Board of Directors at their meetings held on May 27, 2016 had approved re-appointment of Mr. Rajesh Batra as the Managing Director of the Company for a further period of 3 (three) years with effect from June 1, 2016 and pay a remuneration upto Rs.42 lacs to Mr. Rajesh Batra.

Accordingly, Mr. Rajesh Batra is hereby re-appointed as Managing Director of the Company for a period of 3 years effective from June 1, 2016 on the following terms and conditions:

- (a) Remuneration upto Rs.42 lacs per annum which shall be inclusive of the usual allowances, benefits, amenities, perquisites and facilities as per the rules of the Company for the time being in force, but excluding contribution to provident fund & superannuation fund, gratuity and leave encashment.
- (b) Company’s contribution to provident fund & superannuation fund, benefits under gratuity and encashment of leave at the end of the tenure will be permitted, in accordance with the rules of the Company.
- (c) Mr. Rajesh Batra shall be entitled to an annual increase in the remuneration and the Board of Directors is authorised to vary the terms and conditions of appointment including determination of remuneration payable to Mr. Rajesh Batra, in such manner as the Board in their absolute discretion deems fit, provided that the remuneration payable to Mr. Rajesh Batra shall not exceed the maximum limits for payment of Managerial Remuneration specified under Part II Section II of Schedule V to the Companies Act, 2013 or any amendments thereto as may be made from time to time.
- (d) Notwithstanding anything contained herein, Mr. Rajesh Batra shall be entitled to remuneration of Rs.42.00 lacs, which is within the limits of Section II of Part II of Schedule V to the Companies Act, 2013 or within such ceiling limits as may be prescribed under Schedule V from time to time or under the Companies Act or the rules made there under as may be recodified.
- (e) Mr. Rajesh Batra, as Managing Director, shall have the overall responsibility for the operations of the Company and shall carry out such functions, exercise such powers and perform such duties as the Board may, from time to time, in its absolute discretion, determine and entrust to him.
- (f) Mr. Rajesh Batra shall not be paid any sitting fees for attending Meetings of the Board or any Committee thereof.
- (g) Mr. Rajesh Batra will be bound by non-compete and confidentiality provisions.
- (h) Either party shall be entitled to terminate the employment by giving not less than six calendar months prior notice in writing in that behalf to the other party.

NOTICE OF ANNUAL GENERAL MEETING

In terms of provisions of Section 197 and other applicable provisions, if any, of the Companies Act, 2013 read with Schedule V of the Companies Act 2013, the appointment and payment of remuneration to Mr. Rajesh Batra as Managing Director on remuneration of Rs.42 lacs per annum requires approval of Members by way of an Ordinary Resolution.

Accordingly, the resolution mentioned in Item No. 4 of the Notice is being proposed for approval of Members.

Except Mr. Rajesh Batra and Mr. Rajiv Batra (being brother of Mr. Rajesh Batra), none of the Directors and Key Managerial Personnel of the Company and their relatives are concerned or interested, financial or otherwise, in the resolution set out at Item No.4.

By Order of the Board of Directors

Sudhanshu Namdeo
Company Secretary

Place : Mumbai

Dated : May 27, 2016

CIN : L93010MH1951PLC008546

Registered Office:

Sahas, 4th Floor, 414/2, Veer Savarkar Marg,
Prabhadevi, Mumbai-400 025.

Tel. No.: +91 22 66667474, Fax No.: +91 22 24313210

E-mail: investors@cravatex.com

Website: www.cravatex.com

NOTICE OF ANNUAL GENERAL MEETING

Details of Directors seeking appointment/re-appointment at the Annual General Meeting

1) Mr. Rajesh Batra, 61 years of age, did his schooling in Campion School, Mumbai and graduated from Elphinstone College, in 1975. He then obtained a Diploma in Systems Management from Jamnalal Bajaj Institute in 1978. Son of Mr. Ram Batra, a leading Businessman and Sheriff of Bombay in 1978, Mr. Rajesh Batra, along with his brother Mr. Rajiv Batra, founded PROLINE in 1983. The brand has a national presence and is presently sold through more than 30 company exclusive stores, major department stores & malls and several hundred retail outlets. A keen tennis enthusiast, Mr. Batra was the Maharashtra State Champion during 1970s and was ranked number 6 in India at that time. He has also represented India in the Asian Junior Championships in 1973 where he was a finalist and at the World University Games in 1973 in Moscow.

Mr. Batra is a Director on the Board of several Companies. Besides this, he is a trustee on several charitable trusts and promotes tennis through Ram Batra Memorial Foundation.

Mr. Batra holds 50 equity shares in the Company.

Other Directorships: National Peroxide Ltd.; B.R.T. Ltd.; Proline India Ltd.; Proline Exports Pvt. Ltd.; R.B. Fitness & Trading Pvt. Ltd.;

Section 25 Companies: Goodeed Charitable Foundation, Tristar Charitable Foundation, Northstar Charitable Foundation, Venus Charitable Foundation.

Committee Memberships: Cravatex Limited (Stakeholders Relationship Committee, CSR Committee); National Peroxide Ltd. (Audit Committee; Nomination and Remuneration Committee, Stakeholders Relationship Committee, CSR Committee).

2) Mr. Nabankur Gupta, 67 years of age, is an I.I.T. Graduate in Electrical and Electronics Engineering and has over 35 years experience in the Marketing field. Mr. Gupta was the first Indian to receive recognition by the Advertising Age International, New York, in 1995 with the title of Marketing Superstar. He was further honoured with U. P. Ratna from the U. P. Mahasabha in the year 1996.

Mr. Gupta is a Director on the Board of several Companies. Besides this, he is a trustee/member on several trusts/societies.

Mr. Gupta does not hold any equity shares in the Company.

Other Directorships: Raymond Limited, J.K. Helene Curtis Limited, Pritish Nandy Communications Ltd., Magma Fincorp Limited, PNC Wellness Limited, VIP Industries Limited, Videocon d2h Limited, Quantum Advisors Pvt. Ltd., Blueocean Capital and Advisory Services Pvt. Ltd. and Gomukhi Indus Capital Advisory Pvt. Ltd.

Committee Memberships: Raymond Limited (Audit Committee, Nomination and Remuneration Committee and Shareholders' Grievances Committee), J.K. Helene Curtis Limited (Audit Committee, Nomination and Remuneration Committee and CSR Committee), Pritish Nandy Communications Ltd. (Audit Committee and Nomination and Remuneration Committee), Cravatex Ltd. (Audit Committee, Nomination and Remuneration Committee and CSR Committee), Maqana Fincorp Limited (Nomination and Remuneration Committee), VIP Industries Ltd. (Nomination and Remuneration Committee), Quantum Advisors Private Limited (Audit Committee and CSR Committee).

NOTICE OF ANNUAL GENERAL MEETING

Statement forming part of Notice Dated May 27, 2016 as required under Section II of Part II of Schedule V

I. GENERAL INFORMATION

- (1) Nature of Industry Marketing of Fitness Equipment, Footwear, Apparel and Sports Goods.
- (2) Date of commencement of commercial production Date of Incorporation : June 22,1951
Date of commencement of commercial production : N.A.
- (3) In case of new Companies, expected date of commencement of activities as per project approved by Financial Institutions appearing in the prospectus. N.A.
- (4) Financial performance based on given indicators.

	(Rs. In Lacs)				
	2015-16*	2014-15	2013-14	2012-13	2011-12
Paid up Capital	258.42	258.42	258.42	258.42	258.42
Reserves & Surplus	2,988.10	3,910.68	3,783.68	3,477.62	2,827.19
Secured Loans	6,267.70	6,404.93	6,470.62	4,358.23	2,361.83
Turnover	18,590.98	18,573.19	18,514.52	16,736.94	15,657.98
Profit/(Loss) before tax	(901.47)	303.79	570.21	1,055.49	1,199.08
Dividend	None	51.68	90.45	90.45	90.45

*Subject to adoption in the 64th AGM

- (5) Foreign Investments or Collaborators, if any. None

II. INFORMATION ABOUT THE APPOINTEE

- (1) Background details Mr. Rajesh Batra, 61 years of age, did his schooling in Campion School, Mumbai and graduated from Elphinstone College, in 1975. He then obtained a Diploma in Systems Management from Jamnalal Bajaj Institute in 1978. Son of Mr. Ram Batra, a leading Businessman and Sheriff of Bombay in 1978, Mr. Rajesh Batra, along with his brother Mr. Rajiv Batra, founded PROLINE in 1983.
- (2) Past Remuneration

(Rs. In Lacs)

Name	w.e.f. 01.04.2015 31.03.2016	w.e.f. 01.04.2014 31.03.2015	01.04.2013 to 31.03.2014	01.04.2012 to 31.03.2013
Mr. Rajesh Batra	24.00	18.56	30.62	52.27

- (3) Recognition or awards A keen tennis enthusiast, Mr. Rajesh Batra was the Maharashtra State Champion during 1970s and was ranked number 6 in India at that time. He has also represented India in the Asian Junior Championships in 1973 where he was a finalist and at the World University Games in 1973 in Moscow.
- (4) Job Profile and his suitability
- Plan, direct and monitor the organisation's activities to achieve targets and standards for business performance.
 - Direct functions and performance via the executive team.
 - Maintain and develop organisational culture, values and reputation in its markets and with all stakeholders.
 - Report to Board of Directors on organisational plans and performance.

NOTICE OF ANNUAL GENERAL MEETING

(e) Ensure activities meet with and integrate with organisational requirements for quality management, health and safety, legal stipulations, environmental policies and general duty of care.

Mr. Rajesh Batra has worked his way to the highest level of the corporate ladder from the grass roots. He has progressed by his sheer hard work, trustworthiness, experience and his ability to face new challenges. He is the man who constantly strives for success and being a sportsman enjoys working in a team environment.

- (5) Remuneration proposed
- (6) Comparative remuneration profile with respect to industry, size of the Company, profile of the position of person (in case of expatriates the relevant details would be w.r.t. the country of his origin)
- (7) Pecuniary relationship, directly and indirectly, with the Company or relation with the managerial person, if any.

Upto Rs.42.00 lacs

N.A.

Promoter

III. OTHER INFORMATION

- (1) Reasons of loss or inadequacy of profits Adverse Market Conditions.
- (2) Steps taken or proposed to be taken for improvement Monitoring of expenses and improvement in working capital management.
- (3) Expected increase in productivity and profits in measurable terms Around 15% improvement in performance and profitability.

IV. DISCLOSURES

The details of annual remuneration package of Mr. Rajesh Batra is as follows:

(Amount in Rs.)

Basic	HRA	Conveyance	Medical	Special Allowances	LTA	Bonus	Gratuity	Total P.A.
20,00,400	1,40,040	19,200	15,000	39,540	84,000	5,700	96,168	24,00,048

By Order of the Board of Directors

Sudhanshu Namdeo
Company Secretary

Place : Mumbai

Dated : May 27, 2016

CIN : L93010MH1951PLC008546

Registered Office:

Sahas, 4th Floor, 414/2, Veer Savarkar Marg, Prabhadevi, Mumbai-400 025.

Tel. No.: +91 22 66667474, Fax No.: +91 22 24313210

E-mail: investors@cravatex.com

Website: www.cravatex.com

REPORT OF THE BOARD OF DIRECTORS

DIRECTORS' REPORT

To The Members of Cravatex Limited

Your Directors present the audited Financial Statements of the Company including audited Balance Sheet and the Statement of Profit and Loss together with their Report for the year ended March 31, 2016.

FINANCIAL RESULTS

	Current Year Rupees	Previous Year Rupees
Earnings before Finance Cost, Depreciation and Taxation	6,04,67,587	16,17,58,760
Less: Finance Cost	11,97,78,663	9,54,76,644
Less: Depreciation	3,08,36,271	3,59,03,459
Profit before Taxation	(9,01,47,347)	3,03,78,663
Provision for Taxation:		
Current Tax	—	(65,00,000)
MAT Credit Entitlements	—	39,00,000
Deferred Tax Credit/(Debit)	(21,10,836)	(49,88,769)
Profit after Current Taxation	(9,22,58,183)	2,27,89,894
Add : Brought forward from Previous Year	2,01,63,231	1,74,63,991
Balance available for Appropriation/ (Deficit)	(7,20,94,952)	4,02,53,885
Add : Debit Balance adjusted by transfer from general reserve	7,20,94,952	—
	—	4,02,53,885
Less: Appropriations		
Adjustments relating to Fixed Assets	—	38,70,012
Proposed Dividend	—	51,68,320
Tax on Proposed Dividend	—	10,52,322
Amount transferred to General Reserve	—	1,00,00,000
Balance in Profit and Loss Account	—	2,01,63,231

STATEMENT OF COMPANY AFFAIRS

The turnover of the Company for the year under review was Rs.185,91 lacs as against Rs.185,73 lacs in previous year, while the earning before finance cost, depreciation and taxation stood at Rs.605 lacs as against Rs.1,618 lacs for the respective year. Loss after tax for the year was Rs 922.58 lacs as against the profit of Rs 227.90 lacs for previous year.

DIVIDEND

Since the company has reported losses, the Directors have decided not to recommend any dividend on the shares of the Company for the year ended March 31, 2016.

SHARECAPITAL

The paid up equity share capital as on March 31, 2016 was Rs.2,58,41,600/-. During the financial year 2015-16 the Company has not issued any equity shares.

The company had on April 12, 2016 allotted 90,00,000 4% Non - Convertible Cumulative Redeemable Preference shares to the Promoter Group on Private Placement basis. Consequently, the total issued, subscribed and fully paid up share capital of the Company w.e.f April 12, 2016 is Rs. 11,58,41,600/- divided into 25,84,160 equity shares of Rs. 10/- each and 90,00,000 4% Non - Convertible Cumulative Redeemable Preference shares of Rs. 10/- each.

INCREASE IN AUTHORISED SHARE CAPITAL

The authorized share capital of the Company w.e.f. April 2, 2016 increased from Rs.5,00,00,000/- divided into 48,50,000 Equity Shares of Rs.10/- each and 15,000 9.5% Cumulative Redeemable Preference Shares of Rs.100/- each to Rs.15,00,00,000/- divided into 48,50,000 Equity Shares of Rs.10/- each and 1,01,50,000 Preference shares of Rs. 10/- each. The existing 15,000 9.5% Cumulative Redeemable Preference Shares of Rs.100/- each has been reclassified and increased to 1,01,50,000 Preference Shares of Rs. 10/- each.

REPORT OF THE BOARD OF DIRECTORS

TRANSFER TO RESERVES

The company has not transferred any amount to the general reserves due to losses.

FIXED DEPOSITS

The Company had accepted unsecured fixed deposits from its various members under the provisions of erstwhile Section 58A of the Companies Act 1956 and the rules made thereunder. The Company does not invite or accept any fresh deposits from its member but renews the existing unsecured deposits as and when due for renewal.

The total Unsecured Fixed Deposits stood at Rs.2,25,25,000/- as on March 31, 2016 and there were no unclaimed deposits as on that date.

There has been no default in repayment of deposits or payment of interest thereon during the year and all deposits are in compliance with the requirements of Chapter V of the Companies Act, 2013

INSURANCE

The fixed assets of the Company have been adequately insured.

ISO 9001 : 2008

The Company successfully conducted the Surveillance Audit for year 2015 under ISO 9001 : 2008 certification for its Fitness division.

DIRECTORS

- Mr. Nabankur Gupta (DIN 00020125) is retiring by rotation and, being eligible, offer himself for re-appointment.
- Mr. Rajesh Batra (DIN 00020764) was appointed as the Managing Director of the Company for a period of 5 (five) years with effect from June 1, 2011 upto May 31, 2016. It is proposed to re-appoint Mr. Rajesh Batra as the Managing Director of the Company for a further period of 3 (three) years with effect from June 1, 2016 and pay a remuneration upto Rs.42 lacs to Mr. Rajesh Batra.
- Ms. Pheroza Jimmy Bilimoria (DIN 00191386) was appointed as an Independent Director for a period of 5 years from August 14, 2015 upto August 13, 2020 or upto the date of Annual General Meeting to be held in the calendar year 2020, whichever is earlier.
- Mr. Divakar Kamath was promoted and re-designated as President - Corporate Affairs of the Company w.e.f. December 7, 2015 and accordingly he ceased to be the Chief Financial Officer of the Company w.e.f. December 7, 2015.

DECLARATION BY INDEPENDENT DIRECTORS

All Independent Directors have given declarations that they meet the criteria of independence as laid down under Section 149 (6) of the Companies Act, 2013 and Regulation 16(1)(b) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

AUDIT COMMITTEE

The details pertaining to the composition of audit committee are included in the Corporate Governance Report, which forms part of this report.

SUBSIDIARY

BB (UK) Ltd., a wholly owned subsidiary of the Company completed its fifth year of operations. It operates the FILA license in parts of the UK, Ireland, Middle East and Africa. It also provides sourcing services to several FILA licensees across the world. In a very difficult economic environment, it achieved a turnover of Rs.6882.63 lacs (previous year Rs. 4682.45 lacs) and a profit before tax of Rs.157.93 lacs (previous year Rs.46.84 lacs).

In accordance with the provisions of Section 129(3) of the Companies Act, 2013, the Company has prepared a consolidated financial statement of the Company and its subsidiary company, which is forming part of the annual report.

The salient features of the financial statement of the subsidiary is set out in the prescribed Form AOC-1, which forms part of the annual report.

The annual accounts of the subsidiary will also be kept open for inspection for the Members at the Registered Office of the Company during the Company's business hours on any working day upto and including the date of the Annual General Meeting.

REPORT OF THE BOARD OF DIRECTORS

DIRECTORS' RESPONSIBILITY STATEMENT

As required under Section 134(5) of the Companies Act, 2013, the Directors state that:

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

CORPORATE GOVERNANCE

Your Company has taken adequate steps to ensure that all mandatory provisions of Corporate Governance in terms of Regulation 4(2) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 has been complied with. A separate report on Corporate Governance is being incorporated as a part of the Annual Report along with a Certificate from a Practicing Company Secretary.

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

The Management Discussion and Analysis Report for the year under review, as stipulated under Regulation 34(2)(e) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 is annexed and forms a part of this report.

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

Information required pursuant to Section 134(3)(m) of the Companies Act, 2013 read with The Companies (Accounts) Rules, 2014, is given in the Annexure I to this Report.

PARTICULARS OF THE EMPLOYEES

There was only 1 person employed throughout the year, who was in receipt of of Rs.60 lacs per annum or more and none of the employee employed for part of the financial year was in receipt of remuneration of Rs.5 lacs per month or more. During the financial year ended March 31, 2016 the company had 304 permanent employees on the rolls of company.

The Information required under Section 197(12) of the Companies Act, 2013 read with rules made thereunder forms part of this report. However, as per provision of Section 136(1) of the Companies Act, 2013 the accounts are being sent to all Members excluding the statement of particulars of employees under Section 197(12) of the Act. The company will make available the particulars available to the Members, seeking such information at any point of time. The particulars of the employees u/s 136(1) will also be kept open for inspection for the Members at the Registered Office of the Company during the Company's business hours on any working day upto and including the date of the Annual General Meeting or any adjournment or adjournments thereof.

CHANGES IN THE NATURE OF BUSINESS

There is no change in the nature of business carried on by the Company and of its Subsidiary. The Company has not changed the class of business in which the Company has an interest.

MATERIAL CHANGES AND COMMITMENTS

There have been no material changes and commitments, affecting the financial position of the Company which have occurred between the end of the financial year of the Company to which the financial statements relate and the date of the report.

CONSOLIDATED ACCOUNTS

The consolidate financial statements of the Company are prepared in accordance with the relevant accounting standards viz AS-21, AS-23 and AS-27 issued by the Institute of Chartered Accountants of India and forms a part of this report.

REPORT OF THE BOARD OF DIRECTORS

EXTRACT OF ANNUAL RETURN

The details forming part of the extract of the annual return in Form MGT-9 as required under Section 92(3) of the Companies Act, 2013 and Rule 12(1) of the Companies (Management and Administration) Rules, 2014 is included in this report as Annexure II and forms a part of this report.

BOARD EVALUATION

Pursuant to the provisions of the Companies Act, 2013 and Regulation 4(2) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, a structured questionnaire was prepared after taking into consideration the various aspects of the Board functioning, composition and the Board and its committee, culture, execution and performance of specific duties, obligations and governance.

The performance evaluation of the Independent Directors was completed. The performance of the Chairman and Non-Independent Directors were carried out by the Independent Directors. The Board of Directors express their satisfaction with the evaluation process.

NUMBER OF BOARD MEETINGS

The Company held 4 (four) Board Meetings during the Financial Year 2015 - 16. These were on May 29, 2015, August 14, 2015, November 6, 2015 and February 12, 2016.

PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS

Details of loans, guarantees and investments covered under section 186 of the Companies Act, 2013 are given in the notes to the financial statement.

WHISTLE BLOWER POLICY

The Company has a whistle blower policy to report genuine concerns or grievances. The whistle blower policy has been posted on the website of the Company.

NOMINATION AND REMUNERATION POLICY

The Board of Directors have framed a policy which lays down a framework in relation to remuneration of Directors, Key Managerial Persons and Senior Management of the Company. This policy also lays down criteria for selection and appointment of Board Members.

RELATED PARTY TRANSACTIONS

All transaction entered with related parties were on arms length basis in the ordinary course of business and that the provisions of section 188 of the Companies Act, 2013 were not attracted. Hence, disclosure under Form AOC - 2 is not required. Further there are no material related party transactions during the year under review with the Promoters, Key Managerial Persons and Senior Management Personnel. The Company has developed a related party transactions framework through standard operating procedures for the purpose of identification and monitoring of such transactions. All related party transactions are placed before the audit committee and board for approval.

SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS OR COURTS OR TRIBUNALS

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

CORPORATE SOCIAL RESPONSIBILITY

The Company is committed to support the underprivileged sections of the society and thereby undertakes Corporate Social Responsibility initiatives in accordance with the terms of Section 135 of the Companies Act, 2013 and the guidelines stated in Schedule VII of the Companies Act 2013. The report on CSR activities as required under Companies (Corporate Social Responsibility) Rules 2014 is set out at annexure III and forms part of this report.

SECRETARIAL AUDIT

In terms of Section 204 of the Companies Act, 2013, and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 the Company has appointed M/s. Hemanshu Kapadia & Associates, Practising Company Secretary, to conduct the Secretarial Audit for the financial year 2015-16. The secretarial audit report is included as Annexure IV and forms a part of this report.

REPORT OF THE BOARD OF DIRECTORS

INTERNAL CONTROL SYSTEMS

Objective evaluation of adequacy and efficiency of internal controls and systems are done by qualified audit firm and monitored closely by the top management. Present control systems are considered as adequate though constantly improved up on.

RISK MANAGEMENT

The risks that the Company is exposed to and the measures taken by the Company to tackle the same are as follows:

Sr. No.	Risk Description	Key Risk Matrix	Mitigation Measure
1	Increase in cost of goods due to adverse movement of foreign exchange rates.	Reduction in profit margin.	Open position is monitored daily and hedging is done by way of forward cover.
2	Destruction of properties and assets due to fire etc	Loss of assets resulting in financial loss.	Comprehensive insurance is taken and monitored from time to time for adequacy. We have tied up with a corporate insurance consultant for all our insurance needs.
3	Termination of licenses/selling arrangements	Discontinuation of business in related specified product	<ol style="list-style-type: none"> 1. FILA License: A comprehensive document listing all compliance parameters with name of persons responsible is in place. 2. Johnsons Distribution Arrangement: Achieving of annual sales target is the main compliance parameter which is discussed with the licensor and complied with. 3. Wilson Distribution Arrangement: Achieving of annual sales target is the main compliance parameter which is discussed with the licensor and complied with.

AUDITORS' REPORT

There are no qualifications, reservation, adverse remark or disclaimer made by the Auditors and do not call for any explanation or comment under Section 134(1)(f) of the Companies Act, 2013.

STATUTORY AUDITORS

M/s. S. P. Chopra & Co. (Registration No.101911W), Chartered Accountants, will retire at the conclusion of this Annual General Meeting and are eligible for re-appointment as auditors of the Company.

PREVENTION OF SEXUAL HARASSMENT

The Company is committed to provide a safe and conducive work environment to all women employees. The Company strive's hard to ensure that all women employees are treated with dignity and respect, and are committed to providing a work environment free of sexual harassment. Pursuant to the Sexual Harassment of Women at Workplace (Prohibition, Prevention and Redressal) Act, 2013 and rules made thereunder, the Company has a Policy for prevention of Sexual Harassment in the Company. This policy is applicable to all categories of employees of the Company, including permanent management, temporary staff, trainees and employees on contract at its workplace.

During the financial year under review, there were no cases filed pursuant to the Sexual Harassment of Women at Workplace (Prohibition, Prevention and Redressal) Act, 2013.

ACKNOWLEDGEMENT

Your directors wish to place on record their appreciation for the efforts, hard work, dedication and commitment put by employees at all levels as also for the valuable support extended by the Members, Bankers and other business associates.

For and on behalf of the Board of Directors

Rajesh Batra
Chairman & Managing Director

Place : Mumbai

Dated : May 27, 2016

CIN : L93010MH1951PLC008546

Registered Office:

Sahas, 4th Floor, 414/2, Veer Savarkar Marg,
Prabhadevi, Mumbai-400 025.

Tel. No.: +91 22 66667474, Fax No.: +91 22 24313210

E-mail: investors@cravatex.com

Website: www.cravatex.com

REPORT OF THE BOARD OF DIRECTORS

Annexure I

ANNEXURE TO THE DIRECTORS' REPORT

Additional information as required under The Companies (Accounts) Rules, 2014.

A. CONSERVATION OF ENERGY

(a) The steps taken on conservation of energy:

The Company has been making optimum use of electrical energy by regular maintenance. Regular watch has been kept to prevent wastage of energy.

(b) Impact on conservation of energy:

Negligible.

(c) The steps taken by the company for utilising alternate sources of energy

None as the Company is not engaged in any manufacturing activities and the energy consumption is insignificant.

(d) The capital investment on energy conservation equipments:

None presently.

B. TECHNOLOGY ABSORPTION

(i) The efforts made towards technology absorption;

Not Applicable as the Company is not engaged in any Manufacturing Activities.

(ii) The benefits derived like product improvement, cost reduction, product development or import substitution;

Not Applicable

(iii) In case of imported technology (imported during the last three years reckoned from the beginning of the financial year):

(a) the details of technology imported;

(b) the year of import;

(c) whether the technology been fully absorbed;

(d) if not fully absorbed, areas where absorption has not taken place, and the reasons thereof; and

Not Applicable

(iv) The expenditure incurred on Research and Development.

None

C. FOREIGN EXCHANGE EARNINGS AND OUTGO

The Foreign Exchange earned in terms of actual inflows during the year and the Foreign Exchange outgo during the year in terms of actual outflows are as follows:

	2015-16 Rupees	2014-15 Rupees
CIF Value of Imports:		
Goods Traded	67,50,43,707	61,51,38,495
Expenditure In Foreign Exchange (on payment basis):		
Sublicense Fees	6,55,75,575	6,21,59,355
Travelling Expenses	51,05,125	43,46,915
	7,06,80,700	6,65,06,270
Earnings in Foreign Exchange (on receipt basis):		
FOB Value of Goods	7,34,47,132	3,86,66,365

REPORT OF THE BOARD OF DIRECTORS

Annexure II

Form No. MGT-9

EXTRACT OF ANNUAL RETURN AS ON THE FINANCIAL YEAR ENDED ON MARCH 31, 2016

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

I. REGISTRATION AND OTHER DETAILS:

i.	CIN	L93010MH1951PLC008546
ii.	Registration Date	22/06/1951
iii.	Name of the Company	Cravatex Limited
iv.	Category/Sub-Category of the Company	Company Limited by Shares
v.	Address of the Registered office and contact details	Sahas, 4 th Floor, 414/2, Veer Savarkar Marg, Prabhadevi, Mumbai – 400 025, Maharashtra Tel: 022 66667474 Fax: 022 24313210 Email: investors@cravatex.com
vi.	Whether listed company	Yes
vii.	Name, Address and Contact details of Registrar and Transfer Agent, if any	w.e.f. June 20, 2016 Sharex Dynamic (India) Private Limited Unit No.1, Luthra Industrial Premises Safed Pool, Andheri Kurla Road Andheri (East), Mumbai - 400072 Tel No. : +91 22 2851 5606/ +91 22 2851 5644 / +91 22 2851 6338 / +91 22 2852 8087 Fax No.: +91 22 2851 2885 Email Id : : sharexindia@vsnl.com Upto June 19, 2016 Sharepro Services (India) Private Limited

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 and Description of main products/ services	NIC Code of the Product/ Service	% to total turnover of the company
1	Sports Goods	639.20	67.80
2	Fitness Equipments	621.00	29.88

PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

Sr. No.	Name and address of the Company	CIN/GLN	Holding/ Subsidiary/ Associate	% of shares held	Applicable Section
1.	BB UK Ltd. Unit 1, Colonial Business Park, Watford WD24 4PR	N.A.	Foreign Subsidiary	100%	2(87)
2.	R.B.Fitness and Trading Pvt Ltd Sahas, 4 th Floor, 414/2, Veer Savarkar Marg, Prabhadevi Mumbai – 400 025	U74900MH2013PTC241644	Holding	74.36%	2(46)

REPORT OF THE BOARD OF DIRECTORS

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

i. Category-wise ShareHolding

Category of Share holders	No.of Shares held at the beginning of the year 1 st April, 2015				No. of Shares held at the end of the year 31 st March, 2016				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoter									
1) Indian									
a) Individual/ HUF	16,540	0	16,540	0.64	16,540	0	16,540	0.64	0.00
b) Central Govt	0	0	0	0	0	0	0	0	0.00
c) State Govt(s)	0	0	0	0	0	0	0	0	0.00
d) Bodies Corporate	19,21,580	0	19,21,580	74.36	19,21,580	0	19,21,580	74.36	0.00
e) Banks / FI	0	0	0	0	0	0	0	0	0.00
f) Any Other	0	0	0	0	0	0	0	0	0.00
Sub-total (A) (1)	19,38,120	0	19,38,120	75.00	19,38,120	0	19,38,120	75.00	0.00
2) Foreign									
g) NRIs-Individuals	0	0	0	0	0	0	0	0	0.00
h) Other-Individuals	0	0	0	0	0	0	0	0	0.00
i) Bodies Corporate	0	0	0	0	0	0	0	0	0.00
j) Banks / FI	0	0	0	0	0	0	0	0	0.00
k) Any Other	0	0	0	0	0	0	0	0	0.00
Sub-total (A) (2)	0	0	0	0	0	0	0	0	0.00
Total Promoter Shareholding									
(A)=(A)(1)+ (A)(2)	19,38,120	0	19,38,120	75.00	19,38,120	0	19,38,120	75.00	0.00
B. Public Shareholding									
1) Institutions									
a) Mutual Funds	0	0	0	0	0	0	0	0	0.00
b) Banks / FI	0	0	0	0	0	0	0	0	0.00
c) Central Govt	0	0	0	0	0	0	0	0	0.00
d) State Govt(s)	0	0	0	0	0	0	0	0	0.00
e) Venture Capital Funds	0	0	0	0	0	0	0	0	0.00
f) Insurance Companies	0	0	0	0	0	0	0	0	0.00
g) FIs	0	0	0	0	0	0	0	0	0.00
h) Foreign Venture Capital Funds	0	0	0	0	0	0	0	0	0.00
i) Others (specify)	0	0	0	0	0	0	0	0	0.00
Sub-total(B) (1)	0	0	0	0	0	0	0	0	0.00
2) Non Institutions									
a) Bodies Corporate									
(i) Indian	27,909	1,285	29,194	1.13	18,291	1,285	19,576	0.76	(0.37)
(ii) Overseas	0	0	0	0	0	0	0	0	0.00
b) Individuals									
(i) Individual shareholders holding nominal share capital upto Rs. 1 lakh	2,33,944	1,22,499	3,56,443	13.79	2,35,123	1,15,371	3,50,494	13.56	(0.23)
(ii) Individual shareholders holding nominal share capital in excess of Rs 1 lakh	2,00,242	52,000	2,52,242	9.76	2,15,777	52,000	2,67,777	10.36	0.60
c) Others(Specify)									
Non Resident (Non Rep)	3,665	0	3,665	0.14	3,666	0	3,666	0.14	0
Non Resident (Rep)	4,496	0	4,496	0.18	4,527	0	4,527	0.18	0.01
Sub-total(B)(2)	4,70,256	1,75,784	6,46,040	25.00	4,77,384	1,68,656	6,46,040	25.00	0.00
Total Public Shareholding									
(B)=(B)(1)+ (B)(2)	4,70,256	1,75,784	6,46,040	25.00	4,77,384	1,68,656	6,46,040	25.00	0.00
C. Shares held by Custodian for GDRs & ADRs	0	0	0	0	0	0	0	0	0.00
GRAND TOTAL (A+B+C)	24,08,376	1,75,784	25,84,160	100.00	24,15,504	1,68,656	25,84,160	100.00	0.00

REPORT OF THE BOARD OF DIRECTORS

ii. Shareholding of Promoters

Sr. No.	Shareholder's Name	Shareholding at the beginning of the year 1 st April, 2015			Shareholding at the end of the year 31 st March, 2016			% 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.	Jamna Batra	10	0.00	—	10	0.00	—	—
2.	Rajiv Batra	20	0.00	—	20	0.00	—	—
3.	Raj Batra	10	0.00	—	10	0.00	—	—
4.	Divya Batra	20	0.00	—	20	0.00	—	—
5.	Sujaya Batra	20	0.00	—	20	0.00	—	—
6.	Prathima Batra	16,400	0.64	—	16,400	0.64	—	—
7.	Rajesh Batra	50	0.00	—	50	0.00	—	—
8.	Rohan Batra	10	0.00	—	10	0.00	—	—
9.	Proline Exports Pvt. Ltd.	10	0.00	—	10	0.00	—	—
10.	R.B. Fitness and Trading Pvt. Ltd.	19,21,570	74.36	—	19,21,570	74.36	16.94	—
	Total	19,38,120	75.00	—	19,38,120	75.00	16.94	—

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

Sr. No.	Particulars	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1.	No Change	—	—	—	—

REPORT OF THE BOARD OF DIRECTORS

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

Sr. No.	For Each of the Top 10 Shareholders	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1.	Mahesh Parameswaran Nair	52,000	2.01	52,000	2.01
2.	Dipak Kanayalal Shah	50,000	1.93	50,000	1.93
3.	Harish Hassa Mohnani	49,659	1.92	49,659	1.92
4.	Anil Kumar Hirjee	42,138	1.63	42,138	1.63
5.	Laxmichand Kunverji Kenia	14,500	0.56	17,000	0.66
6.	Kanchan Sunil Singhania	16,782	0.65	16,782	0.65
7.	Anshul Saigal	14,005	0.54	14,705	0.57
8.	Shashank S Khade	13,158	0.51	13,158	0.51
9.	Bharat Kunverji Kenia	9,365	0.36	12,335	0.48
10.	Hemali Prakash Mehta	0	0.00	6,748	0.26

v. Shareholding of Directors and Key Managerial Personnel:

Sr. No.		Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1.	Rajesh Batra				
	At the beginning of the year	50	0.00	50	0.00
	Add: Purchases	—	—	—	—
	At the end of the year	50	0.00	50	0.00
2.	N.R. Mahalingam				
	At the beginning of the year	2,560	0.09	2,560	0.09
	Add/(Less): Increase/(Decrease)	—	—	—	—
	At the end of the year	2,560	0.09	2,560	0.09
3.	Rajiv Batra				
	At the beginning of the year	20	0.00	20	0.00
	Add/(Less): Increase/(Decrease)	—	—	—	—
	At the end of the year	20	0.00	20	0.00

REPORT OF THE BOARD OF DIRECTORS

IV. INDEBTEDNESS

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

(Rs In Lacs)

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	6,404.93	—	235.25	6,640.18
ii) Interest due but not paid	—	—	—	—
iii) Interest accrued but not due	—	—	—	—
Total (i+ii+iii)	6,404.93	—	235.25	6,640.18
Change in Indebtedness during the financial year				
— Addition	—	675.00	—	675.00
— Reduction	137.23	—	10.00	147.23
Net Change	137.23	675.00	10.00	527.77
Indebtedness at the end of the financial year				
i) Principal Amount	6,267.70	675.00	225.25	7,167.95
ii) Interest due but not paid	—	—	—	—
iii) Interest accrued but not due	—	—	—	—
Total (i+ii+iii)	6,267.70	675.00	225.25	7,167.95

REPORT OF THE BOARD OF DIRECTORS

V. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

A. Remuneration to Managing Director, Whole-time Directors and/or Manager

(Rs. in Lacs)

Sr. No.	Particulars of Remuneration	Name of MD/WTD/Manager	Total Amount
		Mr.Rajesh Batra Managing Director	
1.	Gross Salary		
	(a) Salary as per provisions contained in section17(1) of the Income tax Act,1961	24.00	24.00
	(b) Value of perquisites u/s 17(2) Income-tax Act,1961	—	—
	(c) Profits in lieu of salary under section 17(3) Income-tax Act,1961	—	—
	Stock Option	—	—
	Sweat Equity	—	—
	Commission	—	—
	— as % of profit	—	—
	— Others, specify	—	—
	Others, please specify	—	—
	Total (A)	24.00	24.00

B. Remuneration to other directors

(Rs. in Lacs)

Sr. No.	Particulars of Remuneration	Fee for attending board/ committee meetings	Commission	Other Please Specify	Total Amount
1.	Independent Directors				
	Mr. Arjun Bulchandani	0.80	NIL	NIL	0.80
	Mr. H.K. Vakharia	0.60	NIL	NIL	0.60
	Mr. N. R. Mahalingam	1.20	NIL	NIL	1.20
	Dr. S. D. Israni	1.50	NIL	NIL	1.50
	Mr. N. Santhanam	1.40	NIL	NIL	1.40
	Mrs. Pheroza Jimmy Bilimoria	0.40	NIL	NIL	0.40
	Total (1)	5.90	NIL	NIL	5.90
2.	Other Non-Executive Directors				
	Mr. Rajiv Batra	0.40	NIL	NIL	0.40
	Mr. Nabankur Gupta	1.50	NIL	NIL	1.50
	Total (2)	1.90	NIL	NIL	1.90
	Total Managerial Remuneration	NIL	NIL	NIL	NIL
	Total (B) = (1+2)	7.80	NIL	NIL	7.80

REPORT OF THE BOARD OF DIRECTORS

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

(Rs. in Lacs)

Sr. No.	Particulars of Remuneration	Key Managerial Personnel		Total
		Mr. Divakar Kamath CFO*	Sudhanshu Namdeo Company Secretary	
1.	Gross Salary			
2.	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	31.44	21.08	52.52
3.	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	—	—	—
4.	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	—	—	—
5.	Stock Option	—	—	—
6.	Sweat Equity	—	—	—
7.	Commission			
	— as % of profit	—	—	—
	— others, specify	—	—	—
8.	Others, please specify	—	—	—
9.	Total	31.44	21.08	52.52

* Re-designated as President – Corporate Affairs w.e.f. December 7, 2015

VI. PENALTIES/PUNISHMENT/COMPOUNDING OF OFFENCES:

Type	Section of the companies Act	Brief description	Details of Penalty/ Punishment/ Compounding fees imposed	Authority [RD/NCLT/ Court]	Appeal made. If any (give details)
A. Company					
Penalty	—	—	—	—	—
Punishment	—	—	—	—	—
Compounding	—	—	—	—	—
B. Directors					
Penalty	—	—	—	—	—
Punishment	—	—	—	—	—
Compounding	—	—	—	—	—
C. Other Officers In Default					
Penalty	—	—	—	—	—
Punishment	—	—	—	—	—
Compounding	—	—	—	—	—

REPORT OF THE BOARD OF DIRECTORS

ANNEXURE III

DETAILS OF CORPORATE SOCIAL RESPONSIBILITY (CSR) ACTIVITY

1. CSR Policy Details

The CSR Committee will play the following role in fulfilling the Company's CSR objectives:

- Recommendation of the project/ programme to be undertaken within the long term vision and strategy of the Company in respect of CSR activities, amount of expenditure to be incurred, types of activities, roles and responsibilities of various stakeholders etc.
- Formulation of a monitoring mechanism for ensuring implementation of the projects/programs undertaken or the end use of the amount spent by it towards CSR activities.

The Contribution will be made for any activities undertaken within India. The Committee will give preference to the local area and areas around it where it operates in spending the amount earmarked for CSR activities.

The details of CSR Policy are available at the weblink <http://www.cravatex.com> under section Investors → Policies and Procedures → CSR Policy.

2. Composition of CSR Committee

The Board of Directors of the Company have constituted a CSR Committee of Directors comprising of three directors with at least one being an Independent Director as mentioned below:

Name		Role
Nabankur Gupta	<i>Non-Executive Director</i>	Chairperson
N. Santhanam	<i>Non-Executive & Independent Director</i>	Member
Rajesh Batra	<i>Managing Director</i>	Member

3. **Average Net Profit of Cravatex Limited in the last 3 Financial Years:** Rs.6,43,16,329/-

4. **Prescribed CSR Expenditure during FY 2015-16:** Rs.12,86,327/-

5. Details of CSR Spent during FY 2015-16

(a) Total amount spent for the financial year 2015 – 16 : Rs.14,27,089/-

(b) Amount unspent, if any : Nil

REPORT OF THE BOARD OF DIRECTORS

(c) Manner in which the amount is spent during the financial year 2015 - 16 is mentioned below:

CSR Project identified	Partnering NGO	Sector in which the project is covered	Project or program 1. Local area or others 2. State and District where the project/ program was undertaken	Amount outlay (budget) project wise (INR)	Amount spent on the project Sub – heads: 1. Direct expenditure on projects or programs (INR) 2. Overheads (INR)	Cumulative expenditure upto March 2016	Amount spent directly or through implementing agency
Project Muskaan	Mumbai Mobile Creches	Nutrition	Mumbai, Maharashtra	3,00,000	Annual Donation : 2,80,000 with NGO : 14,561	2,94,561	Directly and through NGO
Project Khushi	Aseema Charitable Trust	Nutrition	Mumbai, Maharashtra	6,00,000	Annual Donation : 6,26,208 with NGO : 18,414	6,44,622	Directly and through NGO
Project Arpan	Shelter Don Bosco	Nutrition & Education	Mumbai, Maharashtra	5,00,000	Annual Donation : 4,79,293 with NGO : 8,613	4,87,906	Directly and through NGO
Total					Total	14,27,089	

6. Responsibility Statement

The CSR committee hereby confirms that the implementation and monitoring of the CSR policy, is in compliance with the CSR objective and policy of the company.

Nabankur Gupta
Chairman of CSR committee

Rajesh Batra
Managing Director

Place : Mumbai
Dated : May 27, 2016

REPORT OF THE BOARD OF DIRECTORS

ANNEXURE IV

Form No. MR-3

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 Personnel) Rules, 2014]*

To The Members of Cravatex Limited

6 Sahas, 4th Floor 414/2, Veer Savarkar Marg,
Prabhadevi, Mumbai-400 025

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by Cravatex 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 our opinion thereon.

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in our 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:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by Cravatex Limited 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 thereunder;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):
 - (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
 - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992;
 - (c) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015 (with effect from 15th May 2015);
 - (d) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 (Not Applicable to the Company during the Audit period as the Company has not issued any new securities);
 - (e) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 (Not Applicable to the Company during the Audit period as the Company has not issued any securities under Employee Stock Option Scheme);
 - (f) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 (Not Applicable to the Company during the Audit period as the Company has not issued any Debt instruments/ Securities);
 - (g) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
 - (h) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009 (Not Applicable to the Company during the Audit period as delisting of securities did not take place); and
 - (i) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998 (Not Applicable to the Company during the Audit period as the Company has not Bought back its securities);

REPORT OF THE BOARD OF DIRECTORS

- (j) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (with effect from 1st December 2015);

The Management has confirmed that the Company is engaged in trading activity only and therefore there is no sector specific law applicable to the Company.

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

- (i) Secretarial Standards (SS-1 and SS-2) issued by The Institute of Company Secretaries of India.
- (ii) The Listing Agreements entered into by the Company with the Stock Exchanges.

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

We 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 given to all Directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

Majority decision is carried out unanimously and therefore the question of capturing the views of dissenting members does not arise.

We further report that there are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

We further report that during the audit period, there were no instances of:

- (i) Public/Rights/Preferential/Bonus issue of shares/debentures/sweat equity.
- (ii) Redemption/buy-back of securities.
- (iii) Merger/amalgamation/reconstruction etc.
- (iv) Foreign technical collaborations.

For Hemanshu Kapadia & Associates

Hemanshu Kapadia
Proprietor
C.P. No. 2285
Membership No. 3477

Place : Mumbai
Dated : May 27, 2016

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

REPORT OF THE BOARD OF DIRECTORS**Annexure A****To The Members of Cravatex Limited**

6 Sahas, 4th Floor 414/2, Veer Savarkar Marg,
Prabhadevi, Mumbai-400 025

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

1. Maintenance of secretarial record is the responsibility of the management of the Company. Our responsibility is to express an opinion on these secretarial records based on our audit.
2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices, we followed provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.
4. Where ever required we have obtained the Management representation about the compliance of laws, rules and regulations and happenings of events etc.
5. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedures on test basis.
6. The Secretarial Audit report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

For Hemanshu Kapadia & Associates

Hemanshu Kapadia
Proprietor
C.P. No. 2285
Membership No. 3477

Place : Mumbai
Dated : May 27, 2016

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

(a) Industry Structure and developments

The company deals with broadly two business segments viz. Fitness equipments and Sports goods.

The company has a major share in organised fitness equipment business (based on data sourced by us). The commercial segment is the major contributor to this business. Hence its reliance is highly skewed towards revenue from Gyms, corporate houses and real estate sector. During FY 2015-16, due to limited expansion in Gyms in the country and slow down in real estate sector, the Fitness equipment industry has suffered a setback.

As regards the Sports goods business, the company's major revenue is from FILA branded Sports goods, such as shoes, apparels and accessories. Since last 3 years, there has been notable shift of revenue from brick and mortar store to online market. This has brought a discount culture in the industry impacting the traditional market structure and the margin earnings.

(b) Opportunities and Threats

Extensive reach out to a larger market on account of e-commerce offers a considerable growth opportunity. However, the increasing expectations of consumers for higher discounts hampers the margin growth.

(c) Segment-wise or product wise performance

The fitness revenues during FY 2015-16 were marginally below expectations whereas FILA branded sports goods registered revenues as per expectation.

(d) Outlook

The company's products fall under the discretionary purchase category. The market environment continues to be challenging due to demand side issues for the products, especially the margins. With expected improvement in liquidity in the economy on account of various initiatives of the government, the forthcoming year is expected to be better than the previous year provided the Exchange rates are stable.

(e) Risks and concerns

Exchange risk is identified as major risk factor as majority of products are imported. The risk is monitored regularly and suitably hedged under professional advise. The overall risk is managed effectively.

(f) Internal control systems and their adequacy

The overall internal control system has improved substantially over the years. The subject matter has been specifically focused in the company's internal audit function. The present control system is considered as adequate.

(g) Discussion on financial performance with respect to operational performance

The FY 2015-16 under review continued to be challenging mainly due to the overall adverse market condition and the changing business dynamics in the country. Competition in the online market played significant role exerting pressure on margins.

The company's total product sales at Rs 182 Cr as on 31st March 2016 indicates a marginal growth over previous year sales of Rs 181Cr. Domestic sale of products at Rs 176 Cr is marginally lower than the previous year sales of Rs 178 Cr. Total export sales at Rs 5.24 Cr has registered a growth of Rs 2.67 Cr over previous year sales of Rs 2.57 Cr. However, the total revenue from operations at Rs 186 Cr as on 31st March 2016 is neutral vis-à-vis previous year's sales.

Majority of the products are imported against USD. During the year, the average YOY exchange rate was adverse to the extent of over 5% vis-à-vis over 1% in previous year. Additionally, the changes in import duty structure impacted the landed cost further by around 3%. The increase in landed cost could be passed on partially due to highly competitive market conditions. Further, the shifting of revenues to E-commerce, dented the margins. Due to various preventive steps taken by the company, including the controlled expenses, the overall erosion in gross margins were contained at around 5%. On account of over extended receivables which forced the company to resort to the short term borrowings, finance cost dented the net profit. In view of the above stated factors, the company has reported a net loss of Rs 9.23 Cr during the current year vis-à-vis a net profit of Rs 2.28 Cr. in previous year.

The company has planned various steps which shall be taken in the ensuing year and hope to improve the overall financial health of the company and the profitability.

(h) Material developments in Human Resources/Industrial Relations front, including number of people employed.

The company has 294 employees on its rolls at various levels in various functions. The overall industrial relation has been satisfactory with no adverse development.

REPORT ON CORPORATE GOVERNANCE

REPORT ON CORPORATE GOVERNANCE

The Board has taken adequate steps to ensure that all mandatory provisions of Corporate Governance has been complied with. The Board furnishes the following relevant information for the benefit of the Members.

1. Company's Philosophy on Code of Governance

Your Company is committed to bring about good corporate governance practices. The Company serves its customers with creative and innovative ideas and solutions and displays its passion through the quality of its products and services. The Company demands excellence in all aspects of the business, help the people succeed by providing them support and feedback and build teams that collaborate and contribute to their success. The Company aggressively promotes and protects its way of doing business. Every employee of the Company is not just an employee but an important resource and part of the family. The Company shows respect and values every employee of the Company and takes pride in their diversity. The Company has a commitment to do business with strong corporate governance and open-ness by working across all organisational boundaries and strive to break down internal barriers and accept the accountability for their own actions and results.

2. Board of Directors

Composition / Category of Directors, Attendance, No. of Board/Committees No. of Shares

Directors	Designation	Board Meetings		Last AGM Attended	# No. of Other Directorships	@Member of Committees (Chairman)	No. of Shares
		Held	Attended				
Mr. Rajesh Batra (Chairman)	Managing Director	4	4	Yes	3	3	50
Mr. Arjun Bulchandani	Independent Director	4	4	Yes	None	1	0
Mr. H. K. Vakharia	Independent Director	4	3	Yes	None	None	0
Mr. N. R. Mahalingam	Independent Director	4	3	Yes	1	2 (chairman of 1)	2,560
Dr. S. D. Israni	Independent Director	4	4	Yes	3	2	0
Mr. Nabankur Gupta	Non-executive Director	4	4	Yes	7	5	0
Mr. Rajiv Batra	Non-executive Director	4	2	Yes	1	None	20
Mr. N. Santhanam	Independent Director	4	4	Yes	None	1 (chairman of 1)	0
Mrs. Pheroza Jimmy Bilimoria	Independent Director	4	2	Yes	None	None	0

excludes alternate directorship, directorship in foreign companies and private companies which are neither a subsidiary nor a holding company of a public company.

@ includes audit committee & shareholders'/investors' grievance committee of public companies.

None of the Directors are related to any other Director on the Board, except Mr. Rajesh Batra and Mr. Rajiv Batra, who are related to each other as brothers.

The Company held 4 (four) Board Meetings during the Financial Year 2015 - 16. These were on May 29, 2015, August 14, 2015, November 6, 2015 and February 12, 2016.

REPORT ON CORPORATE GOVERNANCE

3. Audit Committee

(a) Terms of Reference

The role and terms of reference of the Audit Committee include review of Internal Audit Reports and the Statutory Auditors' Report on the financial statements, general interaction with the Internal Auditors and Statutory Auditors, selection and establishment of accounting policies, review of financial statements, both quarterly and annual, before submission to the Board, review of management discussion and analysis of financial condition and results of operations and review of performance of statutory and internal auditors and adequacy of internal control systems and other matters specified under the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations 2015.

(b) Composition

The Audit Committee consists of the following Non-executive Directors:

Mr. N. Santhanam (Chairman), (2) Mr. Nabankur Gupta, (3) Dr. S.D. Israni and (4) Mr. N.R. Mahalingam

Mr. Sudhanshu Namdeo, Company Secretary acts as the Secretary to the Committee.

(c) Number of Meetings, Attendance

The Company held 4 (four) Audit Committee Meetings on May 29, 2015, August 14, 2015, November 6, 2015 and February 12, 2016. The details of attendance of the Audit Committee Members during the financial year 2015 – 16 are given below:

Name	No. of Meetings Held	No. of Meetings Attended
Mr. N. Santhanam	5	4
Mr. Nabankur Gupta	5	5
Dr. S. D. Israni	5	5
Mr. N. R. Mahalingam	5	4

4. Nomination and Remuneration Committee

(a) Terms of Reference

Broad terms of reference of the Nomination and Remuneration Committee include to identify persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down, recommend to the Board their appointment and removal and carry out evaluation of every director's performance.

(b) Composition

The Nomination and Remuneration Committee consists of the following Non-executive Directors:

(1) Dr. S.D. Israni (Chairman), (2) Mr. Nabankur Gupta, (3) Mr. N.R. Mahalingam and (4) Mr. N. Santhanam

(c) Number of Meetings and Attendance

The Company held 2 (two) Nomination and Remuneration Committee Meeting on May 29, 2015 and November 6, 2015. The details of attendance of the Nomination & Remuneration Committee Members during the financial year 2015 - 16 are given below:

Name	No. of Meetings Held	No. of Meetings Attended
Dr. S. D. Israni	2	2
Mr. Nabankur Gupta	2	2
Mr. N. R. Mahalingam	2	2
Mr. N. Santhanam	2	2

REPORT ON CORPORATE GOVERNANCE

5. Details of Remuneration

The appointment of Managing Director is governed by the recommendation of the Nomination and Remuneration Committee, Resolutions passed by the Board of Directors and Members of the Company, which covers the terms of such appointment and remuneration payable. The details of remuneration paid to the Managing Director during the financial year 2015-16 are given below:

Name	Designation	Gross Remuneration (Rs.)
Mr. Rajesh Batra	Managing Director	24,00,048/-

The Non-executive Directors are paid remuneration by way of sitting fees. The details of sitting fees paid to the Independent and Non-executive Directors during the financial year 2015 – 16 are given below:

Name	Sitting Fees (Rs.)
Mr. Arjun Bulchandani	80,000/-
Mr. H.K. Vakharia	60,000/-
Mr. N. R. Mahalingam	60,000/-
Dr. S. D. Israni	80,000/-
Mr. Nabankur Gupta	80,000/-
Mr. Rajiv Batra	40,000/-
Mr. N. Santhanam	80,000/-
Mrs. Pheroza Jimmy Bilimoria	40,000/-

The details of sitting fees paid to the Audit Committee Members during the financial year 2015 – 16 are given below:

Name	Sitting Fees (Rs.)
Mr. N. Santhanam	40,000/-
Mr. Nabankur Gupta	50,000/-
Dr. S. D. Israni	50,000/-
Mr. N. R. Mahalingam	40,000/-

The details of sitting fees paid to the Nomination & Remuneration Committee Members during the financial year 2015 – 16 are given below:

Name	Sitting Fees (Rs.)
Dr. S. D. Israni	20,000/-
Mr. Nabankur Gupta	20,000/-
Mr. N. R. Mahalingam	20,000/-
Mr. N. Santhanam	20,000/-

The Members of the Stakeholders Grievance Committee are not entitled to remuneration and accordingly, no remuneration has been paid to any of its Committee Members.

REPORT ON CORPORATE GOVERNANCE

Performance Evaluation:

The Board adopted a formal mechanism for evaluating its performance as well as that of its Committees and individual Directors, including Chairman of the Board. Pursuant to the provisions of the Companies Act, 2013 and Regulation 4(2) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations 2015, the Board has carried out the annual performance evaluation of its own performance, the Directors individually as well as the evaluation of the working of its Audit, Nomination and Remuneration and CSR Committees and other committees. The exercise was carried out through a structured evaluation process covering various aspects of the Boards functioning such as composition of the Board & committees, experience & competencies, performance of specific duties & obligations, governance issues etc. Separate exercise was carried out to evaluate the performance of individual Directors including the Board Chairman who were evaluated on parameters such as attendance, contribution at the meetings and otherwise, independent judgment, safeguarding of minority shareholders interest etc.

The performance evaluation of the Independent Directors was carried out by the entire Board. The performance evaluation of the Chairman and the Non-Independent Directors was carried out by the Independent Directors. The Directors expressed their satisfaction with the evaluation process.

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

6. Stakeholders Grievance Committee

(a) Terms of Reference

Broad terms of reference of the Stakeholders Relationship Committee include to approve and register the transfers and/or transmission of equity shares of the Company, redressal of shareholders' and investors' complaints like transfer of shares, non-receipt of balance sheet, non-receipt of declared dividends etc.

(b) Composition & Compliance Officer

The Stakeholders Relationship Committee consists of the following Directors:

(1) Mr. N.R. Mahalingam (Chairman), (2) Mr. Arjun Bulchandani, and (3) Mr. Rajesh Batra

Mr. Sudhanshu Namdeo, Company Secretary is designated as the Compliance Officer.

(c) No. of Shareholders Complaints & Not Resolved

There was no investor complaints received during the financial year 2015 - 16. There were no complaints pending at the end of the Financial Year.

Independent Directors' Meeting:

During the year under review, Independent Directors met on February 12, 2016, without the presence of Managing Director, Non- Independent Directors and Management Team. The meeting was attended by all Independent Directors except Mr. N.R. Mahalingam and Ms. Pheroza Jimmy Bilimoria and was convened to enable Independent Directors to discuss matters pertaining to the Company's affairs and put forth their combined views to the Board of Directors of the Company. At the meeting, they

- (i) reviewed the performance of non-independent directors and the Board as a whole;
- (ii) reviewed the performance of the Chairperson of the Company, taking into account the views of executive directors and non-executive directors;
- (iii) assessed the quality, quantity and timeliness of flow of information between the Company Management and the Board and its committees that is necessary for the Board to effectively and reasonably perform their duties

The Independent Directors present in the meeting hold an unanimous opinion that the Non-Independent Directors, including the Managing Director bring to the Board, abundant knowledge in their respective field and are experts in their areas. Besides, they are insightful, convincing, astute, with a keen sense of observation, mature and have a deep knowledge of the Company. The Board as a whole is an integrated, balanced and cohesive unit where diverse views are expressed and dialogued when required, with each Director bringing professional domain knowledge to the table. All Directors are participative, interactive and communicative. The Chairperson has abundant knowledge, experience, skills and understanding of the Board's functioning, possesses a mind for detail, is meticulous to the core and conducts the Meetings with poise and maturity.

The information flow between the Company's Management and the Board is complete, timely with good quality and sufficient quantity.

REPORT ON CORPORATE GOVERNANCE

7. General Body Meetings

(a) Location and time where last three AGMs were held:

	I (AGM)	II (AGM)	III (AGM)
Date	14/08/2015	13/08/2014	13/08/2013
Venue	Textiles Committee P. Balu Road, Prabhadevi Chowk Prabhadevi Mumbai-400 025	Rachana Sansad Auditorium 278, Shankar Ghanekar Marg Prabhadevi Mumbai-400 025	Rachana Sansad Auditorium 278, Shankar Ghanekar Marg Prabhadevi Mumbai-400 025
Time	11.30 a.m.	10.30 a.m.	10.30 a.m.

(b) Whether any Special Resolutions were passed in the previous three AGMs ?

Yes

(c) Whether any Special Resolutions were passed last year through postal ballot – details of voting pattern.

The Company vide postal ballot notice dated February 12, 2016 sought the consent of its members for the following items of business:

- Re-classification and Increase in Authorized Share Capital and Alteration of Memorandum of Association (Ordinary Resolution).
- Adoption of new set of Articles of Association of the Company (Special Resolution).
- Issue of 90,00,000 4% Non-Convertible Cumulative Redeemable Preference shares on Private Placement basis (Special Resolution).

All the above resolutions were passed as on April 2, 2016 i.e. the last date of receipt of the postal ballot forms for e-voting.

(d) Person who conducted the postal ballot exercise?

Mr. Hemanshu L. Kapadia (FCS: 3477), Proprietor of M/s. Hemanshu Kapadia and Associates, Practising Company Secretaries, Mumbai

(e) Whether any Special Resolution is proposed to be conducted through postal ballot this year?

No

(f) Procedure for Postal Ballot:

The procedure for conducting the postal ballot exercise followed by the Company was as per the Companies (Management and Administration) Rules, 2014 read with Section 110 of the Companies Act, 2013 and as mentioned in the Secretarial Standard 2 issued by Institute of Company Secretaries of India.

8. Means of Communication

(a) Quarterly Results:

The unaudited quarterly results are announced within 45 days from the end of the quarter and the audited annual results within 60 days from the end of the last quarter, as stipulated under Regulation 33 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations 2015.

(b) Newspapers wherein results normally published:

Business Standard (in English) and in Sakal (in Marathi)

(c) Any Website, where displayed:

www.crvatex.com

(d) Whether Website also displays official news releases: No

REPORT ON CORPORATE GOVERNANCE

(e) Whether presentations made to institutional investors or to the analysts : No

9. General Shareholder Information

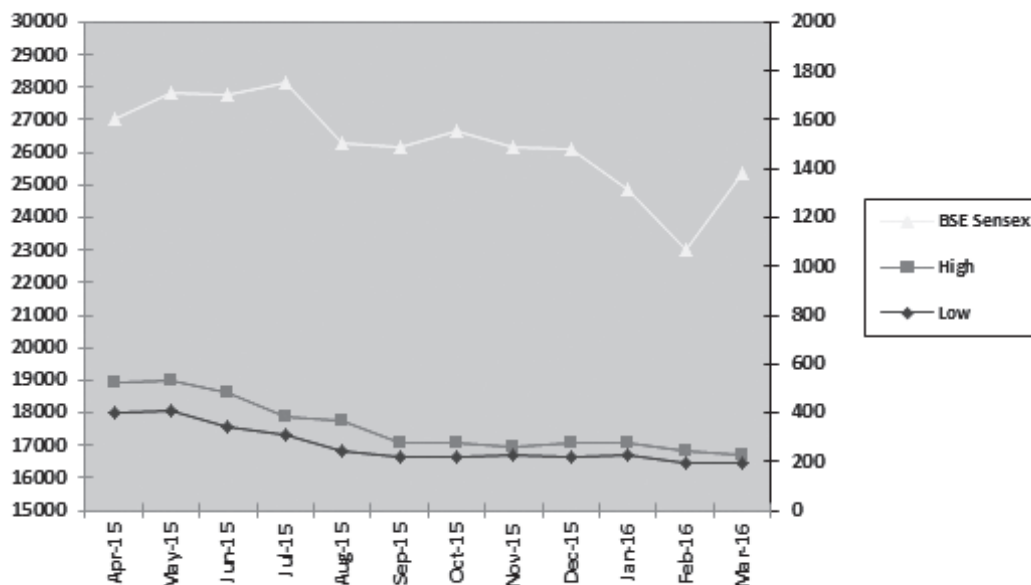
- (a) Annual General Meeting will be held on Friday, August 12, 2016 at 11.30 a.m. at Textiles Committee Auditorium, P. Balu Road, Prabhadevi Chowk, Prabhadevi, Mumbai – 400 025
- (b) Financial Year:
- | | | |
|---|---|-------------------------------|
| Annual General Meeting | : | August 12, 2016 |
| Results for quarter ending June 30, 2015 | : | Second week of August, 2016 |
| Results for quarter ending September 30, 2015 | : | Second week of November, 2016 |
| Results for quarter ending December 31, 2015 | : | Second week of February, 2017 |
| Results for the year ending March 31, 2016 | : | On or Before May 30, 2017 |
- (c) Date of Book Closure : August 06, 2016 to August 12, 2016
(both days inclusive)
- (d) Listing on Stock Exchange : Company's shares are listed on the Bombay Stock Exchange Ltd.
- (e) Stock Code : 509472
- SYMBOL : CRAVATEX
- Demat ISIN : INE145E01017
- (f) Market Price Data : High: Rs.532.00 (22/05/2015)
(during Financial Year 2015-16) Low: Rs.191.00 (19/02/2016)

High, Low and Number of Shares Traded during each month in the financial year 2015-16 on the BSE Limited:

Month	High (Rs.)	Low (Rs.)	No. of Shares	No. of Trades	Total Turnover (Rs.)
Apr 15	520	401	9,498	712	45,06,782
May 15	532	411	95,188	2,398	4,55,44,424
Jun 15	479	340	13,711	527	52,01,218
Jul 15	380.1	312	9,465	461	32,67,809
Aug 15	367.9	242.1	25,562	495	77,93,255
Sep 15	274.9	215	15,281	528	36,10,780
Oct 15	280	221.6	12,788	268	31,04,913
Nov 15	258.9	226	7,446	151	17,59,841
Dec 15	279	221	5,802	187	14,26,730
Jan 16	280	228	4,406	119	11,18,735
Feb 16	246	191	8,145	202	17,65,398
Mar 16	230	196.1	3,822	137	7,85,535

REPORT ON CORPORATE GOVERNANCE

(g) Stock Performance:



(h) Registrars & Share Transfer Agents:

w.e.f. June 20, 2016
 Sharex Dynamic (India) Private Limited
 Unit No.1, Luthra Industrial Premises, Safed Pool, Andheri Kurla Road,
 Andheri (East), Mumbai – 400 072
 Tel No. : +91 22 2851 5606/ +91 22 2851 5644 / +91 22 2851 6338 / +91 22 2852 8087
 Fax No.: +91 22 2851 2885, Email Id : : sharexindia@vsnl.com

Upto June 19, 2016
 Sharepro Services (India) Private Limited

(i) Share Transfer System:

93.20% of the equity shares of the Company are in electronic form. Transfer of these shares are done through the depositories with no involvement of the Company. The share transfers received in physical form are processed and share certificates are returned within a period of 15 days from the date of receipt, subject to the transfer instruments being valid and complete in all respects. The Company has also offered the facility of transfer cum demat as per SEBI guidelines.

(j) Distribution of Shareholding as on March 31, 2016:

No. of Equity Shares held	No. of Shareholders	% of Shareholders	No. of Shares Held	% of Shareholding
Less than 500	2,250	94.54	1,99,776	7.73
501 to 1000	66	2.77	51,560	2.00
1001 to 2000	32	1.35	45,269	1.75
2001 to 3000	10	0.42	25,538	0.99
3001 to 4000	1	0.04	3,300	0.13
4001 to 5000	5	0.21	22,476	0.87
5001 to 10000	5	0.21	30,894	1.19
10001 and above	11	0.46	22,05,347	85.34
Total	2,380	100.00	25,84,160	100.00

REPORT ON CORPORATE GOVERNANCE

Shareholding Pattern as on March 31, 2016

Category	No. of Shares	% To Paid-up Capital	No. of Shares Held in Demat	% Demat
Promoters	19,38,120	75.00	19,38,120	75.00
Bodies Corporate	19,576	0.76	18,291	0.71
NRI*	8,193	0.32	8,193	0.32
Public	6,18,271	23.92	4,50,900	17.45
Total Capital	25,84,160	100.00	24,15,504	93.48

* Total foreign shareholding in the company is 24,613 (0.95%) of which 16,420 (0.64%) is included in Indian Promoters.

(k) Dematerialisation of shares and liquidity

Of the Company's total shareholding, 24,15,504 (93.47%) shares were held in dematerialised mode by the Members of the Company of which 22,58,588 (87.40%) shares were under National Securities Depository Limited (NSDL) and balance 1,56,916 (6.07%) shares under Central Depository Services (I) Limited (CDSL) as on March 31, 2016.

(l) Share Capital Audit:

As stipulated by Securities and Exchange Board of India (SEBI), a qualified Practising Company Secretary carries out the Share Capital Audit to reconcile the total admitted capital with National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) and shares held in physical form as per the register of members vis-à-vis the total issued and listed capital. This audit is carried out every quarter and the report is submitted to the Bombay Stock Exchange Ltd.

(m) In terms of Section 205C of the Companies Act 1956, read with the Investor Education and Protection Fund (Awareness and Protection of Investor) Rules 2001, the Company has credited during the financial year ended March 31, 2016, a sum of Rs. 94,185/- to the Investor Education and Protection Fund (IEPF). Upto the financial year ended March 31, 2016 an amount of Rs.8,27,528/- has been credited to the Investor Education & Protection Fund.

(n) Outstanding GDRs/ADRs/Warrants or any Convertible Instruments, conversion date and likely impact on equity

None

(o) Plant Location

None

(p) Address for Correspondence

Sahas, 4th Floor, 414/2, Veer Savarkar Marg, Prabhadevi, Mumbai-400 025
Tel. No.: 022-6666 7474, Fax No.: 022-2431 3210
E-mail : investors@cravatex.com

10. Other Disclosures:

(a) Disclosures on materially significant related party transactions i.e. transactions of the Company of material nature, with its Promoters, the Directors or the Management, their subsidiaries or relatives etc. that may have potential conflict with the interests of Company at large:

None of the transactions with any of the related parties were in conflict with the interest of the Company at large.

(b) Details of non-compliance by the Company, penalties, 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 : None

(c) The Company has adopted the Whistle Blower Policy. The Company does not deny access to any personnel to approach the Management on any issue.

REPORT ON CORPORATE GOVERNANCE

- (d) The Company has complied with all the mandatory requirements under the regulations.
- (e) As there is only one subsidiary there is no policy for determining material subsidiaries. The policy on dealing with related party transactions is available on the website of the Company at www.cravatex.com.

For and on behalf of the Board of Directors

Rajesh Batra
Chairman & Managing Director

Place : Mumbai

Dated : May 27, 2016

CIN : L93010MH1951PLC008546

Registered Office:

Sahas, 4th Floor, 414/2, Veer Savarkar Marg,
Prabhadevi, Mumbai-400 025.

Tel. No.: +91 22 66667474, Fax No.: +91 22 24313210

E-mail: investors@cravatex.com

Website: www.cravatex.com

REPORT ON CORPORATE GOVERNANCE

DECLARATION FOR COMPLIANCE WITH CODE OF CONDUCT

This is to confirm that as provided under Regulation 26(3) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations 2015, all Board of Directors and Senior Management of the Company have affirmed Compliance with the Code of Conduct for the Financial Year ended March 31, 2016.

For Cravatex Limited,

Rajesh Batra
Chairman & Managing Director

Place : Mumbai

Dated : May 27, 2016

CIN : L93010MH1951PLC008546

Registered Office:

Sahas, 4th Floor, 414/2, Veer Savarkar Marg,
Prabhadevi, Mumbai-400 025.

Tel. No.: +91 22 66667474, Fax No.: +91 22 24313210

E-mail: investors@cravatex.com

Website: www.cravatex.com

REPORT ON CORPORATE GOVERNANCE**COMPLIANCE CERTIFICATE REGARDING COMPLIANCE OF
CONDITIONS OF CORPORATE GOVERNANCE**

To,

The Members of Cravatex Limited

We have examined the compliance of conditions of Corporate Governance by **Cravatex Limited** ("the Company"), for the financial year ended 31st March 2016, as stipulated in Clause 49 of the Listing Agreement entered into by the Company with the BSE Ltd. for the period 1st April 2015 to 30th November 2015 and under Schedule V (E) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ['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 the review of procedures and implementation thereof, adopted by the Company for ensuring the compliance with the conditions of the Corporate Governance as stipulated in the above mentioned Listing Agreement and Listing Regulations, as applicable. 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 the representations made by the Directors and the Management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above mentioned Listing Agreement and Schedule V (E) of the Listing Regulations.

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 Hemanshu Kapadia & Associates

Hemanshu Kapadia
Proprietor
C.P. No. 2285
Membership No.: 3477

Place : Mumbai
Dated : May 27, 2016

AUDITORS' REPORT

AUDITORS' REPORT

To the Members of Cravatex Limited

Report on the Financial Statements

We have audited the accompanying financial statements of Cravatex Limited ("the Company"), which comprise the Balance Sheet as at 31 March 2016, and the Statement of Profit and Loss and Cash Flow Statement for the year then ended and a summary of significant accounting policies and other explanatory information.

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

Auditor's Responsibility

Our responsibility is to express an opinion on these 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 issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend 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 Company's Director, as well as evaluating the overall presentation of the financial statements.

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

Opinion

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

Other Matters

An amount of Rs.77,50,000 is due from a party with whom the Company had entered into a Contract of Engagement as a Consultant in an earlier year. The Contract was terminated with effect from 1 April 2007. The Company initiated Arbitration proceedings and is hopeful of recovering this amount (refer to Note '2.26(i)' to the financial statements). We are however unable to comment on the fate of this debt.

AUDITORS' REPORT

Our report is not qualified in respect of other matters.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2015 ("the Order") issued by the Central Government of India in terms of section 143 of the Act, we give in the Annexure a statement on the matters specified in paragraphs 3 and 4 of the Order.
2. As required by section 143(3) of the Act, we report that:
 - a. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit.
 - b. In our opinion, proper books of account as required by law have been kept by the Company so far as appears from our examination of those books (and proper returns adequate for the purposes of our audit have been received from branches not visited by us).
 - c. The Balance Sheet, Statement of Profit and Loss and Cash Flow Statement dealt with by this Report are in agreement with the books of account (and with the returns received from branches not visited by us).
 - d. In our opinion, 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 31 March 2016, and taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2015, from being appointed as a director in terms of section 164(2) of the Act.
 - f. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rule, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - (i) The Company has disclosed the impact of the pending litigation on its financial statements. (Refer to Note '2.26 (i)' to the financial statements)
 - (ii) The Company has made provision, as required under any applicable law or accounting standards, for material foreseeable losses, if any, and as required on long- term contracts.
 - (iii) There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.

For **S. P. CHOPRA & CO.**
Chartered Accountants
Firm Registration No. 101911W

Y. K. Shankardass
Partner.
Membership No. F-5106

Place : Mumbai
Dated : May 27, 2016

AUDITORS' REPORT

Annexure to the Auditors' Report

Annexure referred to in paragraph 1 of Report on Other Legal and Regulatory Requirements of even date to the Members of Cravatex Limited

- (i) (a) The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets.
- (b) According to the information and explanations given to us, all the assets have not been physically verified by the management during the year but there is a regular programme of verification which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. We are informed that no material discrepancies were noticed on such verification.
- (c) According to the information and explanations given to us, the title deeds of immovable properties are held in the name of the company.
- (ii) As explained to us, the inventory has been physically verified during the year by the management. In our opinion, the frequency of verification is reasonable and the discrepancies noticed on verification between the physical stock and the book records were not material.
- (iii) The Company has not granted any loans secured or unsecured to companies, firms, limited liability partnerships or other parties covered in the register maintained under Section 189 of the Companies Act, 2013.
- (iv) In respect of loans, investments, guarantees and security the Company has complied with the provisions of section 185 and 186 of the Companies Act, 2013.
- (v) In our opinion and according to the information and explanations given to us, the Company has complied with the directives issued by the Reserve Bank of India and the provisions of sections 73 to 76 or any other relevant provisions of the Companies Act and the rules framed there under. No order has been passed by the Company Law Board or National Company Law Tribunal or Reserve Bank of India or any court or any other tribunal on the Company in respect of the aforesaid deposits.
- (vi) The Central Government has not prescribed maintenance of cost records under section 148 (1) of the Companies Act, 2013 for any of the product of the Company.
- (vii) (a) According to the records maintained by the Company, the Company is regular in depositing undisputed statutory dues including provident fund, employees' state insurance, income-tax, sales-tax, service tax, duty of customs, duty of excise, value added tax, cess and any other statutory dues applicable to it with the appropriate authorities. According to the information and explanations given to us, no undisputed amounts payable in respect of such statutory dues were in arrears as on 31 March 2016 for a period of more than six months from the date they became payable.
- (b) According to the records of the Company, there are no dues of income-tax or sales tax or service tax or duty of customs or duty of excise or value added tax or cess which have not been deposited on account of any dispute.
- (viii) Based on our audit procedures and on the information and explanations given by the management, we are of the opinion that the Company has not defaulted in repayment of loans or borrowing to a financial institution, bank or government.
- (ix) As per information and explanation given to us, the term loans were applied for the purpose for which those are raised.
- (x) Based upon the audit procedures performed and information and explanations given by the management, we report that no fraud by the Company or any fraud on the Company by its officers or employees has been noticed or reported during the year.
- (xi) According to the records maintained by the Company and as per information and explanations given to us the managerial remuneration has been paid in accordance with the requisite approvals as required under section 197 read with Schedule V to the Companies Act, 2013.
- (xii) According to the information and explanations given to us the related parties transactions are in compliance with the applicable provision of the Companies Act, 2013 and details of such transactions have been disclosed in the Financial Statements.

AUDITORS' REPORT

- (xiii) As per the information and explanations given to us the Company has not make any preferential allotment or private placement of shares or debentures during the year.
- (xiv) As per information and explanations given to us the Company has not entered into any non-cash transactions with directors or persons connected with him
- (xv) As explained to us, the Company is not required to be registered under section 45-1A of the Reserve Bank of India Act, 1934 as this is not applicable to the Company.

For **S. P. CHOPRA & CO.**
Chartered Accountants
Firm Registration No. 101911W

Y. K. Shankardass
Partner.
Membership No. F-5106

Place : Mumbai
Dated : May 27, 2016

BALANCE SHEET

BALANCE SHEET AS AT 31 MARCH, 2016

	Note No.	2015-2016 Rupees	2014-2015 Rupees
EQUITY AND LIABILITIES			
Shareholders' Funds:			
Share Capital	2.1	2,58,41,600	2,58,41,600
Reserves and Surplus	2.2	29,88,09,857	39,10,68,040
		<u>32,46,51,457</u>	<u>41,69,09,640</u>
Non-current Liabilities:			
Long-term borrowings	2.3	15,79,68,057	13,00,04,254
Deferred tax liabilities (Net)	2.4	5,52,18,485	5,31,07,649
Other Long-term liabilities	2.5	3,77,19,400	3,84,09,400
		<u>25,09,05,942</u>	<u>22,15,21,303</u>
Current Liabilities:			
Short-term borrowings	2.6	55,88,26,765	53,40,13,249
Trade payables		32,10,51,349	26,00,40,453
Other current liabilities	2.7	9,52,16,495	7,24,51,623
Short-term provisions	2.8	47,50,650	74,19,647
		<u>97,98,45,259</u>	<u>87,39,24,972</u>
	TOTAL	<u>1,55,54,02,658</u>	<u>1,51,23,55,915</u>
ASSETS			
Non-current Assets:			
Fixed Assets:			
Tangible assets	2.9	12,73,25,956	12,19,03,084
Intangible assets		14,31,85,587	16,21,69,196
		<u>27,05,11,543</u>	<u>28,40,72,280</u>
Non-current Investments	2.10	42,07,507	42,07,507
Long-term loans and advances	2.11	13,50,000	13,50,000
Other non-current assets	2.12	5,12,10,625	5,79,21,682
		<u>32,72,79,675</u>	<u>34,75,51,469</u>
Current Assets:			
Inventories	2.13	52,13,65,781	46,40,09,237
Trade receivables	2.14	65,35,32,215	65,73,02,080
Cash and cash equivalents	2.15	1,66,32,184	1,97,72,637
Short-term loans and advances	2.16	3,54,67,187	2,36,78,260
Other current assets	2.17	11,25,616	42,232
		<u>1,22,81,22,983</u>	<u>1,16,48,04,446</u>
	TOTAL	<u>1,55,54,02,658</u>	<u>1,51,23,55,915</u>
Significant Accounting Policies	1		
Notes on Financial Statements	2		

As per our report of even date

For and on behalf of the Board

For **S. P. CHOPRA & CO.**
Chartered Accountants
Membership No. 101911W

Y. K. Shankardass
Partner
Membership No. F-5106

Place : Mumbai
Dated : May 27, 2016

Rajesh Batra
Chairman & Managing Director
DIN: 00020764

Nabankur Gupta
Director
DIN: 00020125

N. R. Mahalingam
Director
DIN: 00035601

Sudhanshu Namdeo
Company Secretary
Membership No.: A17132

PROFIT AND LOSS STATEMENT

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

	Note No.	2015-2016 Rupees	2014-2015 Rupees
INCOME			
Revenue from operations	2.18	1,85,90,98,003	1,85,73,19,594
Other Income	2.19	2,68,18,830	2,66,40,736
TOTAL REVENUE		1,88,59,16,833	1,88,39,60,330
EXPENSES			
Purchase of Stock-in-Trade		1,28,10,03,424	1,22,57,37,407
Change in Inventories of Stock-in-Trade	2.20	(5,73,56,544)	(10,42,93,058)
Employee benefits expense	2.21	20,21,95,407	19,52,57,334
Finance costs	2.22	11,97,78,663	9,54,76,644
Depreciation		3,08,36,271	3,59,03,459
Other expenses	2.23	39,96,06,959	40,54,99,881
TOTAL EXPENSES		1,97,60,64,180	1,85,35,81,667
Profit/(Loss) before tax		(9,01,47,347)	3,03,78,663
Tax expense:			
Current Tax		—	(65,00,000)
MAT credit entitlements		—	39,00,000
Deferred tax Liability		(21,10,836)	(49,88,769)
Excess/(Short) provision of tax for earlier years		—	—
Profit/(Loss) for the period		(9,22,58,183)	2,27,89,894
Basic and Diluted Earning per Equity Share (in Rs.)	2.24	(35.70)	8.82
Significant Accounting Policies	1		
Notes on Financial Statements	2		

As per our report of even date

For and on behalf of the Board

For **S. P. CHOPRA & CO.**
Chartered Accountants
Membership No. 101911W

Y. K. Shankardass
Partner
Membership No. F-5106

Place : Mumbai
Dated : May 27, 2016

Rajesh Batra
Chairman & Managing Director
DIN: 00020764

Nabankur Gupta
Director
DIN: 00020125

N. R. Mahalingam
Director
DIN: 00035601

Sudhanshu Namdeo
Company Secretary
Membership No.: A17132

NOTES TO FINANCIAL STATEMENT

NOTE '1' — SIGNIFICANT ACCOUNTING POLICIES

(a) Basis of accounting

The financial statements have been prepared in accordance with the generally accepted accounting principles in India "Indian GAAP" to comply in all material aspects with the Accounting Standards specified under section 133 of the Companies Act 2013 read together with paragraph 7 of the Companies (Accounting Standards) Rules, 2014. The financial statements have been prepared under the historical cost convention on accrual basis of accounting.

(b) Use of estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent liabilities at the date of the financial statements and the results of operations during the reporting period. Although these estimates are based upon management's best knowledge of current events and actions, actual result could differ from these estimates.

(c) Fixed Assets and depreciation:

- (i) Depreciation is provided on fixed assets, other than Spa/Fitness Equipment and Leasehold Improvement under the straight-line method in the manner prescribed under schedule II of the Companies Act, 2013, which also represents the useful life of fixed assets.
- (ii) Spa/Equipment and Leasehold Improvement are depreciated on a straight-line basis over a period of 5 years which is management's estimate of the useful life of these assets.

(d) Intangible assets

Costs relating to the following assets are capitalized as 'Intangible asset' and amortized on a straight-line basis over a period which is the management's estimate of the useful life of such assets:

Sublicense	–	over a period of 10 years
Software	–	over a period of 10 years

(e) Investments

Investments are classified into "Non-current Investments" and are valued at cost

(f) Inventories

Stock-in-trade and spares are valued at lower of cost and net realizable value, cost being the actual purchase price and other costs that are necessary to bring the inventories to the present location and condition.

(g) Foreign currency transactions

- (i) Initial Recognition – Transactions denominated in foreign currencies are recorded at the rates of exchange prevailing on the date of transaction.
- (ii) Conversion – Monetary assets and liabilities denominated in foreign currency are converted at the rate of exchange prevailing on the date of the Balance Sheet.
- (iii) Exchange differences – All exchange differences arising on settlement/conversion of foreign currency transactions are included in the Statement of Profit and Loss in the year in which they arise.
- (iv) Forward Contract – The Company uses foreign exchange forward contracts to hedge its exposure of foreign currency fluctuations. Any profit or loss arising on cancellation or renewal of foreign exchange forward contracts is recognition as income or expenses for the year.

(h) Employee Benefits:

- (i) The Company's contribution to Provident Fund is remitted to Employers' Provident Fund Organization based on a fixed percentage of the eligible employee's salary and charged to Statement of Profit and Loss. (The Company has categorized its Provident Fund as a defined contribution plan since it has no further obligations beyond these contributions).
- (ii) The Company's contribution under a defined Superannuation Plan to the trust established for this purpose based on a specific percentage of salary of eligible employees is charged to Statement of Profit and Loss. (The Company has categorized superannuation plan as a defined contribution plan since it has no further obligations beyond these contributions).
- (iii) The Company's liability towards gratuity is accounted for on the basis of an actuarial valuation done by Life Insurance Corporation of India (LIC) at the year end and actuarial gains/losses are charged to the Statement of Profit and Loss. Gratuity liability is funded by payments to LIC under the Group Gratuity Scheme of the Company's employees.

NOTES TO FINANCIAL STATEMENT

(iv) Leave encashment which is expected to be utilized within a year, is treated as short-term employment benefit.

(i) Taxes on Income

Deferred tax is recognized on timing differences between the accounting and taxable income for the year and quantified using the tax rates and laws enacted or substantively enacted at the Balance Sheet date and is capable of reversal in one or more subsequent periods.

Tax credit is recognized in respect of Minimum Alternative Tax ("MAT") as per the provisions of section 115 JAA of the Income Tax Act, 1961 based on convincing evidence that the Company will pay normal income tax within statutory time frame and is reviewed at each Balance Sheet date.

(j) Leases:

- (i) Assets acquired under finance leases are capitalized at the lower of the fair value of the leased assets at the inception of the lease term and the present value of minimum lease payments.
- (ii) Lease payments under operating lease are recognized as an expense in the Statement of Profit and Loss on straight line basis over the lease term.

NOTES TO FINANCIAL STATEMENT

NOTE '2' – NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2016

	2015-2016 Rupees	2014-2015 Rupees
2.1 — SHARE CAPITAL		
Authorised:		
48,50,000 Equity shares of Rs.10 each	4,85,00,000	4,85,00,000
15,000 9.5% Redeemable Cumulative Preference shares of Rs. 100 each	15,00,000	15,00,000
<u>48,65,000</u>	<u>5,00,00,000</u>	<u>5,00,00,000</u>
Issued, Subscribed and fully paid-up:		
12,92,080 Equity shares of Rs. 10 each	1,29,20,800	1,29,20,800
12,92,080 Equity shares of Rs. 10 each allotted as fully paid up by way of bonus shares	1,29,20,800	1,29,20,800
<u>25,84,160</u>	<u>2,58,41,600</u>	<u>2,58,41,600</u>

The details of Shareholders holding more than 5% shares:

Name of the Shareholders	As at 31.03.2016	As at 31.03.2015
R.B. Fitness & Trading Pvt. Ltd.		
No. of Shares Held	19,21,570	19,21,570
% Held	74.36	74.36

2.2 — RESERVES AND SURPLUS

Capital Reserve:

(Subsidy received from Govt. of Karnataka)

Balance as per last Account

18,92,000

18,92,000

Export Profit Reserve:

Balance as per last Account

1,68,000

1,68,000

General Reserve:

Balance as per last Account

36,88,44,809

35,88,44,809

Add : Transfer from Profit and Loss Account

—

1,00,00,000

Less : Debit balance transferred from Profit and Loss Account

(7,20,94,952)

—

29,67,49,857

36,88,44,809

NOTES TO FINANCIAL STATEMENT

NOTES — Contd.

	2015-2016 Rupees	2014-2015 Rupees
Profit and Loss Account:		
Balance as per last Account	2,01,63,231	1,74,63,991
Profit / (Loss) for the year	(9,22,58,183)	2,27,89,894
	(7,20,94,952)	4,02,53,885
Add : Debit balance adjusted by transfer to General Reserve	7,20,94,952	—
Amount available for appropriation	—	4,02,53,885
Appropriations:		
Adjustment relating to Fixed Assets	—	38,70,012
Proposed Dividend	—	51,68,320
Tax on Proposed Dividend	—	10,52,322
Amount transferred to General Reserve	—	1,00,00,000
Balance in Profit and Loss account	—	2,01,63,231
	29,88,09,857	39,10,68,040

2.3 — LONG-TERM BORROWINGS

Term Loan from Bank:

Axis Bank Ltd.

(i) Term Loan:

Secured by exclusive first charge of equitable mortgage of Company's property at Prabhadevi, Mumbai

4,44,48,438 6,87,32,510

(ii) Term Loan:

Secured by first charge on the lease rentals from Company's property at Nariman point, Mumbai

2,34,94,619 3,77,46,744

6,79,43,057 10,64,79,254

Unsecured:

Fixed Deposits:

From related parties

2,13,25,000 2,13,25,000

From others

12,00,000 22,00,000

Intercorporate Deposit:

From a related parties

6,75,00,000 —

9,00,25,000 2,35,25,000

15,79,68,057 13,00,04,254

2.4 — DEFERRED TAX LIABILITIES (NET)

Deferred tax liabilities:

Depreciation on fixed assets

5,56,81,483 5,35,70,647

Deferred tax assets:

Disallowances under the Income tax Act, 1961

4,62,998 4,62,998

5,52,18,485 5,31,07,649

NOTES TO FINANCIAL STATEMENT

NOTES — Contd.

	2015-2016 Rupees	2014-2015 Rupees
2.5 — OTHER LONG-TERM LIABILITIES		
Security deposits		
For rental of property	2,53,04,400	2,53,04,400
From Dealers and Distributors	1,24,15,000	1,31,05,000
	<u>3,77,19,400</u>	<u>3,84,09,400</u>
2.6 — SHORT TERM BORROWINGS		
From Bank:		
(a) Axis Bank Ltd. – Cash Credit Account	26,49,47,857	32,42,94,959
(b) Axis Bank Ltd. – Working Capital Demand Loan	10,09,13,014	10,09,68,541
(c) Axis Bank Ltd. – LC Bill Discounting	—	74,21,394
(d) HDFC Bank Ltd. – Cash Credit Account	2,29,65,894	1,13,28,355
(e) HDFC Bank Ltd. – Working Capital Demand Loan	17,00,00,000	9,00,00,000
The above loans from Axis Bank Ltd. and HDFC Bank Ltd. have been secured by:		
(i) First pari-passu charge as follows:		
(1) by way of hypothecation on entire current assets of the Company, (excluding lease rental from Company's property at Nariman Point, Mumbai) including stock and book debts, present and future		
(2) by way of equitable mortgage of company's property at Nariman point, Mumbai		
(3) by way of hypothecation on entire movable fixed assets of the Company, both present and future except vehicles		
(ii) Second pari-passu charge as follows:		
(1) On Lease Rental from Property at Nariman Point, Mumbai		
(2) On commercial Office located at 4th Floor Sahas, Prabhadevi, Mumbai, along with HDFC Bank		
	<u>55,88,26,765</u>	<u>53,40,13,249</u>
2.7 — OTHER CURRENT LIABILITIES		
Unpaid dividends	10,78,060	10,61,267
Advances received against supplies and services	2,16,33,487	58,56,715
Other liabilities (includes statutory dues)	7,25,04,948	6,55,33,641
	<u>9,52,16,495</u>	<u>7,24,51,623</u>
2.8 — SHORT TERM PROVISIONS		
Proposed dividend	—	51,68,320
Provision for:		
Tax on proposed dividend	—	10,52,322
Gratuity obligation (Note '2.29')	47,50,650	11,99,005
	<u>47,50,650</u>	<u>74,19,647</u>

NOTES TO FINANCIAL STATEMENT

NOTES — Contd.

2.9 — FIXED ASSETS

Amount in Rupees

PARTICULARS	GROSSBLOCKAT COST				DEPRECIATION (Note 1c)				NETBLOCK	
	As at 01.04.2015	Additions	Sales/ Adjustments	As at 31.03.2016	Upto 31.03.2015	For the year	Adjusted	Upto 31.03.2016	As at 31.03.2016	As at 31.03.2015
TangibleAssets:										
Building	10,26,12,062	16,75,683	—	10,42,87,745	2,99,22,924	16,29,201	—	3,15,52,125	7,27,35,620	7,26,89,138
Spa / Fitness Equipment	1,75,81,756	—	—	1,75,81,756	1,41,07,547	6,98,025	—	1,48,05,572	27,76,184	34,74,209
Air-conditioning Plant & Units	1,09,06,776	7,79,993	—	1,16,86,769	42,16,903	7,41,830	—	49,58,733	67,28,036	66,89,873
Furniture, Fixtures & Fittings	4,46,64,317	79,05,529	—	5,25,69,846	2,35,14,907	32,69,426	—	2,67,84,333	2,57,85,513	2,11,49,410
Motor Vehicles	38,79,823	—	—	38,79,823	21,42,662	3,62,738	—	25,05,400	13,74,423	17,37,161
Electrical Fittings	1,05,85,520	23,73,269	—	1,29,58,789	38,86,984	12,46,891	—	51,33,875	78,24,914	66,98,536
Office Equipment	2,77,87,572	24,43,773	—	3,02,31,345	2,24,04,380	24,19,835	—	2,48,24,215	54,07,130	53,83,192
Leasehold Improvement	57,49,875	19,87,281	—	77,37,156	16,68,310	13,74,710	—	30,43,020	46,94,136	40,81,565
	22,37,67,701	1,71,65,528	—	24,09,33,229	10,18,64,617	1,17,42,656	—	11,36,07,273	12,73,25,956	12,19,03,084
IntangibleAssets:										
Licences & Franchise	3,63,51,000	—	—	3,63,51,000	3,45,33,450	—	—	3,45,33,450	18,17,550	18,17,550
Sublicense	18,31,88,645	—	—	18,31,88,645	4,01,70,652	1,72,70,546	—	5,74,41,198	12,57,47,447	14,30,17,993
Software	1,90,90,013	1,10,006	—	1,92,00,019	17,56,360	18,23,069	—	35,79,429	1,56,20,590	1,73,33,653
	23,86,29,658	1,10,006	—	23,87,39,664	7,64,60,462	1,90,93,615	—	9,55,54,077	14,31,85,587	16,21,69,196
Total	46,23,97,359	1,72,75,534	—	47,96,72,893	17,83,25,079	3,08,36,271	—	20,91,61,350	27,05,11,543	28,40,72,280
Total (Previous year)	42,48,08,752	3,75,88,607	—	46,23,97,359	13,85,51,608	3,59,03,459	38,70,012	17,83,25,079	28,40,72,280	—

NOTE 2.9A

Consequent to the enactment of Companies Act, 2013 (the Act) and its applicability for accounting periods commencing on or after 1 April, 2014 the Company re-worked depreciation with reference to the useful lives of fixed assets as prescribed in Schedule II to the Act. Accordingly the unamortised carrying value is being depreciated over the revised/remaining useful lives.

2.10 — NON-CURRENT INVESTMENTS

(At cost, fully paid-up) – Unquoted

In Government Securities

In National Savings Certificate
(National Savings Certificate is held in the name of an employee of the Company and is under lien of the sales tax authorities of Rajasthan)

In Ordinary Subsidiary Company
50000 ordinary shares of £1 each of BB(UK) Ltd.

2015-2016
Rupees

2014-2015
Rupees

23,000

23,000

41,84,507

41,84,507

42,07,507

42,07,507

NOTES TO FINANCIAL STATEMENT

NOTES — Contd.

	2015-2016 Rupees	2014-2015 Rupees
2.11 — LONG TERM LOANS AND ADVANCES		
Advance with Customs authorities (Refer Note '2.25 (ii)(d)')	13,50,000	13,50,000
	<u>13,50,000</u>	<u>13,50,000</u>
2.12 — OTHER NON-CURRENT ASSETS		
(Unsecured)		
Advance to a Consultant (Note '2.26 (i)')	77,50,000	77,50,000
Security and other deposits	4,34,60,625	5,01,71,682
	<u>5,12,10,625</u>	<u>5,79,21,682</u>
2.13 — INVENTORIES		
(At lower of cost or net realisable value and as valued and certified by the management)		
Stock-in-trade	49,55,98,277	44,19,66,492
Stores and spares	2,57,67,504	2,20,42,745
	<u>52,13,65,781</u>	<u>46,40,09,237</u>
2.14 — TRADE RECEIVABLES		
(Unsecured)		
Debts outstanding for a period exceeding six months	11,31,64,850	9,09,14,297
Other debts (Note '2.27')	54,03,67,365	56,63,87,783
	<u>65,35,32,215</u>	<u>65,73,02,080</u>
2.15 — CASH AND CASH EQUIVALENTS		
Balances with banks in:		
Current accounts	1,01,86,775	1,71,77,365
Deposit account (earmarked against repayment of public deposits)	75,000	5,50,000
Fixed Deposit with Axis Bank	26,20,000	—
Unpaid dividend accounts	10,80,246	10,61,267
Cheques in hand	20,20,251	5,06,988
Cash on hand	6,49,912	4,77,017
	<u>1,66,32,184</u>	<u>1,97,72,637</u>

NOTES TO FINANCIAL STATEMENT
NOTES — Contd.

	2015-2016 Rupees	2014-2015 Rupees
2.16 — SHORT-TERM LOANS AND ADVANCES		
(Unsecured, considered good)		
Advances to others	48,95,743	20,01,758
Prepaid expenses for Sample Development	41,76,109	—
Prepaid expenses – Others	58,40,983	48,89,223
Advance Income taxes and Wealth tax [Note '2.25 (ii)(a)(b)(c)']	1,26,21,267	88,54,194
MAT Credit Entitlements	74,00,000	74,00,000
Refund receivable from Customs authorities	5,33,085	5,33,085
	<u>3,54,67,187</u>	<u>2,36,78,260</u>
2.17 — OTHER CURRENT ASSETS		
Interest accrued	4,254	42,232
Insurance Claim receivable	10,92,709	—
Accrued Dividend receivable	28,653	—
	<u>11,25,616</u>	<u>42,232</u>
2.18 — REVENUE FROM OPERATIONS		
Sale of products	1,81,59,61,463	1,80,70,62,483
Sale of services	4,31,36,540	5,02,57,111
(Sales of products and services are reported net of trade and turnover discounts to dealers and commission on consignment sales)		
	<u>1,85,90,98,003</u>	<u>1,85,73,19,594</u>
2.19 — OTHER INCOME		
Interest Income	14,23,495	13,36,336
Dividend Income	28,653	—
Licence fees (Rental income)	2,53,04,400	2,53,04,400
Miscellaneous income	62,282	—
	<u>2,68,18,830</u>	<u>2,66,40,736</u>
2.20 — CHANGE IN INVENTORIES OF STOCK-IN-TRADE		
Opening stock		
Stock-in-trade	44,19,66,492	34,29,91,091
Stores and spares	2,20,42,745	1,67,25,088
	<u>46,40,09,237</u>	<u>35,97,16,179</u>
Closing stock		
Stock-in-trade	49,55,98,277	44,19,66,492
Stores and spares	2,57,67,504	2,20,42,745
	<u>52,13,65,781</u>	<u>46,40,09,237</u>
Increase in stock	<u>(5,73,56,544)</u>	<u>(10,42,93,058)</u>
2.21 — EMPLOYEES BENEFITS EXPENSE		
Salaries and wages (including bonus and gratuity)	18,60,92,198	17,57,01,137
Contributions to:		
Provident, Family Pension and other Funds	1,05,67,700	98,56,400
Employees State Insurance Scheme	4,37,318	10,13,893
Superannuation Scheme	7,96,800	8,96,800
Staff Welfare Expenses	43,01,391	77,89,104
	<u>20,21,95,407</u>	<u>19,52,57,334</u>

NOTES TO FINANCIAL STATEMENT

NOTES — Contd.

	2015-2016 Rupees	2014-2015 Rupees
2.22 — FINANCE COSTS		
Interest expense (Bank loans and Fixed Deposits)	8,00,38,206	7,62,60,413
Other borrowing costs	3,97,40,457	1,92,16,231
	<u>11,97,78,663</u>	<u>9,54,76,644</u>
2.23 — OTHER EXPENSES		
Stores, spares and packing materials consumed	42,57,373	58,85,696
Power, fuel and water	99,30,905	98,14,514
Service charges	2,08,42,693	2,30,08,047
Rent	9,98,70,468	9,77,37,872
Insurance	29,67,767	26,65,995
Rates and taxes	13,96,660	15,59,301
Printing and stationery	29,89,538	33,25,044
Communications	89,51,805	82,04,022
Repairs to Buildings	—	2,65,180
Repairs – Others	1,21,62,798	1,19,10,117
Advertisement and publicity	5,05,05,535	5,75,07,045
Sublicence fee	6,69,56,573	5,75,76,604
Travelling and conveyance	3,57,10,075	3,61,31,660
Commission and brokerage	2,95,000	20,74,893
Transportation and octroi charges	4,47,31,100	5,50,22,694
Professional, Legal and Consultancy charges (Note '2.30b')	2,25,67,080	1,77,85,476
Directors fees	7,80,000	7,70,000
Auditors' remuneration (Note '2.31')	7,15,619	6,34,837
Other expenses	1,13,23,530	99,98,375
Sales Tax paid	10,70,350	12,13,817
Corporate Social Responsibility	14,27,089	18,91,344
Foreign exchange fluctuation (Net)	1,55,001	4,51,984
Bad debts written off	—	65,364
	<u>39,96,06,959</u>	<u>40,54,99,881</u>
2.24 — BASIC AND DILUTED EARNINGS PER EQUITY SHARE		
Net profit/(loss) after Taxation (in Rs.)	(9,22,58,183)	2,27,89,894
Weighted average number of equity shares	25,84,160	25,84,160
Earning per equity share (in Rs.)	(35.70)	8.82
Face value per equity share (in Rs.)	10	10

NOTES TO FINANCIAL STATEMENT

NOTES — Contd.

2.25 — CONTINGENT LIABILITIES (TO THE EXTENT NOT PROVIDED FOR)

Claims against the Company not acknowledged as debt:

Labour claim of an earlier year disputed by the Company against which Rs.1,75,000 has been deposited with The High Court, Mumbai.

- (i) Guarantees and Letters of Credit:
 - (a) Outstanding against Indemnity of default loss given to the Axis Bank Ltd to the extent of Rs.10 crores on account of factoring of trade receivable from reputed indentified customers of the Company is Rs.3,88,13,852 as on 31 March, 2016 (Previous year Rs.8,96,00,012).
 - (b) Bank guarantees given to the extent of Rs.1,50,93,190 (Previous year Rs.1,30,70,052)
 - (c) Letters of Credit outstanding to the extent of Rs.18,88,99,993 (Previous year Rs.11,15,93,267)
- (ii) Other money for which the Company is contingently liable:
 - (a) Demands for Wealth Tax for the assessment years 1997-98 & 1998-99 amounting to Rs.51,25,378 was raised by the Tax authorities in earlier years which had been disputed by the Company and appeals filed with the Hon. High Court, Mumbai. The Company however deposited the demanded amounts in full with the tax authorities.
 - (b) For the assessment years 2000-2001, 2002-2003 and 2003-2004 the Income-tax Appellate Tribunal had given relief of Rs.8,74,254 which had been accounted for in an earlier year. The tax authorities had subsequently filed an appeal with the Hon. High Court, Mumbai against the relief of Rs.8,74,254. The matter was set aside by Hon. High Court, in an earlier year and the matter was restored to the Tribunal court for disposal. The matter is still pending with the tax authorities.
 - (c) The tax authorities have raised a demand for the assessment year 2013-14 u/s 143 (3) for Rs.16,43,120. The company has disputed this demand and has filed an appeal with the Commissioner (Appeals) of Income- tax Mumbai against this demand.
 - (d) Demand of Rs.13,50,000 raised in an earlier year by the customs authorities for goods imported had been disputed by the Company against which the full amount had been deposited under protest. The matter is still pending with the Customs authorities.
 - (e) Bond for Rs.1.20 crore executed with the Customs authorities for demand raised by the authorities in an earlier year which had been disputed and challenged by the Company. This Bond is to remain in force till finalisation of the value by the Customs authorities of the goods imported by the Company.
 - (f) Demand of Rs.38,31,386 (Previous year Rs. 38,31,386) raised by the New Maker Chambers IV Premises Co-operative Society Ltd, Mumbai for the difference in BMC tax from 01.04.2000 to 31.03.2015, and the same has been paid to Society under protest. However net liability of the Company against this demand is Rs.15,66,683.

2.26 OTHER COMMITMENTS

- (i) An amount of Rs.1,55,00,000 was due from a third party in terms of Contract of Engagement with this party as a Consultant against which provision for doubtful debt of Rs.77,50,000 was made and subsequently written off in an earlier year. Though the Contract had been terminated with effect from 1 April 2007, inspite of all assurances given to the Company by this party for clearing this debt, the party has not paid any amount so far against these dues. The Company had initiated an Arbitration proceeding invoking Arbitration in the previous year as per the Contract of Engagement referred to above. The Arbitration proceeding is still in process.
- (ii) Buyer's Credit outstanding to the extent of Rs.7,97,58,205 for goods purchased against the Letter of Undertaking of Banks (Previous year Rs.Nil).

2.27 TRADE RECEIVABLES

Trade receivables are net of customer's accepted liability for Rs.2,94,19,719 which are discounted under letter of credit issued by the customer's bank.

NOTES TO FINANCIAL STATEMENT

NOTES — Contd.

2.28 OPERATING LEASE

The Company has taken certain premises on operating lease, the minimum future lease rentals payable on which are as follows:

Period	Minimum Lease Payment	Maximum Lease Payment
	2015-2016 Rupees	2014-2015 Rupees
Not later than 1 year	6,66,60,567	8,58,44,472
Later than 1 year but not later than 5 years	20,16,59,477	21,98,96,780
Later than 5 years	6,75,24,187	10,31,41,243

2.29 — GRATUITY OBLIGATION

	2015-2016 Rupees	2014-2015 Rupees
(i) Profit and Loss Account		
Current Services cost	20,51,258	22,98,113
Interest Cost	13,83,306	12,25,302
Expected return on plan assets	(12,94,758)	(12,36,423)
Net Actuarial (gain)/Loss recognized in the year	42,28,833	(14,91,592)
Expenses recognized in statement of Profit and Loss	<u>63,68,639</u>	<u>7,95,400</u>
(ii) Balance sheet		
Present value of obligations as at the end of the year	2,03,46,004	1,62,19,203
Fair value of plan assets as at the end of the year	1,55,95,355	1,50,20,198
Net Asset/(Liability) recognized in Balance Sheet	<u>(47,50,650)</u>	<u>(11,99,005)</u>
(iii) Change in the fair value of plan assets		
Fair value of plan assets at the beginning of year	1,50,20,198	1,37,68,077
Expected return on plan assets	12,94,758	12,36,423
Contribution	28,16,995	72,467
Benefits paid	(35,36,596)	(56,769)
Actuarial (gain)/loss on Plan assets	Nil	Nil
Fair value of plan assets at the end of year	<u>1,55,95,355</u>	<u>1,50,20,198</u>
(iv) Change in present value of obligations		
Present value of obligations as at the beginning of year	1,62,19,203	1,42,44,149
Current Service Cost	20,51,258	22,98,113
Interest cost	13,83,306	12,25,302
Benefits Paid	(35,36,596)	(56,769)
Actuarial (gain)/loss on obligations	42,28,833	(14,91,592)
Present value of obligations as at the end of year	<u>2,03,46,004</u>	<u>1,62,19,203</u>

NOTES TO FINANCIAL STATEMENT

NOTES — Contd.

2.30 — PARTICULARS OF DIRECTORS' REMUNERATION

	2015-2016 Rupees	2014-2015 Rupees
(a) Wholetime Directors		
Salary, bonus and allowances	24,00,048	18,56,132
Provident, Pension and Superannuation Fund Contribution,	<u>—</u>	<u>—</u>
	24,00,048	18,56,132
(b) Professional, Legal and Consultancy charges include Rs. 6,82,540 (2014-15 – Rs.6,74,160) paid as consultancy charges to a Non-Wholetime Director.		

2.31 — PARTICULARS OF AUDITORS' REMUNERATION

Audit fee	3,00,000	3,00,000
Tax Audit fee	1,30,000	65,000
Certification charges and fee	1,95,978	2,00,000
Service tax on fees	89,641	69,837
	<u>7,15,619</u>	<u>6,34,837</u>

2.32 — PARTICULARS OF GOODS TRADED IN AND SERVICES RENDERED

	Purchases Rupees	Sales and Services Rupees
(a) Sports goods	96,43,12,190 (78,67,17,453)	1,26,05,22,444 (1,23,79,32,861)
(b) Fitness equipment	30,54,42,338 (43,37,02,297)	55,54,39,019 (56,91,29,622)
(c) Services	1,12,48,896 (53,17,657)	4,31,36,540 (5,02,57,111)
Total	<u>1,28,10,03,424</u> <u>(1,22,57,37,407)</u>	<u>1,85,90,98,003</u> <u>(1,85,73,19,594)</u>

(Previous year figures are in brackets)

2.33 — FOREIGN CURRENCY TRANSACTIONS

CIF value of imports:		
Goods trade in	67,50,43,707	61,51,38,495
Expenditure in foreign currency (on payments basis):		
Sublicense fee	6,55,75,575	6,21,59,355
Travelling expenses	51,05,125	43,46,915
Earnings in foreign exchange (on receipts basis):		
FOB value of goods	7,34,47,132	3,86,66,365

NOTES TO FINANCIAL STATEMENT

NOTES — Contd.

2.34 — RELATED PARTY DISCLOSURES

As per Accounting Standard 18, the disclosure of transactions with the related parties are given below:

(a) Names of the related parties:	Relationship:
M/s. Proline India Ltd	Associated Company
M/s. Proline Exports Pvt Ltd	Associated Company
Mr. Rajesh Batra	Managing Director
Mr. Rajiv Batra	Director
Mrs. Jamna Batra	Shareholder
Mrs. Prathima Batra	Shareholder
Mrs. Raj Batra	Shareholder
Ms. Divya Batra	Shareholder
Mr. Rohan Batra	Shareholder
Mrs. Sujaya Batra	Shareholder

(b) Details of transactions with related parties.

Particulars of transaction	Transactions	
	2015-2016 Rupees	2014-2015 Rupees
ICD taken	6,75,00,000	6,25,00,000
ICD repaid	—	6,25,00,000
ICD Outstanding	6,75,00,000	—
Interest paid	86,34,687	52,79,040
Director Remuneration	24,00,048	18,56,132
Commission paid to Proline India Ltd on sale of goods	24,58,368	25,92,628
Commission received from Proline India Ltd on sale of goods	52,13,984	31,83,198

2.35 — Previous years figures have been regrouped / reclassified wherever necessary to conform to the current year presentation.

2.36 — SEGMENT REPORTING

As per Accounting Standard (AS) 17 on “Segment Reporting” the Company, has identified geographical segment as primary segment. The geographical segment consist of a) Fitness/ Sports Goods/Readymade Garments (Domestic) b) Readymade Garments/ Sports Goods (International)

NOTES TO FINANCIAL STATEMENT

NOTES — Contd.

Details of Primary Segment:

Sl. No.	Particulars	Year ended 31st March, 2016 Rupees	Year ended 31st March, 2015 Rupees
1	Segment Revenue: External Sales and Services – International – Domestic – Others Total Segment Revenue	 5,24,53,030 1,80,67,07,255 2,67,56,548 <hr/> 1,88,59,16,833	 2,56,67,334 1,83,16,56,034 2,66,36,962 <hr/> 1,88,39,60,330
2	Segment Results: (Before Tax and interest) – International – Domestic – Others Operating Profit Less: Interest Expense Profit/(Loss) after interest Less: Income Tax (Net) Add: Others Net Profit	 69,62,220 1,85,01,726 41,67,370 <hr/> 2,96,31,316 11,97,78,663 <hr/> (9,01,47,347) 21,10,836 — <hr/> (9,22,58,183)	 (32,37,515) 12,54,23,409 36,69,413 <hr/> 12,58,55,307 9,54,76,644 <hr/> 3,03,78,663 75,88,769 — <hr/> 2,27,89,894
3	Other informations: Segment Assets: – International – Domestic – Others Unallocable assets Total Assets	 67,33,316 1,42,63,70,128 10,96,77,947 1,26,21,267 <hr/> 1,55,54,02,658	 10,17,432 1,38,72,09,569 11,52,74,720 88,54,194 <hr/> 1,51,23,55,915
4	Segment Liabilities: – International – Domestic – Others Unallocable corporate liabilities Total Liability	 60,51,803 1,10,31,40,012 6,52,62,842 5,62,96,545 <hr/> 1,23,07,51,202	 18,25,267 94,82,32,488 8,49,98,962 6,03,89,558 <hr/> 1,09,54,46,276
5	Capital Expenditures (Addition to Fixed Asset): – International – Domestic – Others Total Addition to Fixed Assets	 — 91,03,948 81,71,586 <hr/> 1,72,75,534	 55,500 3,61,99,387 13,33,720 <hr/> 3,75,88,607
6	Depreciation: – International – Domestic – Others Total Depreciation	 19,947 2,81,48,239 26,68,085 <hr/> 3,08,36,271	 32,775 3,44,64,553 14,06,131 <hr/> 3,59,03,459

CASH FLOW STATEMENT

CASH FLOW STATEMENT FOR THE YEAR ENDED 31 MARCH, 2016

	2015-2016 Rupees	2014-2015 Rupees
A Cash flow from operating activities		
Net profit/(loss) before taxation and extraordinary item	(9,01,47,347)	3,03,78,663
Adjustments for:		
Depreciation	3,08,36,271	3,59,03,459
Interest income	(14,23,495)	(13,36,336)
Dividend income	(28,653)	—
Other income	(62,282)	—
Interest expenses	11,97,78,663	9,54,76,644
Operating profit before working capital changes	5,89,53,157	16,04,22,430
Adjustments for:		
(Increase)/Decrease in Trade Receivables	37,69,865	3,77,57,728
(Increase)/Decrease in Inventories	(5,73,56,544)	(10,42,93,058)
(Increase)/Decrease in Loans & Advances	(13,10,796)	64,24,643
(Increase)/Decrease in Other Current Assets	(10,92,709)	—
Increase/(Decrease) in Other Long-term Liabilities	(6,90,000)	8,50,000
Increase/(Decrease) in Current Liabilities	8,79,24,469	1,15,28,408
Cash generated from operations	9,01,97,442	11,26,90,152
Interest paid	(12,03,92,512)	(9,72,76,981)
Other income	62,282	—
Direct taxes paid (Net of refunds) (including deferred tax)	(48,19,395)	(81,44,608)
Net cash from operating activities	(3,49,52,183)	72,68,563
B Cash flow from investing activities		
Additions to Fixed assets	(1,72,75,534)	(3,75,88,607)
Sale of Fixed assets	—	—
Sale of Investments (Net) / (Purchase of Investments (Net))	—	—
Dividend received	—	—
Interest received	14,61,473	12,94,104
Net cash from/(used in) investing activities	(1,58,14,061)	(3,62,94,503)
C Cash flow from financing activities		
Long Term Borrowings	2,79,63,802	(3,31,12,438)
Short Term Borrowings	2,48,13,516	2,51,28,125
Dividend paid	(51,51,528)	(89,24,158)
Net cash from/(used in) financing activities	4,76,25,790	(1,69,08,471)
Net cash flows during the year (A+B+C)	(31,40,454)	(4,59,34,411)
Cash and cash equivalents (opening balance)	1,97,72,637	6,57,07,048
Cash and cash equivalents (closing balance)	1,66,32,184	1,97,72,637

As per our report of even date

For and on behalf of the Board

For **S. P. CHOPRA & CO.**
Chartered Accountants
Membership No. 101911W

Y. K. Shankardass
Partner
Membership No. F-5106

Place : Mumbai
Dated : May 27, 2016

Rajesh Batra
Chairman & Managing Director
DIN: 00020764

Nabankur Gupta
Director
DIN: 00020125

N. R. Mahalingam
Director
DIN: 00035601

Sudhanshu Namdeo
Company Secretary
Membership No.: A17132

CONSOLIDATED AUDITORS' REPORT**AUDITORS' REPORT ON CONSOLIDATED FINANCIAL STATEMENTS****To The Members of Cravatex Limited**

We have audited the accompanying consolidated financial statements of Cravatex Limited ("the Company"), which comprise the consolidated Balance Sheet as at 31 March 2016, and the consolidated Statement of Profit and Loss for the year then ended.

Management's Responsibility for the Consolidated 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 consolidated financial statements that give a true and fair view of the financial position, financial performance 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 consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit.

We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and presentation of the consolidated 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 the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion and to the best of our information and according to the explanations given to us and based on the consideration of the report of the other auditor on the financial statements of the subsidiary as noted below, the consolidated 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 consolidated state of affairs of the Company as at 31 March 2016 and its consolidated loss for the year ended on that date.

Other Matters

We did not audit the financial statements of the subsidiary BB (UK) Limited included in the consolidated financial statements, whose financial statements reflect total assets of Rs.194,087,766 as at 31 March 2016 and total revenue of Rs.688,262,780 for the year ended then. These financial statements have been audited by the other auditor whose report has been furnished to us by the Management. Our opinion so far it relates to the affairs of such subsidiary is based solely on the report of the other auditor. Our opinion is not qualified in respect of this matter.

For **S. P. CHOPRA & CO.**
Chartered Accountants
Firm Registration No. 101911W

Y. K. Shankardass
Partner.
Membership No. F-5106

Place : Mumbai
Dated : May 27, 2016

CONSOLIDATED BALANCE SHEET

CONSOLIDATED BALANCE SHEET AS AT 31 MARCH, 2016

	Note No.	2015-2016 Rupees	2014-2015 Rupees
EQUITY AND LIABILITIES			
Shareholders' Funds:			
Share Capital	2.1	2,58,41,600	2,58,41,600
Reserves and Surplus	2.2	33,30,71,078	41,23,08,674
		<u>35,89,12,678</u>	<u>43,81,50,274</u>
Non-current Liabilities:			
Long-term borrowings	2.3	15,79,68,057	13,00,04,254
Deferred tax liabilities (Net)	2.4	5,61,44,186	5,37,19,913
Other Long-term liabilities	2.5	3,77,19,400	3,84,09,400
		<u>25,18,31,643</u>	<u>22,21,33,567</u>
Current Liabilities:			
Short-term borrowings	2.6	55,88,26,765	53,40,13,249
Trade payables		32,10,51,349	26,00,40,453
Other current liabilities	2.7	24,62,51,508	17,64,95,756
Short-term provisions	2.8	84,31,974	74,19,647
		<u>1,13,45,61,596</u>	<u>97,79,69,105</u>
TOTAL		<u><u>1,74,53,05,917</u></u>	<u><u>1,63,82,52,946</u></u>
ASSETS			
Non-current Assets:			
Fixed Assets:			
Tangible assets	2.9	13,11,35,502	12,51,68,647
Intangible assets		14,41,30,001	16,35,41,012
		<u>27,52,65,503</u>	<u>28,87,09,659</u>
Non-current Investments	2.10	23,000	23,000
Long-term loans and advances	2.11	13,50,000	13,50,000
Other non-current assets	2.12	5,12,10,625	5,79,21,682
		<u>32,78,49,128</u>	<u>34,80,04,341</u>
Current Assets:			
Inventories	2.13	56,32,96,635	48,56,83,130
Trade receivables	2.14	73,77,80,204	73,26,20,372
Cash and cash equivalents	2.15	7,51,95,779	4,44,85,472
Short-term loans and advances	2.16	4,00,58,555	2,74,17,399
Other current assets	2.17	11,25,616	42,232
		<u>1,41,74,56,789</u>	<u>1,29,02,48,605</u>
TOTAL		<u><u>1,74,53,05,917</u></u>	<u><u>1,63,82,52,946</u></u>
Significant Accounting Policies	1		
Notes on Financial Statements	2		

As per our report of even date

For and on behalf of the Board

For **S. P. CHOPRA & CO.**
Chartered Accountants
Membership No. 101911W

Y. K. Shankardass
Partner
Membership No. F-5106

Place : Mumbai
Dated : May 27, 2016

Rajesh Batra
Chairman & Managing Director
DIN: 00020764

Nabankur Gupta
Director
DIN: 00020125

N. R. Mahalingam
Director
DIN: 00035601

Sudhanshu Namdeo
Company Secretary
Membership No.: A17132

CONSOLIDATED PROFIT AND LOSS STATEMENT

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

	Note No.	2015-2016 Rupees	2014-2015 Rupees
INCOME			
Revenue from operations	2.18	2,54,73,60,783	2,32,55,65,022
Other Income	2.19	2,68,18,830	2,66,40,736
TOTAL REVENUE		2,57,41,79,613	2,35,22,05,758
EXPENSES			
Purchase of Stock-in-Trade		1,73,92,59,203	1,54,11,82,153
Change in Inventories of Stock-in-Trade	2.20	(7,76,13,506)	(11,27,21,276)
Employee benefits expense	2.21	25,91,50,959	24,45,56,619
Finance costs	2.22	12,54,85,150	10,03,90,936
Depreciation		3,27,01,704	3,73,28,346
Other expenses	2.23	56,87,21,451	50,82,09,533
TOTAL EXPENSES		2,64,77,04,961	2,31,89,46,311
Profit before Tax		(7,35,25,348)	3,32,59,447
Tax expense:			
Current Tax		(36,81,324)	(82,04,853)
MAT credit entitlements		—	39,00,000
Deferred tax Liability		(24,04,318)	(49,88,769)
Excess/(Short) provision of tax for earlier years		3,73,393	(1,09,749)
Profit/(Loss) for the period		(7,92,37,597)	2,38,56,076
Basic and Diluted Earnings per equity share (in Rs.)	2.24	(30.66)	9.23
Significant Accounting Policies	1		
Notes on Financial Statements	2		

As per our report of even date

For and on behalf of the Board

For **S. P. CHOPRA & CO.**
Chartered Accountants
Membership No. 101911W

Y. K. Shankardass
Partner
Membership No. F-5106

Place : Mumbai
Dated : May 27, 2016

Rajesh Batra
Chairman & Managing Director
DIN: 00020764

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Director
DIN: 00020125

N. R. Mahalingam
Director
DIN: 00035601

Sudhanshu Namdeo
Company Secretary
Membership No.: A17132

NOTES TO CONSOLIDATED FINANCIAL STATEMENT

NOTE '1' — SIGNIFICANT ACCOUNTING POLICIES TO THE CONSOLIDATED ACCOUNTS

1. Principles of consolidation

The consolidated financial statement relate to Cravatex Limited (the Company) and its subsidiary company. The consolidated financial statements have been prepared on the following basis:

- (a) The financial statements of the Company and its subsidiary company is combined on a line-by-line basis by adding together the book values of like items of assets, liabilities, income and expenses, after fully eliminating intra-group balances and intra-group transactions in accordance with Accounting Standard (AS) 21 – “Consolidated Financial Statements”.
- (b) In case of foreign subsidiaries, revenue items, all assets and liabilities are converted at rates prevailing at the end of the year.
- (c) As far as possible, the consolidated financial statements are prepared using uniform accounting policies for like transactions and other events in similar circumstances and are presented in the same manner as the Company's separate financial statements.

2. Other significant accounting policies

These are set out under “Significant Accounting Policies” as given in the Company's separate financial statements.

As per our report of even date

For **S. P. CHOPRA & CO.**
Chartered Accountants
Membership No. 101911W

Y. K. Shankardass
Partner
Membership No. F-5106

Place : Mumbai
Dated : May 27, 2016

For and on behalf of the Board

Rajesh Batra
Chairman & Managing Director
DIN: 00020764

Nabankur Gupta
Director
DIN: 00020125

N. R. Mahalingam
Director
DIN: 00035601

Sudhanshu Namdeo
Company Secretary
Membership No.: A17132

NOTES TO CONSOLIDATED FINANCIAL STATEMENT

NOTE '2' — NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2016

	2015-2016 Rupees	2014-2015 Rupees
2.1 — SHARE CAPITAL		
Authorised:		
48,50,000 Equity shares of Rs.10 each	4,85,00,000	4,85,00,000
15,000 9.5% Redeemable Cumulative Preference shares of Rs. 100 each	15,00,000	15,00,000
48,65,000	5,00,00,000	5,00,00,000
Issued, Subscribed and fully paid-up:		
12,92,080 Equity shares of Rs. 10 each	1,29,20,800	1,29,20,800
12,92,080 Equity shares of Rs. 10 each allotted as fully paid up by way of bonus shares	1,29,20,800	1,29,20,800
25,84,160	2,58,41,600	2,58,41,600
2.2 — RESERVES AND SURPLUS		
Capital Reserve:		
(Subsidy received from Govt. of Karnataka) Balance as per last Account	18,92,000	18,92,000
Export Profit Reserve:		
Balance as per last Account	1,68,000	1,68,000
General Reserve:		
Balance as per last Account	38,24,75,923	37,24,75,923
Add : Transfer from Profit and Loss Account	—	1,00,00,000
Less : Debit balance transferred from Profit and Loss Account	(7,20,94,952)	—
	31,03,80,971	38,24,75,923
Profit and Loss Account:		
Balance as per last Account	2,77,72,752	2,40,07,329
Profit / (Loss) for the year	(7,92,37,597)	2,38,56,076
	(5,14,64,845)	4,78,63,405
Add : Debit balance adjusted by transfer to General Reserve	7,20,94,952	—
Amount available for appropriation	2,06,30,107	4,78,63,405
Appropriations:		
Adjustment relating to Fixed Assets	—	38,70,012
Proposed Dividend	—	51,68,320
Tax on Proposed Dividend	—	10,52,322
Amount transferred to General Reserve	—	1,00,00,000
Balance in Profit and Loss account	2,06,30,107	2,77,72,751
	33,30,71,078	41,23,08,674

NOTES TO CONSOLIDATED FINANCIAL STATEMENT

NOTES — Contd.

2.3 — LONG-TERM BORROWINGS

Term Loan from Bank:

Axis Bank Ltd.

(i) Term Loan:

Secured by exclusive first charge of equitable mortgage of Company's property at Prabhadevi, Mumbai

4,44,48,438

6,87,32,510

(ii) Term Loan:

Secured by first charge on the lease rentals from Company's property at Nariman point, Mumbai

2,34,94,619

3,77,46,744

6,79,43,057

10,64,79,254

Unsecured:

Fixed Deposits:

From related parties

2,13,25,000

2,13,25,000

From others

12,00,000

22,00,000

Intercorporate Deposit:

From a related parties

6,75,00,000

—

9,00,25,000

2,35,25,000

15,79,68,057

13,00,04,254

2.4 — DEFERRED TAX LIABILITIES (NET)

Deferred tax liabilities:

Depreciation on fixed assets

5,66,07,184

5,41,82,911

Deferred tax assets:

Disallowances under the Income tax Act, 1961

4,62,998

4,62,998

5,61,44,186

5,37,19,913

2.5 — OTHER LONG-TERM LIABILITIES

Security deposits

For rental of property

2,53,04,400

2,53,04,400

From Dealers and Distributors

1,24,15,000

1,31,05,000

3,77,19,400

3,84,09,400

NOTES TO CONSOLIDATED FINANCIAL STATEMENT

NOTES — Contd.

	2015-2016 Rupees	2014-2015 Rupees
2.6 — SHORT TERM BORROWINGS		
From Banks:		
(a) Axis Bank Ltd. – Cash Credit Account	26,49,47,857	32,42,94,959
(b) Axis Bank Ltd. – Working Capital Demand Loan	10,09,13,014	10,09,68,541
(c) Axis Bank Ltd. – LC Bill Discounting	—	74,21,394
(d) HDFC Bank Ltd. – Cash Credit Account	2,29,65,894	1,13,28,355
(e) HDFC Bank Ltd. – Working Capital Demand Loan	17,00,00,000	9,00,00,000
The above loans from Axis Bank Ltd and HDFC Bank Ltd. have been secured by:		
(I) First pari-passu charge as follows:		
(1) by way of hypothecation on entire current assets of the Company, (excluding lease rental from Company's property at Nariman Point, Mumbai) including stock and book debts, present and future		
(2) by way of equitable mortgage of company's property at Nariman point, Mumbai		
(3) by way of hypothecation on entire movable fixed assets of the Company, both present and future except vehicles		
(II) Second pari-passu charge as follows:		
(1) On Lease Rental from Property at Nariman Point, Mumbai		
(2) On commercial Office located at 4th Floor Sahas, Prabhadevi, Mumbai, along with HDFC Bank		
	<u>55,88,26,765</u>	<u>53,40,13,249</u>
2.7 — OTHER CURRENT LIABILITIES		
Unpaid dividends	10,78,060	10,61,267
Advances received against supplies and services	2,16,33,487	24,11,429
Other liabilities (includes statutory dues)	22,35,39,961	17,30,23,060
	<u>24,62,51,508</u>	<u>17,64,95,756</u>
2.8 — SHORT TERM PROVISIONS		
Proposed dividend	—	51,68,320
Provision for:		
Tax on proposed dividend/income tax	36,81,324	10,52,322
Gratuity obligation (Note '2.29')	47,50,650	11,99,005
	<u>84,31,974</u>	<u>74,19,647</u>

NOTES TO CONSOLIDATED FINANCIAL STATEMENT

NOTES — Contd.

2.9 — FIXED ASSETS

(Amount in Rs.)

PARTICULARS	GROSSBLOCKAT COST				DEPRECIATION				NETBLOCK	
	As at 01.04.2015	Additions	Sales/ Adjustments	As at 31.03.2016	Upto 31.03.2015	For the year	Adjusted	Upto 31.03.2016	As at 31.03.2016	As at 31.03.2015
TangibleAssets:										
Building	10,26,12,062	30,36,833	—	10,56,48,895	2,99,22,924	16,76,936	—	3,15,99,860	7,40,49,035	7,26,89,138
Spa / Fitness Equipment	1,75,81,756	—	—	1,75,81,756	1,41,07,547	6,98,025	—	1,48,05,572	27,76,184	34,74,209
Air-conditioning Plant & Units	1,09,06,776	7,79,993	—	1,16,86,769	42,16,903	7,41,830	—	49,58,733	67,28,036	66,89,873
Furniture, Fixtures & Fittings	5,52,46,935	84,81,683	—	6,37,28,618	3,08,31,962	46,15,012	—	3,54,46,974	2,82,81,644	2,44,14,973
Motor Vehicles	38,79,823	—	—	38,79,823	21,42,662	3,62,738	—	25,05,400	13,74,423	17,37,161
Electrical Fittings	1,05,85,520	23,73,269	—	1,29,58,789	38,86,984	12,46,891	—	51,33,875	78,24,914	66,98,536
Office Equipment	2,77,87,572	24,43,773	—	3,02,31,345	2,24,04,380	24,19,835	—	2,48,24,215	54,07,130	53,83,192
Leasehold Improvement	57,49,875	19,87,281	—	77,37,156	16,68,310	13,74,710	—	30,43,020	46,94,136	40,81,565
	23,43,50,319	1,91,02,832	—	25,34,53,151	10,91,81,672	1,31,35,977	—	12,23,17,649	13,11,35,502	12,51,68,647
IntangibleAssets:										
Licences & Franchise	3,63,51,000	—	—	3,63,51,000	3,45,33,450	—	—	3,45,33,450	18,17,550	18,17,550
Sublicense	18,31,88,645	—	—	18,31,88,645	4,01,70,652	1,72,70,546	—	5,74,41,198	12,57,47,447	14,30,17,993
Web site fila.co.uk	23,22,783	44,710	—	23,67,493	9,50,967	4,72,112	—	14,23,079	9,44,414	13,71,816
Software	1,90,90,013	1,10,006	—	1,92,00,019	17,56,360	18,23,069	—	35,79,429	1,56,20,590	1,73,33,653
	24,09,52,441	1,54,716	—	24,11,07,157	7,74,11,429	1,95,65,727	—	9,69,77,156	14,41,30,001	16,35,41,012
Total	47,53,02,760	1,92,57,548	—	49,45,60,308	18,65,93,101	3,27,01,704	—	21,92,94,805	27,52,65,503	28,87,09,659
Total (Previous year)	43,67,00,892	3,87,48,071	1,46,203	47,53,02,760	14,53,94,743	3,73,28,346	38,70,012	18,65,93,101	28,87,09,659	—

2.10 — NON-CURRENT INVESTMENTS

(At cost, fully paid-up) – Unquoted

In Government Securities

In National Savings Certificate

(National Savings Certificate is held in the name of an employee of the Company and is under lien of the sales tax authorities of Rajasthan)

2015-2016
Rupees2014-2015
Rupees

23,000

23,000

23,000

23,000

NOTES TO CONSOLIDATED FINANCIAL STATEMENT

NOTES — Contd.

	2015-2016 Rupees	2014-2015 Rupees
2.11 — LONG TERM LOANS AND ADVANCES		
Advance with Customs authorities (Refer Note '2.25 (ii)(d)')	13,50,000	13,50,000
	<u>13,50,000</u>	<u>13,50,000</u>
2.12 — OTHER NON-CURRENT ASSETS		
(Unsecured)		
Advance to a Consultant (Note '2.26 (i)')	77,50,000	77,50,000
Security and other deposits	4,34,60,625	5,01,71,682
	<u>5,12,10,625</u>	<u>5,79,21,682</u>
2.13 — INVENTORIES		
(At lower of cost and net realisable value and as valued and certified by the management)		
Stock-in-trade	53,75,29,131	46,36,40,384
Stores and spares	2,57,67,504	2,20,42,746
	<u>56,32,96,635</u>	<u>48,56,83,130</u>
2.14 — TRADE RECEIVABLES		
(Unsecured)		
Debts outstanding for a period exceeding six months	11,31,64,850	9,09,14,297
Other debts (Note '2.27')	62,46,15,354	64,17,06,075
	<u>73,77,80,204</u>	<u>73,26,20,372</u>
2.15 — CASH AND CASH EQUIVALENTS		
Balances with banks in:		
Current accounts	6,86,57,762	4,17,96,816
Deposit account (earmarked against repayment of public deposits)	75,000	5,97,578
Fixed Deposit with Axis Bank	26,20,000	—
Unpaid dividend accounts	10,80,246	10,61,267
Cheques in hand	20,20,251	5,06,988
Cash on hand	7,42,520	5,22,823
	<u>7,51,95,779</u>	<u>4,44,85,472</u>

NOTES TO CONSOLIDATED FINANCIAL STATEMENT

NOTES — Contd.

	2015-2016 Rupees	2014-2015 Rupees
2.16 — SHORT-TERM LOANS AND ADVANCES		
(Unsecured, considered good)		
Advances to others	64,26,072	28,49,053
Prepaid expenses for Sample Development	41,76,109	—
Prepaid expenses – Others	89,02,022	94,85,920
Advance Income taxes and Wealth tax (Note '2.25(ii)(a)(b)(c)')	1,26,21,267	71,49,341
MAT Credit Entitlements	74,00,000	74,00,000
Refund receivable from Customs authorities	5,33,085	5,33,085
	4,00,58,555	2,74,17,399
2.17 — OTHER CURRENT ASSETS		
Interest accrued	4,254	42,232
Insurance Claim receivable	10,92,709	—
Accrued Dividend receivable	28,653	—
	11,25,616	42,232
2.18 — REVENUE FROM OPERATIONS		
Sale of products	2,50,42,24,243	2,27,53,07,911
Sale of services	4,31,36,540	5,02,57,111
(Sales of products and services are reported net of trade and turnover discounts to dealers and commission on consignment sales)		
	2,54,73,60,783	2,32,55,65,022
2.19 — OTHER INCOME		
Interest Income	14,23,495	13,36,336
Dividend Income	28,653	—
Licence fees (Rental income)	2,53,04,400	2,53,04,400
Miscellaneous income	62,282	—
	2,68,18,830	2,66,40,736
2.20 — CHANGE IN INVENTORIES OF STOCK-IN-TRADE		
Opening stock		
Stock-in-trade	46,36,40,384	35,62,36,766
Stores and spares	2,20,42,745	1,67,25,088
	48,56,83,129	37,29,61,854
Closing stock		
Stock-in-trade	53,75,29,131	46,36,40,385
Stores and spares	2,57,67,504	2,20,42,745
	56,32,96,635	48,56,83,130
Increase in stock	(7,76,13,506)	(11,27,21,276)
2.21 — EMPLOYEES BENEFITS EXPENSE		
Salaries and Wages (including Bonus and Gratuity)	24,22,64,207	22,36,18,250
Contributions to:		
Provident, Family Pension and other Funds	1,05,67,700	98,56,400
Employees State Insurance Scheme	4,37,318	10,13,893
Superannuation Scheme	7,96,800	8,96,800
Staff Welfare Expenses	50,84,934	91,71,276
	25,91,50,959	24,45,56,619

NOTES TO CONSOLIDATED FINANCIAL STATEMENT

NOTES — Contd.

	2015-2016 Rupees	2014-2015 Rupees
2.22 — FINANCE COSTS		
Interest expense (Bank loans and Fixed Deposits)	8,11,27,834	7,71,16,028
Other borrowing costs	4,43,57,316	2,32,74,908
	<u>12,54,85,150</u>	<u>10,03,90,936</u>
2.23 — OTHER EXPENSES		
Stores, spares and packing materials consumed	42,57,373	76,00,628
Power, fuel and water	99,30,905	98,14,514
Service charges	3,09,92,184	2,30,08,047
Rent	10,37,62,023	10,27,52,485
Insurance	50,86,015	41,25,647
Rates and taxes	29,85,227	46,43,829
Printing and stationery	62,38,085	58,75,528
Communications	1,10,44,467	1,08,96,432
Repairs to Buildings	—	2,65,180
Repairs – Others	1,21,62,798	1,38,46,488
Advertisement and publicity	7,06,77,729	6,30,49,136
Sublicence fee	10,64,61,279	8,58,23,321
Travelling and conveyance	5,22,94,412	4,70,27,040
Commission and brokerage	44,50,727	92,95,024
Transportation and octroi charges	4,47,31,100	5,50,22,694
Professional, Legal and Consultancy charges (Note '2.30(b)')	7,00,13,666	4,06,93,698
Directors fees	7,80,000	7,70,000
Auditors' remuneration (Note '2.31')	13,36,190	12,01,149
Other expenses	2,78,84,328	1,90,67,945
Sales Tax paid	10,70,350	12,13,817
Corporate Social Responsibility	14,27,089	18,91,344
Foreign exchange fluctuation (Net)	1,55,001	4,51,984
Bad debts written off	9,80,503	(1,26,397)
	<u>56,87,21,451</u>	<u>50,82,09,533</u>
2.24 — BASIC AND DILUTED EARNINGS PER EQUITY SHARE		
Net profit/(loss) after Taxation (in Rs.)	(7,92,37,597)	2,38,56,076
Weighted average number of equity shares	25,84,160	25,84,160
Earning per equity share (in Rs.)	(30.66)	9.23
Face value per equity share (in Rs.)	10	10

SECTION 129(3) STATEMENT

Form AOC-I

[Pursuant to first proviso to sub-section (3) of section 129 read with rule 5 of Companies (Accounts) Rules, 2014]

Statement containing salient features of the financial statement of subsidiaries companies.

(For the Financial Year 2015-16)

Part "A": Subsidiaries

	Amount in Rs
1. Name of the subsidiary	BB (UK) Ltd.
2. Reporting period for the subsidiary concerned, if different from the holding company's reporting period.	Same as Holding
3. Reporting currency and Exchange rate as on the last date of the relevant Financial year in the case of foreign subsidiaries	(GBP) 95.4725
4. Share Capital	52,08,693
5. Reserves & Surplus	3,32,37,033
6. Total Assets	19,40,87,764
7. Total Liabilities	15,56,42,038
8. Investments	NIL
9. Turnover	68,82,62,780
10. Profit before Taxation	1,57,93,156
11. Provision for Taxation	36,01,413
12. Profit after Taxation	1,21,91,743
13. Proposed Dividend	—
14. % of Shareholding	100%

Notes: The following information shall be furnished at the end of the statement:

- | | |
|--|-----|
| 1. Names of subsidiaries which are yet to commence operations. | NIL |
| 2. Names of subsidiaries which have been liquidated or sold during the year. | NIL |

Place : Mumbai

Dated : May 27, 2016

CRAVATEX LIMITED

CIN : L93010MH1951PLC008546

Registered Office: Sahas, 4th Floor, 414/2, Veer Savarkar Marg, Prabhadevi, Mumbai - 400 025.
Tel No.: +91-22-66667474, Fax: +91-22-24313210, Email: investors@cravatex.com, Website: www.cravatex.com

ATTENDANCE SLIP

To be handed over at the entrance of the Meeting Hall

Folio No./DP ID-Client ID: No. of Shares:

I hereby record my presence at the 64th ANNUAL GENERAL MEETING to be held at Textiles Committee Auditorium, P. Balu Road, Prabhadevi Chowk, Prabhadevi, Mumbai-400 025 on Friday, August 12, 2016 at 11.30 a.m.

Member's/Proxy's Full Name

Member's/Proxy's Signature

TEAR HERE

CRAVATEX LIMITED

CIN : L93010MH1951PLC008546

Registered Office: Sahas, 4th Floor, 414/2, Veer Savarkar Marg, Prabhadevi, Mumbai - 400 025.
Tel No.: +91-22-66667474, Fax: +91-22-24313210, Email: investors@cravatex.com, Website: www.cravatex.com

PROXY FORM

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

Name of the Member(s):	E-mail Id:
Registered Address:	Folio No./Client Id:
	DP ID:

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

- Name: Address:
E-mail Id: Signature: or failing him
- Name: Address:
E-mail Id Signature: or failing him
- Name: Address:
E-mail Id: Signature: or failing him

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 64th annual general meeting of the company, to be held at Textiles Committee Auditorium, P. Balu Road, Prabhadevi Chowk, Prabhadevi, Mumbai-400 025 on Friday, August 12, 2016 at 11.30 a.m. and at any adjournment thereof in respect of such resolutions as are indicated below:

- Adoption of Financial Statements and Consolidated Financial Statements for the year ended March 31, 2016
- Re-appointment of Mr. Nabankur Gupta as a Director who retires by rotation
- Appointment of M/s. S.P. Chopra & Co., Chartered Accountants as Auditors and fixing remuneration
- Re-appointment of Mr. Rajesh Batra as the Managing Director for a period of 3 years w.e.f. June 1, 2016

Signed this day of, 2016


Signature of Shareholder:.....

Signature of Proxyholder(s):.....



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

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2016
ANNUAL
REPORT
CRAVATEX LIMITED