



ANNUAL REPORT 2016

CORPORATE INFORMATION

BOARD OF DIRECTORS

1. Mr. Harshad Thakkar, Chairman & Managing Director
2. Mr. Dinesh Sodha, Executive Director
3. Mr. Hitesh Punjani, Executive Director
4. Mr. Ramakant Nayak, Independent Director
5. Mr. Ratan Thakur, Independent Director
6. Mrs. Anupama Sharma, Independent Director

SECRETARIAL AUDITOR

JAIPRAKASH R SINGH & ASSOCIATES
Office Add: 314, 3rd Floor, Biry House,
Perin Nariman Street, Bazaar Gate, Fort,
Mumbai - 400001

SENIOR MANAGEMENT

Mr. Mohit Shah – Chief Financial Officer

COMPANY SECRETARY & COMPLIANCE OFFICER

Ms. Manisha Pareek

STATUTORY AUDITORS

M/s JDNG & ASSOCIATES,
Chartered Accountants
F-30/31, Dreams The Mall,
First Floor, L.B.S Road,
Nr. Bhandup Station,
Bhandup (West), Mumbai- 400078.
Tel: 21660391/ 21660400.

REGISTRAR & SHARE TRANSFER AGENT

Link Intime India Private Limited.
No. C-13, Pannalal Silk Mills Compound,
Lal Bahadur Shastri Road, Bhandup (West),
Mumbai - 400078, Maharashtra.

REGISTERED OFFICE

3-4, Valentine, Pacific Plaza,
Ground Floor, Plot No. 507,
TPS IV, Off B.S. Road,
Mahim Division, Dadar (West),
Mumbai – 400028.

BANKER

Bank of Baroda

TABLE OF CONTENTS

CORPORATE SNAPSHOT	03
FINANCIAL HIGHLIGHTS	05
CHAIRMAN MESSAGE	06
PRODUCT RANGE	07
BOARD OF DIRECTORS	09
CORE TEAM	10
MANAGEMENT DISCUSSION AND ANALYSIS	11
DIRECTOR'S REPORT	19
CORPORATE GOVERNANCE REPORT	44
GENERAL SHAREHOLDER INFORMATION	59
STANDALONE FINANCIALS	64
CONSOLIDATED FINANCIALS	88

FORWARD LOOKING STATEMENT

In this Annual Report we have disclosed forward-looking information to enable investors to comprehend our prospects and take informed investment decisions. This report and other statements - written and oral - that we periodically make contain forward looking statements that set out anticipated results based on the management's plans and assumptions. We have tried wherever possible to identify such statements by using words such as 'anticipates', 'estimates', 'expects', 'projects', 'intends', 'plans', 'believes', and words of similar substance in connection with any discussion of future performance. We cannot guarantee that these forward looking statements will be realised, although we believe we have been prudent in our assumptions. The achievement of results is subject to risks, uncertainties and even inaccurate assumptions. Should know or unknown risks or uncertainties materialise, or should underlying assumptions prove inaccurate, actual results could vary materially from those anticipated, estimated or projected. Readers should bear this in mind. We undertake no obligation to publicly update any forward looking statements, whether as a result of new information, future events or otherwise.



CORPORATE SNAPSHOT

Profile

In less than a decade, Ashapura Intimates Fashion Limited ('AIFL' or 'the Company') has emerged as India's leading fashion house in India. The Company has redefined the lounge-wear, night-wear, inner-wear and sports-wear categories by making these fashionable without sacrificing utility. This is made possible by having a passionate and design focused team with a strong back-end infrastructure. What makes AIFL further stand apart is its comprehensive range of products for the entire family : from lounge wear, sleep wear, sports wear, kids's lounge wear to women's innerwear.

India today presents one of the most exciting and promising growth opportunities. The economy is surging. Confidence is growing. Consumption is rising. It is driven by the young and aspirational India. The youth of India are increasingly adapting western lifestyle, aspiring higher, demanding more. At AIFL, our growth strategy revolves around the aspirations of the new, young India.

The company has successfully grown the brand 'Valentine' across India and is also proud of our international presence. The Company has launched Exclusive Branded Outlets on a pan India basis. The company has also launched its e-commerce portal www.valentineclothes.com during the year under review and our products are already available on all leading e-commerce platforms through online retailers. Valentine is growing successfully in the Middle East and the company plans to set up a subsidiary in Dubai to expand our presence there.

The expansion strategy is long-term and is taking place both via stores and online. The company has currently more than 30 stores pan-India with a target to open 1 new store each month and reach 100+ stores in India in the next two-three years. Expansion will also continue in the product mix based on the licenses of cartoon characters like Snoopy. The company plans to diversify into kids' innerwear as well.

30 STORES
PAN-INDIA

AIM TO REACH
100+ STORES
IN NEXT 2-3 YEARS

Corporate Values

Ashapura Intimates Fashion Limited as an organisation is driven by its SEVEN CORPORATE VALUES. These values act as driving forces to strengthen the organisation, its teams and they work as a competitive advantage. These values provide a framework to our leaders and team members to perform their roles and responsibilities. It also acts as a guide from the management to its team to have a common business attitude and approach towards managing business. These values have grown to become the very DNA of the Ashapura and greatly influence the organisation's vision.

7 Values

1 Passion
Passion for Fashion and Business

2 Perfection
Striving for perfection in everything we do

3 Innovation
Redeining the fashion and clothing industry through creativity and innovation

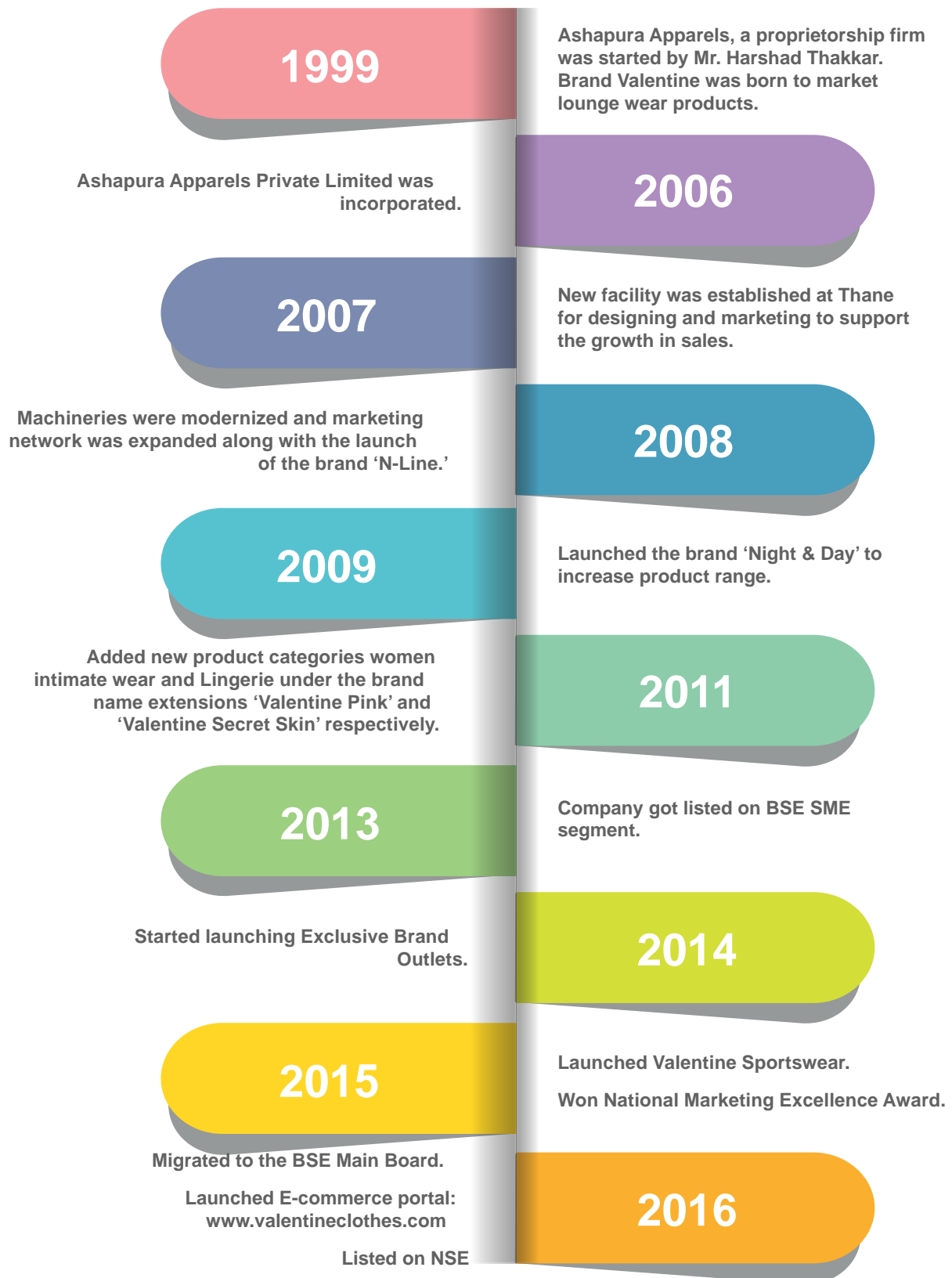
4 Teamwork
Achieving success together as a team

5 Excellence
Be a leader by achieving excellence in what we do

6 Ethics
Ethical business working

7 Responsibility
Respecting and giving back to the world

THE JOURNEY



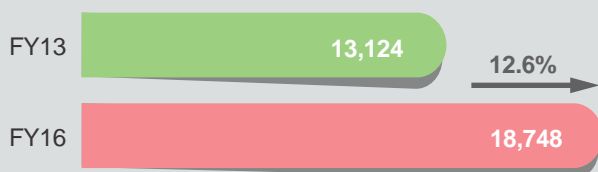
FINANCIAL HIGHLIGHTS

(STANDALONE FIGURES)

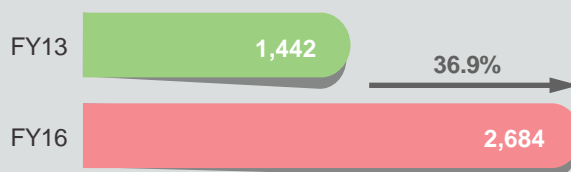
INR (Lakhs)

Particulars	2013	2014	2015	2016	CAGR
Revenue	13,124.36	16,755.81	17,900.71	18,748.38	12.6%
EBITDA	1,442.35	2,007.47	2,490.24	2,684.19	23.4%
Profit before taxation	728.53	855.03	1,579.58	1,868.38	36.9%
Profit After Taxation	473.08	540.75	867.03	1,238.25	37.8%
Networth	1,817.59	4,287.52	4,920.02	6,560.45	53.4%

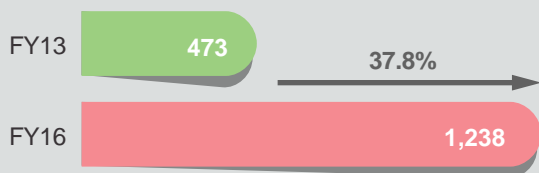
REVENUE (INR LAKHS)



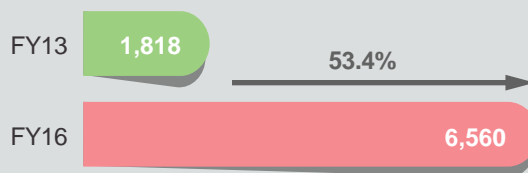
EBITDA (INR LAKHS)



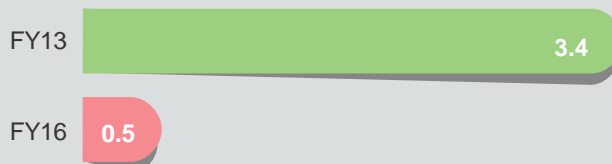
PAT (INR LAKHS)



NETWORTH (INR LAKHS)



DEBT TO EQUITY



Chairman's Message

Dear Shareholders,

This year holds immense significance in the Journey of our company. Ashapura was born from a dream of providing quality merchandise to the burgeoning Indian. Over the years, it has been our endeavour to provide our customers a good blend of mild fashion with a wide range of choice. Our journey, which started in the year 1999, has been quite eventful and we have taken a numbers of steps to ensure that we created a brand which resonated with our Corporate Values of Passion, Perfection, Innovation, Teamwork, Excellence, Ethics and Responsibility. Today our brand Valentine has a strong and loyal customer base.

We operate in a dynamic and a resilient country. Despite weak global performance, India's growth story has remained steady at a similar pace in 2015-16 (7.6 percent) as compared to 2014-15 (7.2 percent). Notably, India has grown despite weaker demand from the world's developed nations.

Similarly, your company, Ashapura Intimates Fashion Limited, has become one of the fastest growing fashion houses in India, specializing not only in any one product segment but a big basket of products like men's lounge wear, women's lounge wear, kid's lounge wear, sport's wear for men & women, women's night wear, women's maternal wear, women's intimate wear, bathrobes, leggings.

Our focus this year was on the reduction of debt and improvement of working capital cycle, in which we have seen significant reductions. With a strong management team in place, we expect to push boundaries and strive to be the best in the industry. The company got migrated to the BSE main board and also listed on NSE during the financial year under review. Some of the key financial (standalone) highlights this year has been:

Our Total Revenues for the year were 1,875 Mn compared to 1,790 Mn in the previous year, an increase of 4.63 per cent.

Our EBIDTA for the year 268 Mn against 249 Mn in the previous year, an increase of 7.63 per cent.

Our PAT for the year was 124 Mn against 87 Mn, an increase of 42.5 percent.

Post the consolidation of all the different brands in one brand Valentine; we now have significant brand recall & huge visibility in the market. We also plan to introduce various new products under Valentine this year. Also, we are looking to add a brand for menswear.

The recent foray of our own shopping portal www.valentineclothes.com has seen an encouraging response from customers such as yourself. Coupled with the presence of Valentine on other online shopping portals and in EBOs and stores across the country, customers today can purchase Valentine with the click of a button or check out our exciting collections from any corner of the country. We are now focusing on expanding our EBOs presence through franchisee route across the country along with malls and prime locations in various cities.

The company has been aggressively marketing & advertising Valentine to make it accessible to a wider audience. To enable this, the company has signed a deal with Bennett and Coleman Company, i.e. Times Group for the advertising of the brand through various media. The company also won the National Marketing Excellence Award during this financial year.

Valentine has become a force to reckon in the economy fashion market. The combination of categories, products, range and designs for the entire family gives us a distinct competitive advantage that is hard to replicate. We have the unmatched capability to offer the entire range of products required for a retail outlet under one roof. With the growing demand for mild fashion wear and leisure wear, there is a huge shift happening among the customer's mind-set with the need for a functional and aesthetically pleasing product. This is a clear indication of the huge opportunity ahead and your company is perfectly positioned to address this need.

I thank all our shareholders, investors, partners, distributors, agents bankers, and customers for their faith and belief. Also, a special "Thank You" to all the employees for making Ashapura Intimates Fashion what it is today.

Yours Sincerely,

Harshad Thakkar
Chairman & Managing Director.

PRODUCT RANGE



Lounge Wear

✔ Valentine Loungewear is a Premium category brand that caters to women, men, kids and toddlers. Valentine has got wide range of collection of Lounge Wear, for Men's, Women's, Kid's & Toddler. The products are available in fabrics such as viscose, knits, woven, satin,

georgette, stretched, lycra-net and terry material, in vibrant styles.

- ✔ Products include Bermudas, capris, pyjamas, bridal sets in power net, chiffon, satin and other silky fabrics, individual sets and couple sets in terry fabric.
- ✔ Valentine's men's & women's lounge wear is a perfect blend of class and comfort, also the styles are of international standards & its cuts are contemporary. Whereas the kids & toddlers collection is all fresh & peppy.

Separates

- ✔ Valentine separates is a wide range of collection that is chic yet snug for both men & women.

Sports Wear

- ✔ Valentine Sports brand consists of products like gym wear, yoga wear, jogging wear etc. for men & women.
- ✔ It is made from diverse fabrics like 100% cotton single jersey (knitted), viscose, satin, modal, cotton lycra, 100% cotton fabric etc. Also of dry fit fabric exclusively made for teens and plus sizes that keeps one sweat free.

Mom,s Collection

- ✔ Mothers are special in every way. Hence, valentine offers an exclusive range of maternity wear for new mothers and mothers to be.
- ✔ Soft fabrics and comfortable silhouettes make up this collection for the mothers to feel relaxed.

Night'y Collection

- ✔ The Nighty's collection is exclusively for women. The synonym for utmost comfort is nothing but a nighty. Valentine's nighty collection is one of a kind and goes with any season, just too snug and elegant.
- ✔ Products are available in fabrics such as woven, viscose, knits, satin, georgette, stretched etc., in comfort fit.

Satin Nighty's Collection

- ✔ Along with the elegant Nighty's collection, Valentine also offers an eclectic array of Satin Nighty's Collection that feels soft, silky and chic.





Intimate Wear

✔ Valentine's steamy & sensuous intimate collection would spice up your nights. Look your sexiest with our sizzling hot Valentine intimate collection. The products are made from materials like satin, viscose, sheer & lace & other soft fabrics.

Leggings Collection

✔ Valentine has amazing leggings collection which is comfortable yet stylish made with soft and stretchable fabric which would feel like a second skin collection for women's. It's available in variant colours of one's choice.

Bathrobes

✔ Valentine also offers sassy and luxurious bathrobes for both men & women to enhance one's bathing experience.

Lingerie

✔ Fun , flirty, Fabulous is Valentine lingerie all about. Get set sexy with our sizzling hot collection. These products are made from cotton-lycra, nylon, stretched – net, knits with elastics & other accessories.

Camisoles & slips

✔ This category is like a second skin , made from extremely light & soft fabrics like cotton, lycra-rib, viscose, inter- lock all in comfort fit.



1. Lounge Wear
2. Separates
3. Sports Wear
4. Mom's Collection
5. Nighty's Collection
6. Satin Nighty's Collection
7. Intimate Wear
8. Leggings Collection
9. Bathrobes

BOARD OF DIRECTORS



Mr. Harshad Thakkar
Chairman & Managing Director

From humble beginnings in a small village in Kutch, Gujarat, Mr. Harshad Thakkar began his foray in the intimate wear industry at his uncle's showroom at the age of 18 and now has accumulated over 2 decades of experience. He started his own venture in 1999 and opened his own manufacturing unit in 2006. The huge influx of orders required the opening of a bigger plant at Thane. He has advised the Government on its textile policy in the past and has been the Chairman of the Lingerie Committee of CMAI.



Mr. Dinesh Sodha
Executive Director - Marketing Head
He has 17 years' experience in the garments business. He is responsible for day to day management of the centralised warehousing facility.



Mr. Hitesh Punjani
Executive Director - Production Head
He has 13 years' experience in the garments business. He is in-charge of ensuring quality production process, timely delivery of goods and quality output.

Independent Directors



Mr. Ramakant Nayak
Independent Director



Mr. Ratan Thakur
Independent Director



Mrs. Anupama Sharma
Independent Director

CORE TEAM

Mr. Mohit Shah
Chief Financial Officer

Ms. Kiran Mestry
Head-Designing

Ms. Manish Pareek
Company Secretary

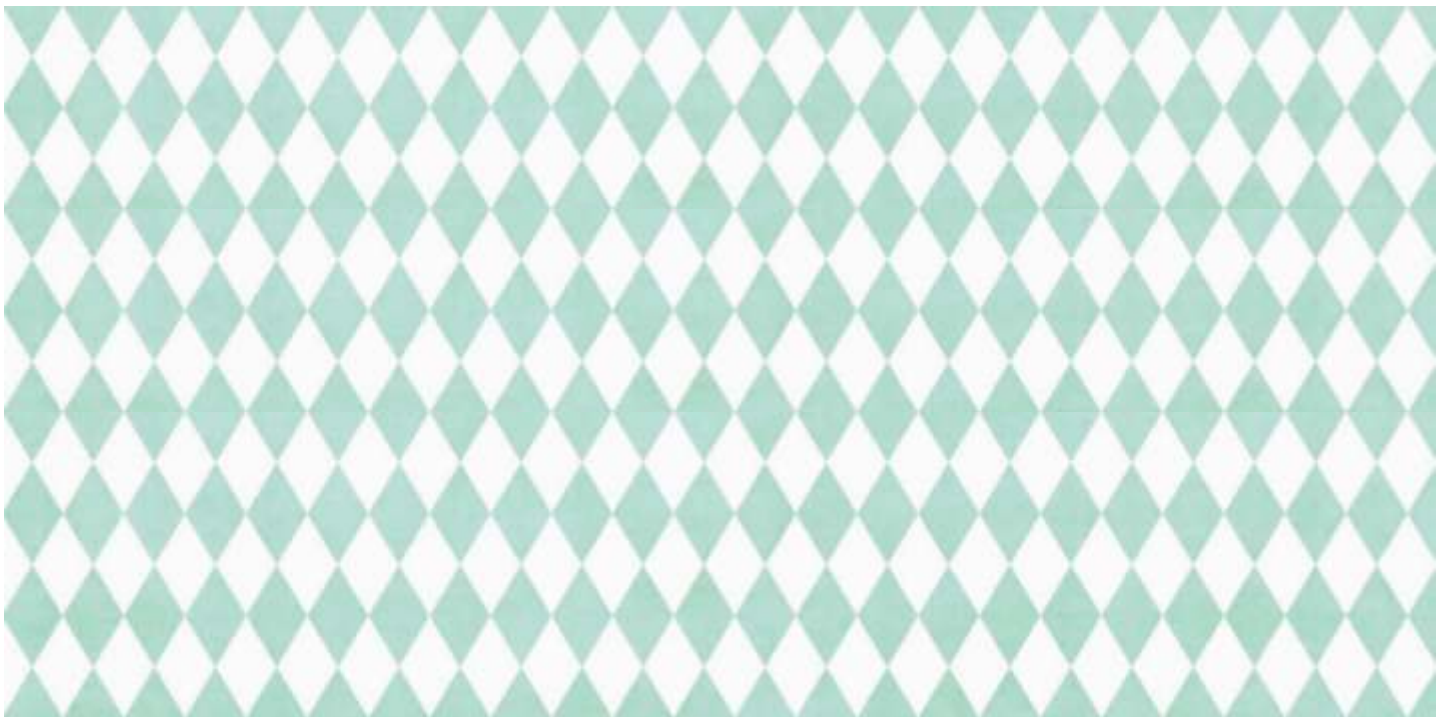
Mr. Bhavik Dhirwani
Head- Logistic

Mr. Mihir Somaiya
Head-Retail

Mr. Chirag Mehta
Head-Online

National Sales Managers

1. Mr. Rajaram Gotimukkala
2. Mr. Deepak Tiwari
3. Mr. Vishal Thakkar



Management
Discussion and Analysis
Report

MANAGEMENT DISCUSSION & ANALYSIS

1. Global Economy Overview

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

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

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

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

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

2. Indian Economy Overview

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

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

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

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

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

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

3. Global textile at Apparel Industry Overview

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

Presently, apparel constitutes more than half of the share of the global textile and apparel trade followed by fabric and yarn. Growth in global trade will bring about investments in the countries having strong supply. Textiles exports from India will touch US \$185 billion by the year 2024-25. Growth in exports of certain segments has increased such as handicrafts

(17%), carpets (15%) and ready-made garments (12%). India has a share of approximately 5% of the global textile and apparel trade.

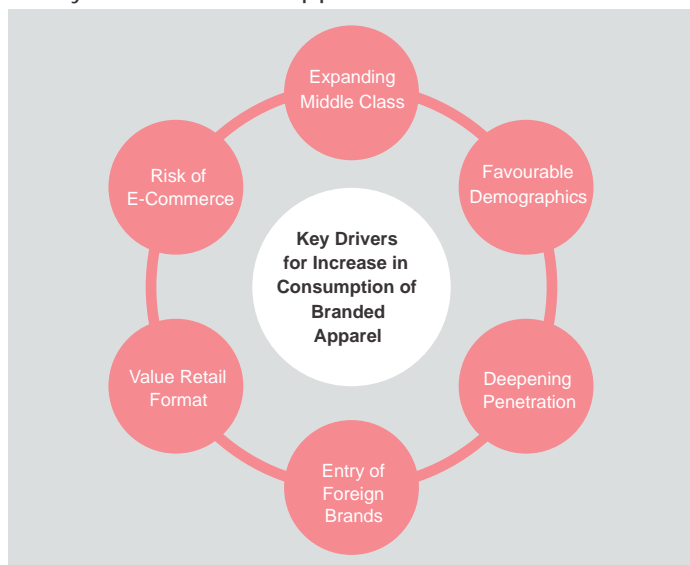
4. Indian Textile & Apparel Industry Outlook

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

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

countries and proposed agreement with European Union will also help boost exports.

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



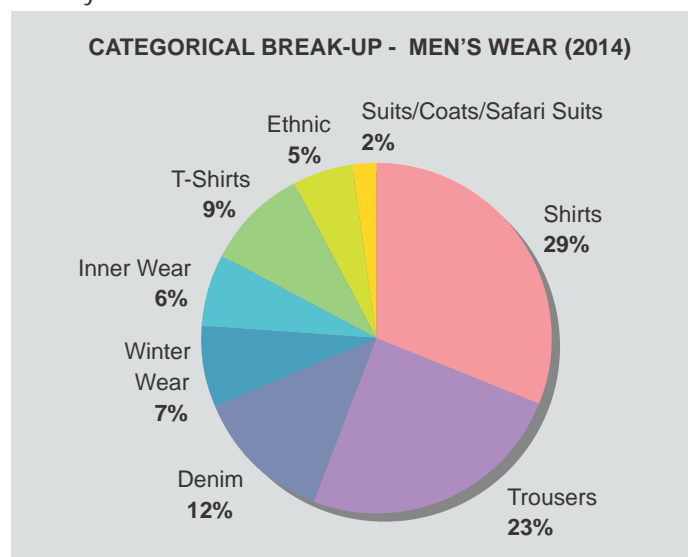
Source: CLSA

c. Indian Leisure Wear Market Overview Indian Casual Market is flourishing with the flourishing consumer sector which is driven by growth in income levels, changing lifestyles and the entry of foreign

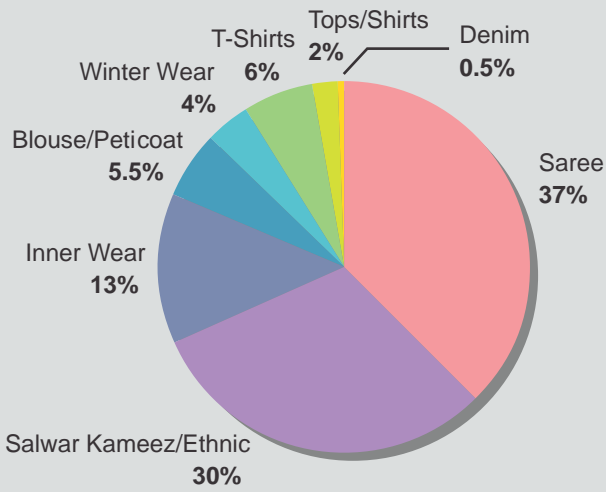
players. Casual wear brands in India have shown potential in all segments of the market- premium, medium, lower and is going beyond the boundaries of urban markets in major metros, casual wear is picking up pace in mini metros, Tier II and III cities as well.

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

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

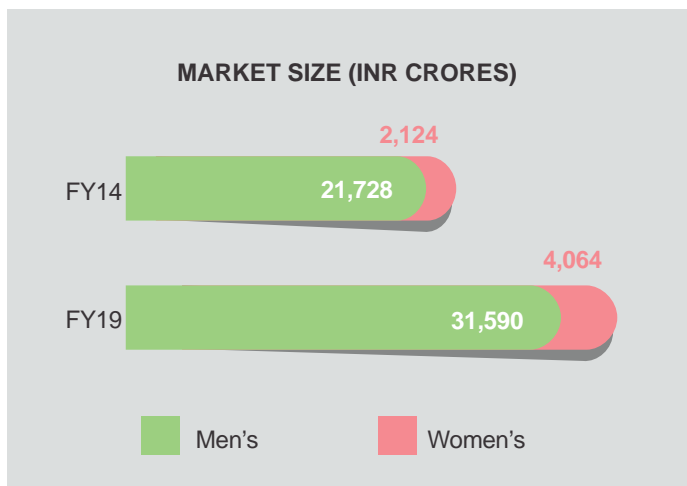


CATEGORICAL BREAK-UP - WOMEN'S WEAR (2014)



Casual Shirts/Tops/Trousers/Skirts

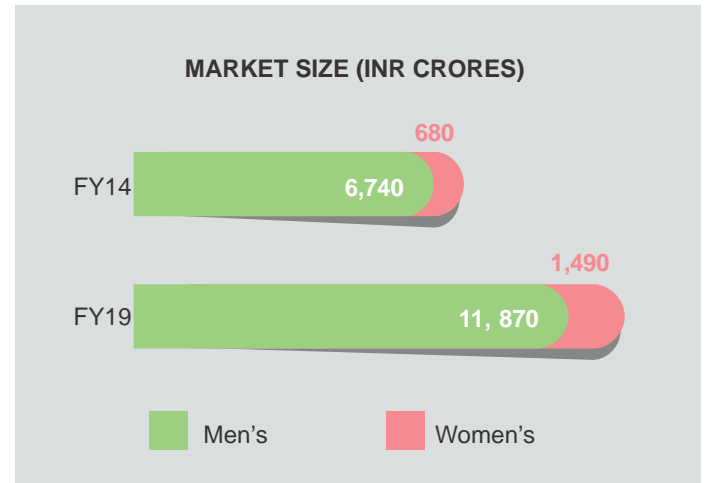
Due to comfort factor, a large number of choices for fabric, designs, fit - this category of casuals has been quite popular from many years with youth in both urban as well as rural areas. The market size for men's casual shirts and trousers was INR 21,728Cr in 2014 and is estimated to grow at CAGR of 7% to reach INR 31,520Cr in 2019. Whereas, the market size for women's casual shirts and trousers was INR 2,124Cr in 2014 and is estimated to grow at CAGR of 12 % to reach INR 4,064Cr in 2019.



T-shirts

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

11,870 Cr in 2019. And for women, the market size for t-shirts was INR 680 Cr in 2014 and is estimated to grow at CAGR of 15% to reach INR 1,490 Cr in 2019.



(i) Casual Wear as a Lifestyle product

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

(ii) E-tailing

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

(iii) Growth drivers

There are various growth drivers for success of Casual wear like the rising standard of living, also people are now left with higher disposable income and there is rise in casualization of men and women's wardrobes. One of the main keys for success of Casual wear brands is also constantly innovating new product range which includes wide range of styles in

terms of prints, designs and fabrics, so as to match the changing preferences of the customers, they are being more creative.

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

(iv) The Way Ahead for Casual Wear

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

Source: Technopak

d. Indian Sportswear Overview

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

unorganised route. Smaller local and regional players have greater presence through unorganised stores, in regions closer to the manufacturing units.

e. Indian Sleepwear Overview

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

f. Indian Kidswear Market

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

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

Benetton Kids, Pepe, Lee Kids, Tommy Hilfiger and Adams Kids in Indian market witnesses the growth potential.

Some major changes in trends are taking place which are:

1. There is shift taking place on account of rise in the disposable income of the people and the increasing influence of western world.

2. The emergence of kids as an independent buyer group. Influenced by mass media and peer pressure, today's kids are more informed and self-conscious.

Source: Technopak

g. Indian Innerwear Market

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

Source: AUM Report, Technopak Advisors.

(I) The women's innerwear market

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

Brand consciousness is no more restricted to external apparel. Women are increasingly getting conscious about the brands and styles of their intimate wear too. In fact, this changing preference is no longer restricted to just the metros, but has spread to mini metros, tier-I, II and III cities. This openness to indulge

in branded lingerie has led to a growth in the number of international and domestic innerwear brands present in India.

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

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

(ii) The men's innerwear market

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

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

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

5. TRENDS IN THE INDIAN FASHION MARKET

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

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

c. Modern retail key to success
Explosion of malls, high streets, large format stores and multi-brand outlets has spurred preference for branded apparel and thus, relatively minuscule and unknown domestic brands have also started growing rapidly as they gained visibility in the modern retail milieu. Their success prompted many international brands to enter India. Hence, in recent years there has been increasing traction in organised retail. Apparel players opt for the franchisee format to grow, as franchisees operating on reasonable scale with control over their working capital are capable of generating free cash flows.

d. E-commerce revolution a blessing in disguise
Due to retail space, infrastructure and operational

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

6. CHALLENGES FOR FASHION RETAIL IN INDIA

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

a. Heterogeneity of the Market

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

b. Evolving Customer Needs

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

c. Rising Real Estate Rentals

High leasing costs resulting from mispriced commercial real estate is a major concern for Indian retailers. Additionally, it is very difficult for retailers to

find suitable commercial retail space in most Indian cities. Real estate rents and space availability are characterized by fragmented ownership, irregular auctions, inappropriate store designs, etc. Retailers have to push governments to allocate more retail space which can be rented/leased- out at reasonable cost.

d. Complex Tax Regime

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

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

f. Demand of Fibre & Polyester based products

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

7. CONCLUSION

The opportunity in this market is immense for those who can visualise the future and reinvent them at par with changing consumer preferences and associated challenges. To stay in the market, realigning and restructuring of the business models as per the evolving needs of the dynamic market is essential. The industry encompasses a plethora of opportunities but tapping these opportunities, and

converting them to business value, requires a holistic understanding of the industry, starting from fibre-to-fashion retail. Fashion retailers have to go beyond the boundaries of sales, marketing, merchandising, and category management, and have to explore upstream and allied industries with accuracy. Many organizations in India are now gradually moving towards improving their profitability and efficiency by implementing various supply chain techniques. The most commonly used tools are information technology-based apparel retailers have started seeing information technology as an important tool to improve efficiencies and are taking definitive steps towards leveraging IT tools in reducing the gaps in the supply chain. Companies have begun understanding the need for building a sufficiently flexible supply chain which enables them to capitalize on new growth possibilities like developing a new product in the shortest possible time. The future belongs to those companies wherein a robust and flexible supply chain can become the base for any growth initiative.

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

Directors' Report

Director Report

Dear Members, Your Company's Directors, hereby present the Tenth Annual Report of the Company together with the Audited Financial Statements of the Company for the Financial Year ended March 31st, 2016.

Financial Performance

(` in Lakhs)

Particulars	Standalone		Consolidated	
	2015-2016	2014-2015	2015-2016	2014-2015
Revenue	18748.38	17900.71	25279.91	19846.71
EBITDA	2684.19	2490.24	3816.07	3535.40
Profit Before Tax	1868.38	1579.58	2319.34	2122.02
Profit after Tax before Minority Interest	-	-	1550.43	1219.28
Minority Interest	-	-	247.69	270.42
Profit for the year	1238.25	867.03	1302.74	948.86

Revenue

The Company reported a marginal top line growth compared to last year at Standalone Level the reported gross revenue of `18748.38 Lakhs as compared to `17900.71 lakhs in the previous year. The EBITDA stood at `2684.19 lakhs as compared to `2490.24 lakhs in the previous year. The Net Profit after tax reported to `1238.25 lakhs as compared to `867.03 lakhs reported in the previous year.

The Consolidated Gross Revenue from operation for Financial Year 2016 was at `25279.91 Lakhs as compared to `19846.71 Lakhs in the previous year. The EBITDA stood at `3816.07 lakhs as compared to `3535.40 Lakhs in the previous year. The profit after tax stood at `1550.43 Lakhs as compared to `1219.28 Lakhs.

Transfer to reserves

The Company has transferred an amount of `1238.25 Lakhs to Reserve Account during the Financial Year ended March 31st, 2016.

Dividend

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

Finances and accounts

Company continued to reduce finance cost by enhancing capital productivity and improving cash generation. Working capital continued to be focused area. Receivable, inventories and other working capital parameters were kept under strict check through continues monitoring. Reflecting the

improved financial strength during the year under reporting the Credit Analysis & Research Limited "CARE" has upgraded the credit rating assigned to the company reviewed and revised rating from BBB- (Triple B minus) to CARE BBB+ (Triple B plus) with effect from January 13th, 2016.

Human Capital

Relation with employees in the corporate office, factory and all stores continue to be cordial. Human Resources policies ('HR Policy') of the company are focused on developing the potential of each employees. With this premise, a comprehensive set of HR policy are in place, aimed at attracting, retaining and motivating employees at all levels.

The statement containing particulars of employees as required under section 197(12) of the Companies Act, 2013 read along with rules 5(2) and 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules 2014 is annexed herewith as Annexure I and form part of this Report.

The employee strength as on 31st March, 2016 was 100.

Directors and Key Managerial Personnel

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

Director Report

recommends their appointment.

Key Managerial Personnel

The following are the key managerial personnel of the company:

- | | |
|---|--------------------------------|
| 1. Mr. Harshad Thakkar | Chairman and Managing Director |
| 2. Mr. Mohit Shah | Chief Financial Officer |
| 3. Ms. Manisha Pareek
(w.e.f July 25 th 2015) | Company Secretary |

During the year, Ms. Sonali Gaikwad, Company Secretary and Compliance officer, resigned. The Board appointed Ms. Manisha Pareek as Company Secretary and Compliance officer of the Company.

Declaration by Independent Director

Mr. Ramakant Nayak, Mr. Ratan Thakur and Mrs. Anupama Sharma as Independent Directors of Company have given a declaration under section 149(7) of Companies Act, 2013, that he/ she meets the criteria of independence laid down in section 149(6) of the Companies Act, 2013 and Regulation 25 of Listing Regulations.

Further details on the directors including remuneration policy, criteria for qualification, independence etc are given in the Corporate Governance Report which form part of this Annual Report.

Share Capital

The paid up Equity share capital as at 31st March, 2016 stood at ₹ 19.46 Crore. During the year under review, the company has not issued shares with differential voting rights nor granted any stock option or sweat equity shares. As on 31st March, 2016 the Company's equity shares are listed on BSE Limited and National Stock Exchange of India Limited.

During the year the company has issued 5 convertible warrants to Bennett Coleman & Co. Ltd. being a person not belonging to promoter or promoter group (hereinafter referred to as "BCCL"), each Warrant exercisable for equity shares of the Company having a face value of Rs. 10 each, aggregating upto to Rs.

16,25,00,000 (Rupees Sixteen Crore Twenty Five Lakhs Only). Maximum Number of shares as per Rs. 262.91/- will be 6,18,082 and total paid up share capital of company post proposed issue will be 20,08,53,220. Preferential Warrants are converted into equity shares after 17th month from the date of allotment of warrant but on or before expiry of 18th month.

Directors' Responsibility Statement

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

The Director confirms that:

- In preparation of the annual accounts for the Financial Year ended March 31st, 2016, the applicable accounting standards have been followed.
- They have selected such accounting policies and applied them consistently and made judgment and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company at the end of the Financial year and of the profit and loss of the company for that period.
- They have taken proper and sufficient care towards maintenance of adequate accounting records in accordance with the provisions of this act for safeguarding the assets of the company and for preventing and detecting the fraud and other irregularities.
- They have prepared the annual accounts ongoing concern basis.
- They have laid down Internal Financial Controls, which are adequate and are operating effectively.
- They have devised proper systems to ensure compliance with the provisions of all applicable laws and such systems are adequate and operating effectively.

Director Report

OTHER DISCLOSURE UNDER COMPANIES ACT, 2013 READ WITH RULES MADE THEREUNDER ("ACT") AND OTHER APPLICABLE LAW, RULES AND REGULATION.

Evaluation of the Performance of the board, its committees and individual directors

The Nomination and Remuneration Committee has defined the evaluation criteria for the performance of board, its committees and individual directors.

Pursuant to the provisions of the Companies Act, 2013 and SEBI(Listing Obligations and Disclosures Requirements) Regulations, 2015, the board has carried out a formal annual evaluation of its own performance and that of its committees and individual directors.

The evaluation of each of the directors was done, inter-alia, on the basis of their advisory role and contribution in the decision making. Further, the evaluation of the board as a whole and all the committees of the directors was done, inter-alia, on the basis of the overall directions and guidance provided to the senior executives and supervisions over their performance.

Extract of Annual Return

In accordance with section 134(3)(a) and section 92(3) of the Companies Act, 2013 an extract of the annual return in the prescribed format is appended as Annexure II to the Board Report.

Particulars of contracts or arrangement made with related parties

In line with the requirements of the Companies Act, 2013 and SEBI (Listing Obligation and Disclosure Requirements) Regulation, 2015 (the "Listing Regulations"), the Company has formulated a policy on related party transactions which is also available on Company's website at

<http://www.ashapurafashion.com/investor/Policy%20on%20Related%20Party%20Transaction.pdf>

All contracts/ arrangement/ transactions entered by the company during the Financial Year with related parties was on armed length basis and in the ordinary course of business. All related party transactions are placed for approval before the Audit committee and also before the board wherever necessary in compliance with provision of the companies act and the Listing Regulation.

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

Corporate Social Responsibility

As a part of its Corporate Social Responsibility ('CSR') initiatives, the company has not undertaken CSR projects and programme. But company has made provision for CSR. The company has CSR committee of directors. Details about the committee, the CSR activities and the amount un spent during the year, as required under section 135 of the Act as Annexure IV forming part of the report. The company has framed a CSR Policy in compliance with the provision of the Act and the same is placed on the Company's website <http://www.ashapurafashion.com/investor/CSR%20Policy.pdf>

Nomination and Remuneration Policy

The Board of Directors has framed a policy which lays down a framework in relation to remuneration of Directors, Key Managerial Personnel and Senior Management of the Company. The main objective of the said policy is to ensure that the level and composition of remuneration is reasonable and sufficient to attract, retain and motivate the Directors, KMP and senior management employees. This policy also lays down criteria for selection and appointment of Board Members including determining the qualifications, positive attributes and independence of a Director. The details of this policy are explained in the Corporate Governance Report. The company has framed a Nomination and Remuneration Policy

Director Report

in compliance with the provision of the act and the same is placed on the Company's website at <http://ashapurafashion.com/investor/Nomination%20and%20Remuneration%20Policy.pdf>

Corporate Governance

Corporate Governance is about maximizing shareholder value legally, ethically and sustainably. The goal of the Corporate Governance is to ensure fairness for every stakeholder. The company is committed to maintain highest standards of Corporate Governance aligned with the best practices. Pursuant to applicable provision of Listing Regulation, a detailed report on Corporate Governance forms part of the Annual Report. The company is in compliance with various requirement and disclosures that have to be made in this regards.

Subsidiary Company

The Company has one subsidiary " Momai Apparels Limited" .During the year, Board of Director reviewed the affairs of the Subsidiaries. In accordance with section 129(3) of the Companies Act, 2013 we have prepared Consolidated Financial Statement of the company which form part of the Annual Report. Further, a statement of subsidiary in the prescribed format AOC-1 is form part of the Financial Statement of the Company.

In accordance with Section 136 of the Companies Act, 2013 the Audited Financial Statement, including the Consolidated Financial Statements and related information of the company and audited accounts of its subsidiary are available on our website at www.ashapurafashion.com

Particular of loans, guarantee or investments

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

Fixed Deposit

We have not accepted any Fixed Deposit and as such, no amount of principal and interest was outstanding as on the Balance Sheet date.

Board Diversity

The company recognizes and embraces the importance of a diverse board in its success. We believe board will leverage differences in thought, perspective, knowledge, skill, regional and industry experience cultural and geographical background, age, ethnicity, race and gender which will help us retain our competitive advantage. The board has adopted Diversity policy which set out approach to diversity of the board of director. The same is available on our website.

<http://ashapurafashion.com/investor/Board%20Diversity%20Policy.pdf>

Familiarization programmes for Independent Director

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

Management Discussion And Analysis Report

The Management Discussion and Analysis Report for the year under review, of the operation of your company is given in the separate section of this Annual Report.

Director Report

Auditors

a. Statutory Auditor

At the Annual General Meeting held on 26th September, 2014, M/s. JDNG & Associates, Chartered Accountants, were appointed as Statutory Auditors of the company to hold office till the conclusion of the Annual General Meeting to be held in the calendar year 2017. In terms of the first proviso to section 139 of the Companies Act, 2013, the appointment of the auditors shall be placed for ratification at every Annual General Meeting. Accordingly the same has been ratified by the shareholders.

JDNG & Associates, Chartered Accountants have confirmed their eligibility under Section 141 of the Companies Act, 2013 and the related Rules to continue as the Statutory Auditor of the company for the Financial year 2016-17 and directors of the company proposes ratification of appointment of M/s. JDNG & Associates, Chartered Accountant as the Statutory Auditor of the company for the Financial year ended 2016-17.

The Auditor's Report does not contain any qualification, reservation or adverse remark. The Auditor's Report is enclosed with the Financial Statement in this Annual Report.

b. Secretarial auditor

Pursuant to the provision of section 204 of the Companies Act, 2013 M/s. Jaiprakash Singh & Associates, Practicing Company Secretary have been appointed to conduct the secretarial audit of the company. The secretarial audit report forms part of the Annual Report for the Financial year 2015-2016 as Annexure V to the board report. The said report does not contain any qualification, adverse remarks or disclaimer.

c. Secretarial Auditors Certificate on Corporate Governance

As required by Listing Regulations, the auditors' certificate on Corporate Governance is enclosed as

Annexure VI to the Board Report. The auditor's report does not contain any qualification, reservation or adverse remark.

Number of Meeting of Board Of Director

The Board met 7 times during the Financial Year, the details of which are given in the Corporate Governance Report. And one Circular Resolution is passed by the Directors regarding Allotment of Preferential Warrants on 13th, October 2015.

Details of the meeting of the Board of directors and its committee with attendance of the director have been disclosed in the corporate governance report.

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

Internal Financial Control and Its Adequacy

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

Vigil Mechanism/ Whistle Blower Policy

The company has a Whistle Blower Policy for establishing vigil mechanism for directors and employees to report genuine concerns regarding unethical behavior, fraud or mismanagement. The said policy has been explained in the Corporate Governance Report and the policy is also displayed on Company's Website at

<http://www.ashapurafashion.com/investor/VIGIL-MECHANISM-POLICY-AIFL.pdf>.

Director Report

Committees of Board

Currently, the board has four committees: The Audit Committee, Nomination and Remuneration Committee, Stakeholder Relationship Committee and Corporate Social Responsibility Committee.

Composition of the Committees of the Board of Directors

Audit Committee	Mrs. Anupama Sharma (Chair Person) Mr. Ramakant Nayak Mr. Harshad Thakkar
Nomination And Remuneration Committee	Mrs. Anupama Sharma (Chair Person) Mr. Ramakant Nayak Mr. Ratan Thakur
Stakeholder Relationship Committee	Mr. Ramakant Nayak (Chair Person) Mrs. Anupama Sharma Mr. Harshad Thakkar
Corporate Social Responsibility Committee	Mr. Harshad Thakkar (Chair Person) Mr. Hitesh Punjani Mr. Ratan Thakur

Other Information/ Disclosures'

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

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

Sexual Harassment of Women at Workplace

In terms of The Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 and Rules, it is mandatory to review status of sexual harassment related complaints in the Annual Report. There were no incidents of Sexual Harassment reported in the Company. For protection

against sexual harassment, Corporate Governance has formed an internal complaints committee to which employees can write in their complaints. The Company has a Prevention of Sexual Harassment Policy which has formalised a free and fair enquiry process for dealing with such issues, with clear timelines.

Green Initiatives

We are publishing only statutory disclosures in the print version of the Annual Report. Electronic copies of the Annual Report and Notice of the Tenth Annual General Meeting are sent to all members whose email addresses are registered with the Company/Depository Participant(s) for communication purposes. For members who have not registered their email addresses, physical copies of the Notice and Annual Report are sent in the permitted mode. Members requiring physical copies can send a request to the Company. The physical copies of the aforesaid documents will also be available at the Company's Registered Office for inspection during normal business hours on all working days, excluding Saturdays.

Scheme of Amalgamation

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

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

Director Report

Code of conduct for the prevention of insider trading

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

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

<http://www.ashapurafashion.com/investor/Code%20of%20Conduct%20for%20Insider%20Trading.pdf>

Conservation of Energy & Technology Absorption.

The information on conservation of energy, technology absorption and foreign exchange earnings and outgo stipulated under section 134(3) of the Companies Act, 2013 read with rule 8 of the Companies (Accounts) Rules, 2014 is as follows:

a. Conservation of Energy

1. All the Store Unit maintenance head and store managers were made aware about energy consumption of their store as per the connected load. Based on the connected load and operating hours, budgeted energy consumption is given to each stores and practice of taking daily logs and cross-checking the daily consumption with the budgeted units is adopted. This helps in curbing the unwanted consumption, motivate users to take all the possible measures to save the energy and helps in pointing out the Discrepancies in the energy consumption pattern and corrective action to eliminate the discrepancies.

2. Controlled the energy consumption of HVAC

system by optimizing the temperature inside the stores (24°C). This drive is the major contributor for the energy conservation for the stores.

3. Optimized lighting consumption by strictly controlling the operating hours as per the usage pattern. Color coding is followed for distinguishing the different lighting and using LED Lights in the all stores (emergency, show window, signages, floor lighting, indirect lighting) switches; so that energy usage can be optimized.

4. Eliminated the unwanted light consumption and restricted usage of the lighting during night work.

b. Technology absorption, adaption and innovation

Considering the nature of activities being carried out by the Company, provisions pertaining to technology absorption are not much relevant to the Company and hence not provided.

The Company continues to use the latest technologies for improving the quality of its services and products. The Company's operations do not require significant import of technology.

c. Foreign Exchange Earnings and Outgo

Particulars	2015-16	2014-15
Foreign exchange earnings	719.16	1150.06
Outgo	Nil	Nil

Acknowledgement and Appreciation

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

On Behalf of the Board
sd/-

Harshad Thakkar
Managing Director
DIN: 01869173

Date : 25th Aug 2016
Place: Mumbai

Annexure 1

(Particulars of employees and Related Details)

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

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

Name of the directors	Ratio to median remuneration
Mr. Harshad Hirji Thakkar	15 :1
Mr. Dinesh Chanubha Sodha	5 :1
Mr. Hitesh Subhas Punjani	2.50 :1

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

Director, chief executive officer, chief financial officer, company secretary	% increase in remuneration in the financial year
Mr. Harshad Hirji Thakkar	Nil
Mr. Dinesh Chanubha Sodha	Nil
Mr. Hitesh Subhas Punjani	Nil
Mr. Mohit Shah	Nil

c. The percentage increase in the median remuneration of employees in the financial year: 14%

d. The number of permanent employee on the rolls of Company: 100

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

Aggregate remuneration of key managerial personnel (KMP) in FY 16 (Rs. crores)	0.47
Revenue (Rs. crores)	187.48
Remuneration of KMP (as a % of revenue)	0.25
Profit before Tax (PBT) (Rs. crores)	18.68
Remuneration of KMP (as a % of PBT)	0.025

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

Particulars	March 31, 2016	March 31, 2015	% Change
Market capitalization (Rs. Crores)	488.62	307.38	37.09
Price Earnings Ratio	39.46	35.48	10.08

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

The First public offer of the Company was at Rs. 40/- in the year 2013 as against the face value of Rs. 10/- per share of the Company on 31/03/2016 was (BSE Closing)Rs.251/- registering a growth of 2510% and was (NSE Closing) was Rs. 252.80/- registering a growth of 2528%.

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

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

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

	Mr. Harshad Hirji Thakkar, Managing Director	Mr. Dinesh Chanubha Sodha Executive Director	Mr. Hitesh Subhas Punjani Executive Director	Mr. Mohit Shah Chief Executive Officer	Ms. Manisha Pareek Company Secretary
Remuneration in FY 16 (Rs. Crores)	0.36	0.12	0.06	0.09	0.018
Revenue (Rs. Crore)	187.48	187.48	187.48	187.48	187.48
Remunerations % of revenue	0.19	0.064	0.032	0.048	0.010
Profit before Tax (PBT)	18.68	18.68	18.68	18.68	18.68
Remuneration (as % of PBT)	1.93	0.64	0.32	0.48	0.010

j. The key parameters for any variable component of remuneration availed by the directors:
Not applicable

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

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

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

For and on behalf of the Board of Director

sd/-
Harshad Thakkar
Managing Director
DIN: 01869173

Date: 10th July, 2016
Place: Mumbai

Annexure II

Form No.MGT-9
EXTRACT OF ANNUAL RETURN
as on financial year ended on 31.03.2016
Pursuant to Section 92 (3) of the Companies Act, 2013 and rule 12(1) of the Company
(Management & Administration) Rules, 2014.

I REGISTRATION & OTHER DETAILS:

i	Corporate Identity Number(CIN) of the company	L17299MH2006PLC163133
ii	Registration Date	17/07/2006
iii	Name of the Company	Ashapura Intimates Fashion Limited
iv	Category/Sub-category of the Company	Company Limited by shares/Indian Non-Government Company
v	Address of the Registered office & contact details	3-4, Valentine,Pacific Plaza, Ground Floor, Plot No.507, B.S.Road, Mahim Division, Dadar West Mumbai- 400028
vi	Listed company	Yes
vii	Name , Address and contact details of the Registrar and Transfer Agent	Link Intime India Private Limited C-13, Pannalal Silk Mills Compund, L.B.S.Marg, Bhandup West, Mumbai-400078 Contact No.25963838 Fax: 25946969

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 Below:

SL No	Name & Description of main products /services	NIC Code of the Product /service	% to total turnover of the company
1	Division Manufacture of all kind of textile products (Including wearing apparels)	18101	100

III PARTICULARS OF HOLDING , SUBSIDIARY & ASSOCIATE COMPANIES

SL No	Name & Address of the Company	CIN/GLN	Holding/ Subsidiary/ Associate	% Of Shares Held	Applicable Section
1	Momai Apparels Limited	L18109MH2010PLC199178	Subsidiary	20.03	2(87)

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
(d)Foreign Venture Capital Investors	0	0	0	'0.0000	0	0	0	'0.0000	'0.0000
(e)Foreign Portfolio Investor	0	0	0	'0.0000	0	0	0	'0.0000	'0.0000
(f)Financial Institutions / Banks	0	0	0	'0.0000	9221	0	9221	0.047	0.047
(g)Insurance Companies	0	0	0	'0.0000	0	0	0	'0.0000	'0.0000
(h)Provident Funds/ Pension Funds	0	0	0	'0.0000	0	0	0	'0.0000	'0.0000
(i)Any Other (Specify) Sub Total (B)(1)	0	0	0	'0.0000	649221	0	649221	3.3349	3.3349
(2)Central Government / State Government(s)/ President of India									
Sub Total (B)(2)	0	0	0	'0.0000	0	0	0	'0.0000	'0.0000
(3) Non-Institutions									
(a)Individuals									
(i)Individual shareholders holding nominal share capital upto Rs. 1 lakh.	796954	0	796954	4.0938	1347522	0	1347522	6.9220	2.8282
(ii)Individual shareholders holding nominal share capital in excess of Rs. 1 lakh	3736800	0	3736800	19.1953	2411409	0	2411409	12.3870	(6.8083)
(b)NBFCs registered with RBI	0	0	0	'0.0000	0	0	0	0	'0.0000
(c)Employee Trusts	0	0	0	'0.0000	0	0	0	0	'0.0000
(d)Overseas Depositories (holding Drs) (balancing figure)	0	0	0	'0.0000	0	0	0	0	'0.0000

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
(e) Any Other (Specify)									
Trusts	717000	0	717000	3.6831	182133	0	182133	0.9356	(2.7475)
Hindu Undivided Family	0	0	0	0	212487	0	212487	1.0915	0.0915
Non Resident Indians (Non Repat)	0	0	0	0	10824	0	10824	0.0556	0.0556
Non Resident Indians (Repat)	33200	0	33200	0.1705	50292	0	50292	0.2583	0.0878
Clearing Member	59646	0	59646	0.3064	110246	0	110246	0.5663	0.2599
Bodies Corporate	855800	0	855800	4.3961	1306466	0	1306466	6.7111	2.3150
Sub Total (B)(3)	6199400	0	6199400	31.8453	5631379	0	5631379	28.9275	(2.9178)
Total Public Shareholding									
(B) = (B)(1) + (B)(2) + (B)(3)	6199400	0	6199400	31.8453	6280600	0	6280600	32.2624	0.4171
Total (A) + (B)	19467240	0	19467240	100.0000	19467240	100.0000	19467240	100.0000	0.0000
(C) Non Promoter - Non Public									
(1) Custodian/DR Holder	0	0	0	0	0	0	0	0	0.0000
(2) Employee Benefit Trust (under SEBI (Share based Employee Benefit) Regulations, 2014)									
Total (A) + (B) + (C)	19467240	0	19467240	100.0000	19467240	100.0000	19467240	100.0000	0.0000

(ii) SHARE HOLDING OF PROMOTERS (Including Promoter Group)

SI No	Shareholders Name	"Shareholding at the beginning of the year"			"Shareholding at the end of the year"			% change in share holding during the year
		NO of shares	% of total shares of the company"	% of shares pledged encumbered to total shares"	NO of shares	% of total shares of the company"	% of shares pledged encumbered to total shares"	
1	Harshadkumar Hirji Thakkar	11318440	58.1410	0.0000	11318440	58.1410	0.0000	0.0000
2	Harshaben Hirji Thakkar	900000	4.6232	0.0000	900000	4.6232	0.0000	0.0000
3	Ranjan Rasiklal Thakkar	500000	2.5684	0.0000	500000	2.5684	0.0000	0.0000
4	Rupal Rasiklal Thakkar	360000	1.8493	0.0000	357000	1.8339	0.0000	-0.0154
5	Darshana Harshad Thakkar	103200	0.5301	0.0000	103200	0.5301	0.0000	0.0000
6	Rasiklal Thakkar	86200	0.4428	0.0000	8000	0.0411	0.0000	-0.4017
	Total	13267840	68.1547	0.0000	13186640	67.7376	0.0000	-0.4171

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

SI No	Shareholders Name	Shareholding		Cumulative Share holding at the end of the year	
		No. of Shares	% of total shares of the company	No of shares	% of total shares of the company
1	Rupal Rasiklal Thakkar				
	At the beginning of the year	360000	1.8493	360000	1.8493
	Sale on May 08, 2015	(3000)	(0.0154)	357000	1.8339
	Purchase on Feb 19, 2016	2500	0.0128	359500	1.8467
	Sale on Mar, 18, 2016	(2500)	(0.0128)	357000	1.8339
	At the end of the year	357000	1.8339	357000	1.8339
2	Rasiklal Liladhar Thakkar				
	At the beginning of the year	86200	0.4428	86200	0.4428
	Purchase on April 10, 2015	28000	0.1438	114200	0.5866
	Sale on September 25, 2016	(98200)	0.5044	16000	0.0822
	Sale on September 30, 2016	(8000)	0.0411	8000	0.0411
	Purchase on october 9, 2015	20000	0.1027	28000	0.1438
	Sale on October 23, 2015	(20000)	(0.1027)	8000	0.0411
	Purchase on February 19, 2016	5000	0.0257	13000	0.0668
	Sale on March 18, 2016	(5000)	(0.0257)	8000	0.0411
	At the end of the year	8000		8000	0.0411

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

SI No	Shareholders Name	Shareholding at the beginning of the year		Cumulative Share holding at the end of the year	
		No. of Shares	% of total shares of the company	No of shares	% of total shares of the company
1	DSP BLACKROCK 3 YEARS CLOSE ENDED EQUITY FUND	0	0	640000	3.2876
2	NCUBATE INDIA SERVICES PRIVATE LIMITED	324000	1.6643	324000	1.6643
3	CHITRANJAN BAID	0	0	252843	1.2988
4	AAKARSHAN TRACOM PRIVATE LIMITED	0	0	220000	1.1301
5	SIDBI TRUSTEE COMPANY LIMITED A/C INDIA OPPORTUNITIES FUND	717000	3.6831	182133	0.9356
6	AJAY RELAN	0	0	168000	0.8630
7	RAHOUL KABIR BHANDARI	0	0	166000	0.8527
8	NEHA SANGHVI	0	0	125000	0.4621
9	LASHIT SANGHVI	0	0	125000	0.4621
10	GIRISH C JOSHI	231000	1.1866	82242	0.4225

(v) Shareholding of Directors & Key Managerial Personnels

SI No	Shareholders Name	Shareholding		Cumulative Share holding at the end of the year	
		No. of Shares	% of total shares of the company	No of shares	% of total shares of the company
1	Hitesh Punjani				
	At the beginning of the year	1200	0.00%	1200	0
	Sale on 04 May 2015	(1200)	0	0	0
	At the end of the year	0	0.00%	0	0
2	Dinesh Sodha				
	At the beginning of the year	900000	4.6232	900000	4.6232
	Purchase on 25 Sep 2015	900000	4.6232	1800000	9.2463
	Sale on 30 Sep 2015	(900000)	(4.6232)	900000	4.6232
	At the end of the year	900000	4.6232	900000	4.6232

V INDEBTEDNESS

Indebtedness of the Company including interest outstanding/accrued but not due for payment				
Particulars	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	58,60,45,864	51,92,349.90	-	59,12,38,213.9
ii) Interest due but not paid	731,365.00	70,485.00	-	808,150.00
iii) Interest accrued but not due	-	-	-	-
Total (i + ii + iii)	58,67,77,229	5,262,834.90	-	59,20,46,363.9
Change in Indebtedness during the financial year				
Additions	-	-	-	-
Reduction	275,039,401.56	5,262,834.90	-	280,302,236.46
Net Change	275,039,401.56	5,262,834.90	-	280,302,236.46
Indebtedness at the end of the financial year				
i) Principal Amount	311100538.44	-	-	311100538.44
ii) Interest due but not paid	637,289.00	-	-	637,289.00
iii) Interest accrued but not due	-	-	-	-
Total (i + ii + iii)	311737827.44	-	-	311737827.44

VI REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

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

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

VI REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

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

Sl. No	Particulars of Remuneration	Name of the MD/WTD/Manager			Total Amount
		Harshad Thakkar	Dinesh Sodha	Hitesh Punjani	
	as % of profit	-	-	-	
	others (specify) Rent	3,024,000.00	259,000.00	-	3,283,000.00
	Others, please specify	-	-	-	-
5	Total (A)	6,624,000.00	1,459,000.00	600,000.00	8,683,000.00
	Ceiling as per the Act				20,500,000.00

B. Remuneration to other directors:

Sl. No	Particulars of Remuneration	Name of the Directors			Total Amount
		Ramakant Nayak	Ratan Thakur	Anupama Sharma	
1	Independent Directors				
	(a) Fee for attending board committee meetings	139,776.00	45,800.00	75,800.00	261,376.00
	(b) Commission	-	-	-	-
	(c) Others, please specify				-
	Director Remuneration	-	-	-	-
	Total (1)				-
2	Other Non Executive Directors				
	"(a) Fee for attending board committee meetings"	-	-	-	-
	(b) Commission	-	-	-	-
	(c) Others, please specify.	-	-	-	-
	Total (2)	-	-	-	-
	Total (B)=(1 + 2)	-	-	-	-
	Total Managerial Remuneration	139,776.00	45,800.00	75,800.00	261,376.00
	Overall Ceiling as per the Act per meeting	100,000.00	100,000.00	100,000.00	

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

Sl. No	Particulars of Remuneration	Key Managerial Personnel(CS+ CFO)	
			Total
1	Gross Salary		
	(a) Salary as per provisions contained in section 17(1) of the Income Tax Act, 1961.	1,249,210.00	1,249,210.00
2	(b) Value of perquisites u/s 17(2) of the Income Tax Act, 1961	-	-
	(c) Profits in lieu of salary under section 17(3) of the Income Tax Act, 1961	-	-
	Stock Option	-	-
3	Sweat Equity	-	-
4	Commission	-	-
5	Others, please specify		
	Total	1,249,210.00	1,249,210.00

VII PENALTIES/PUNISHMENT/COMPOUNDING OF OFFENCES

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

Annexure III

Form No. AOC - 2

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

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

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

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

2. Details of material contract or arrangement or transactions at arm's length basis

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

Rs. in lakhs						
Name of the related Party	Nature of Relationship	Nature of Contracts /Arrangements /Transactions	Duration of Contract	Salient terms	Date of approval by the Board	Amount Paid as advances (if any)
Momai Apparels Limited	Subsidiary	Purchase of Finished, Product and Rent Received	On Continual Basis	Aggregate value of contract for the year 2015-16 is Rs.7485.59 1. Purchase amounting to Rs. 7461.68/- 2. Rent Received amounting to Rs.23.91/-	14th February 2015	NIL

On Behalf of the Board of Directors

sd/-

Harshad Thakkar
Managing Director
DIN: 01869173

Date: 25/08/2016
Place: Mumbai

Annexure IV

Annual Report on Corporate Social Responsibility (CSR) Activities

1	A brief outline of the company's CSR Policy including overview of projects or programs proposed to be undertaken and reference to the web-link to the CSR Policy	Pursuant to Section 135(1) of the Companies Act, 2013 read with Companies (Corporate Social Responsibility) Rules, 2014 the board of director have constituted a CSR committee. The board also framed a CSR Policy in compliance with the provisions of section 135 of the Companies Act, 2013 and the same is displayed on the website of the company at www.ashapurafashion.com
2	The Composition of the CSR committee	The Board of Directors of the Company has constituted the Corporate Social Responsibility Committee of Directors. CSR Committee is formed as per the applicable provisions of the Companies Act, 2013 and the Committee is responsible for the implementation/monitoring and review of the policy and various projects/activities undertaken under the policy. The Committee comprise of Mr. Harshad Thakkar (Chairman and Managing Director), Mr. Hitesh Punjani (Executive Director), Mr. Ratan Thakur, Non Executive (Independent Director)
3	Average net profit of the company (Standalone) for preceding three financial years	1434.33 Lakh(Calculated as per CSR Rules).
4	Prescribed CSR Expenditure spent (Two percent of the amount as in item 3 above)	28.88 Lakhs
5	Details of CSR spent during the financial year: a)Total amount spent for the financial year b)Amount unspent, if any	Nil 28.88 Lakhs

On Behalf of the Board of Directors

Date: 11-08-2016
Place: Mumbai

Harshad Thakkar
Managing Director
DIN: 01869173

Annexure V

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 of Managerial Personnel) Rules, 2014]

To,
The Members

ASHAPURA INTIMATES FASHION LIMITED
SHOP NO 34 GROUND FLOOR, PACIFIC PLAZA
PLOT, NO 507 TPS IV OFF B.S.ROAD MAHIM
DIVISION DADAR W MUMBAI, Maharashtra-
400028

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

Based on my verification of ASHAPURA INTIMATES FASHION LIMITED books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, I hereby report that in my opinion, the Company has, during the audit period covering the financial year ended on 31st March, 2016, complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

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

I. The Companies Act, 2013 (the Act) and the

Rules made hereunder;

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

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

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

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

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

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

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

e) The Memorandum and Articles of Association;

V. Other applicable laws:

a) Employees State Insurance Act, 1948.

b) Professional Tax Act, 1975

c) Provident Fund Act, 1952

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

Secretarial Audit Report

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

ii) The Listing Agreement entered into by the Company with the BSE Limited. and NSE of India Limited.

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

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

During my audit, it was observed that, the licence under Shop and Establishment Act has been expired on 31st December, 2015. The Company is yet to renew its licence under shop and Establishment Act.

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

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

b) Closure of the Register of Members;

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

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

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

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

circulation;

g) The 9th Annual General Meeting held on 7th September 2015;

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

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

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

k) Payment of remuneration to Directors including the Managing Director;

l) Appointment and remuneration of Auditors ;

m) Declaration and payment of dividends;

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

3. I further report that:

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

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

Majority decision is carried through and none of the

Secretarial Audit Report

members have expressed their dissent.

4.1 further report that:

Based on the information received and records maintained, there are adequate systems and processes for reporting to the Board, and appropriate internal controls commensurate with the size and operations of the Company, to monitor and ensure compliance with the applicable laws, rules, regulations and guidelines.

5. I further report that:

Based on the information received and record maintained, the Company has renewed the license under the Shop and Establishment Act, for the year 2016-17 after the balance sheet date. The Company has made provisions for CSR activity, but could not spent for CSR activities as required under the provisions of section 135 of the Companies Act, 2013 and incidental Rules during the year.

Place : Mumbai
Date : 25th Aug - 2016

sd/-
FCS Jaiprakash Singh
Practicing Company Secretary
Jaiprakash R Singh & Associates
FCS No.:7391
C P No.:4412

Secretarial Audit Report

'ANNEXURE A'

To,
The Members
ASHAPURA INTIMATES FASHION LIMITED
Shop No 3-4 Ground Floor,
Pacific Plaza Plot No 507 Tps Iv Off B.S.Road
Mahim Division Dadar-W
Mumbai-400028, Maharashtra

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

1. Maintenance of secretarial record is the responsibility of the management of the Company. Our responsibility is to express an opinion on these secretarial records based on our audit.
2. 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 the Secretarial records. We believe that the processes and practices, we followed provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.
4. Wherever required, we have obtained the Management representation about the compliance of laws, rules and regulations and happening of events, etc.
5. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of the management. Our examination was limited to the 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.

sd/-

FCS Jaiprakash Singh
Practicing Company Secretary
Jaiprakash R Singh & Associates
FCS No.:7391
C P No.:4412

Place : Mumbai
Date : 25th Aug - 2016

COMPLIANCE CERTIFICATE

To,
The Members,
Ashapura Intimates Fashion Limited

We have examined the compliance of conditions of Corporate Governance by Ashapura Intimates Fashion Limited ('the Company'), for the year financial ended 31st March, 2016 as stipulated in Chapter IV of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirement) Regulation 2015 pursuant to the Listing agreement of the said Company with stock exchange (S).

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

In our opinion and to the best of our information and according to the explanations given to us and we certify that the Company has complied with the conditions of Corporate Governance as stipulated in Chapter IV of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirement) Regulation 2015 pursuant to the Listing agreement of the said Company with stock exchange

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 JAIPRAKASH R SINGH & ASSOCIATES COMPANY SECRETARIES

sd/-

Jaipraraksh Singh
(Proprietor)
Membership no. 7391
C.P.N. 4412

Place: Mumbai

Date: - 25/08/2016

Corporate Governance Report

Corporate Governance Report

Our Corporate governance philosophy

At Ashapura Intimates Fashion Limited, Corporate Governance is all about maintaining a valuable relationship and trust with all stakeholders. We consider stakeholders as partners in our success, and we remain committed to maximizing stakeholder's value, be it shareholders, employees, suppliers, customers, investors, communities or policy makers. This approach to value creation emanates from our belief that sound governance system, based on relationship and trust, is integral to creating enduring value for all. We have a defined policy framework for ethical conduct of businesses. We believe that any business conduct can be ethical only when it rests on the six core values of customer value, Ownership Mindset, Respect, Integrity, one team and Excellence.

Statement on Company's Philosophy on Code of Corporate Governance

Corporate Governance encompasses a set of systems and practices to ensure that the company's affairs are being managed in a manner which ensures accountability, transparency and fairness in all transactions in the widest sense. The objective is to meet stakeholder's aspirations and societal expectations. Good governance practices stem from the dynamic culture and positive mindset of the organization. We are committed to meet the aspirations of all our stakeholders. This is demonstrated in shareholder returns, high credit ratings, governance processes and an entrepreneurial performance focused work environment. Additionally, our customers have benefitted from high quality products delivered at extremely competitive prices.

The essence of Corporate Governance lies in promotion and maintaining integrity, transparency and accountability in the management's higher echelons. The demands of Corporate Governance require professionals to raise their competence and capability levels to meet the expectations in managing the enterprise and its resources effectively with the highest standards of ethics. It has thus become crucial to foster and sustain a culture that integrates all components of good governance by carefully balancing the complex inter-relationship among the board of directors, audit committee, finance, compliance and auditors and the senior management. Our employee satisfaction is reflected in the stability of our senior management.

Compliance with Global Guidelines and Standards

The Securities and Exchange Board of India has notified SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (LODR) on September 2nd, 2015, replacing the earlier listing agreement (w.e.f. December 1st, 2015) and is aimed to consolidated and streamline the provisions of earlier listing agreements for different segments of the capital market viz. equity, debentures, debt instruments, etc. The LODR regulations have incorporated the principles for corporate governance in line with the Organization for Economic Co-operation and Development (OECD) principles and provide board principles for periodic disclosures by listed entities in line with the International Organization of Securities Commissions (IOSCO) principles.

1. Board of Directors:

The Board of Directors of the Company ("Board") is at the core of our Corporate Governance system and it oversees how the Management serves and protects the long-term interest of all our stakeholders. The Board is entrusted with the crucial responsibility of the management, general affairs, direction and performance of the Company and has been vested with requisite powers, authorities and duties. The Board operates within the framework of well-defined responsibility matrix, which enables it to discharge its fiduciary duties of safeguarding the interest of all the stakeholders. We believe that an active, well-informed and independent Board is necessary to ensure the highest standards of Corporate Governance.

Corporate Governance Report

a. Composition and category of Directors including the number of Board or Committees of other companies in which Director is a member or chairperson

The Board has an optimum combination of such number of Executive, Non-executive, Independent and a Woman Director as required under the relevant provisions of Companies Act, 2013 ("the Act"), Regulation 17 of the SEBI Listing Regulations and Clause 49 of erstwhile Listing Agreement.

We believe that our Board needs to have an appropriate mix of executive and independent directors to maintain its independence, and separate its functions of governance and management. On March 31st, 2016, our board consists of six members, three of whom are executive Directors, while the remaining three directors are independent directors, constituting 50% of the board's strength. One out of six directors one of them is women director.

None of the Directors on the Board holds directorships in more than ten public companies.

Further, none of them is a member of more than ten committees or chairperson of more than five committees across all the public companies in which he/ she is a director. Necessary disclosures regarding Board/ Committee positions in other public companies as on March 31st, 2016, have been made by the Directors. None of the Directors are related to each other. Independent Directors are Non-executive Directors as defined under Regulation 16 of the SEBI Listing Regulations and Clause 49 of erstwhile Listing Agreement.

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

Name	Date of Appointment	Category of Director	Directorships in other Indian Public Limited Companies (Excluding AIFL)	No. of Board committees In which Chairman / Member (Excluding AIFL)	
				Chairman	Member
Mr. Harshad Thakkar	17/07/2006	Chairman/Executive Director	1	NIL	2
Mr. Dinesh Sodha	30/03/2012	Executive Director	1	NIL	NIL
Mr. Hitesh Punjani	15/11/2013	Executive Director	1	NIL	NIL
Mr. Ramakant Nayak	19/12/2012	Non-Executive/ Independent Director	3	2	3
Mrs. Anupama Sharma	14/11/2014	Non-Executive/ Independent Director	1	NIL	2
Mr. Ratan Thakur	14/02/2015	Non-Executive/ Independent Director	1	NIL	1

Notes: 1. Directorships exclude Private Limited Companies, Foreign Companies and Section 8 Companies and Alternate Directorships (if any).

Corporate Governance Report

2. Chairmanship/Membership of Committee only includes Audit Committee and Stakeholders Relationships Committee in Indian Public Limited companies other than AIFL.

b. Board Familiarisation

Company has conducted Familiarisation Programmes for Independent Directors of the Company, which aims to provide an insight into the Company to enable the Independent Directors to understand their roles, rights, responsibilities in the Company, nature of the industry in which the Company operates, business model of the Company, its business in depth and contribute significantly to the Company.

The details of said Familiarization Programme(s) are also available on the website of the Company's at <http://ashapurafashion.com/investor/Familiraisation%20Programme.pdf>

c. Details of Board Meetings and Annual General Meeting held during the year, along with their attendance at each meeting

The Board meets at regular intervals to discuss and decide on business strategies/ policies and review the financial performance of the company and its subsidiaries. In case of business exigencies, the board's approval is taken through circular resolutions. The circular resolution is noted at the subsequent Board Meeting.

The notice and detailed agenda along with the relevant notes and other material information are sent in advance separately to each director to enable the Directors to take an informed decision. The interval between two meetings was well within the maximum period mentioned under section 173 of the Companies Act, 2013 and the Listing Regulation.

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

Name of Directors	Meeting of Board of Directors of the Company							AGM held on September 26 th , 2015
	May 21 st , 2015,	May 30 th , 2015	July 25 th , 2015	September 18 th , 2015	November 9 th , 2015	February 11 th , 2016	March 31 st , 2016	
Mr. Harshad Thakkar	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Mr. Dinesh Sodha	Yes	Yes	Yes	Yes	No	Yes	Yes	Yes
Mr. Hitesh Punjani	Yes	No	Yes	No	No	Yes	Yes	Yes
Mr. Ramakant Nayak	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Mrs. Anupama Sharma	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Mr. Ratan Thakur	No	Yes	No	No	Yes	Yes	Yes	Yes

d. Independent Directors

The Non-Executive Independent Directors fulfill the conditions of independence specified in Section 149 of the Companies Act, 2013 and Regulation 16(b) of the Listing Regulation. A formal letter of appointment to Independent Director as provided in Companies Act, 2013 and the Listing Regulations has been issued.

Corporate Governance Report

e. Separate Meeting of Independent Directors

During the year under review, the independent Directors met on March 31st, 2016, inter alia, to discuss:

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

All the independent Directors were present for this meeting.

f. Conflict of Interests

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

2. Committee of the board

The Board of Directors have constituted Board Committees to deal with specific areas and activities which concern the company and requires a closer review. The Board Committees are formed with approval of the Board and function under their respective charters. These Committees play an important role in overall management of day-to-day affairs and governance of the company. The board committees meet at regular intervals and take necessary steps to perform its duties entrusted by the Board. The minutes of the committee meetings are placed before the board for noting.

The board currently has the following Committees:

a. Audit Committee

Audit Committee of the Board of Directors ("the Audit Committee") is entrusted with the responsibility to supervise the Company's internal controls and financial reporting process. The composition, quorum, power, role and scope are in accordance with section 177 of the Companies' Act, 2013 and the provisions of regulation 18 of the Listing Regulation. All members of Audit Committee are financially literate and bring in expertise in the fields of finance, taxation, Economics, Risk and international Finance. It functions in accordance with its terms of reference that defines its authority, responsibility and reporting function.

I. Composition:

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

Sr. No.	Name of the Member	Position	Category
1	Mrs. Anupama Sharma	Chairperson	Non-Executive, Independent, Women Director
2	Mr. Harshad Thakkar	Member	Managing Director, Executive
3	Mr. Ramakant Nayak	Member	Non-Executive, Independent Director

Ms. Manisha Pareek, Company secretary of the Company acts as the Secretary to the Committee.

Corporate Governance Report

ii. Meetings and Attendance

The audit committee met Six times during the financial year 2015-16. The maximum gap between the two meetings was not more than 120 days. The necessary quorum was present for all meetings.

The table below provides the attendance of the audit Committee members:

Date of the Meeting	Mrs. Anupama Sharma (Chairperson)	Mr. Harshad Thakkar (Member)	Mr. Ramakant Nayak (Member)
May 21 st , 2015	Yes	Yes	Yes
May 30 th , 2015	Yes	Yes	Yes
July 25 th , 2015	Yes	Yes	Yes
November 9 th , 2015	Yes	Yes	Yes
February 11 th , 2016	Yes	Yes	Yes
March 31 st , 2016	Yes	Yes	Yes

iii. Terms of References

The audit committee inter alia performs the functions of approving Annual Internal Audit Plan, review of financial reporting system, internal controls system, discussion on financial results, interaction with statutory and internal auditors, recommendation for the appointment of statutory auditors and their remuneration, recommendation for the appointment and remuneration of internal auditors, review of business risk management plan, review of forex policy, management discussion and analysis, review of internal audit report, significant related party transactions. The company has framed the audit committee charter for the purpose of effective compliance of provision of section 177 of the Companies Act, 2013 and regulation 18 of the Listing Regulation. In fulfilling the above role, the audit committee has powers to investigate any activity within its terms of reference, to seek information from employees and to obtain outside legal and professional advice.

b. Nomination and Remuneration Committee ("NRC")

I. Composition

Nomination and Remuneration Committee ("NRC") is in line with the applicable provisions of Section 178 of the Act and Regulation 19 of the SEBI Listing Regulations. The Committee is mainly entrusted with the responsibility of formulating Criteria for determining the qualifications, positive attributes and independence of the present and proposed Directors as well as recommending a policy to the Board relating to the remuneration of Directors, KMP and other employees.

Detailed composition of the NRC is as follows:

Name of the Member	Category	Position
Mrs. Anupama Sharma.	Non-Executive, Independent Director, Women Director	Chairman
Mr. Ramakant Nayak	Non-Executive, Independent Director	Member
Mr. Ratan Thakur	Non-Executive, Independent Director	Member

Ms. Manisha Pareek, Company secretary of the Company acts as the Secretary to the Committee.

ii. Meeting and Attendance

The Nomination and Remuneration committee met twice during the year on 18th, Sept 2015 and on March 31st 2016.

Corporate Governance Report

The necessary quorum was present for the meeting. The chairperson of the Nomination and Remuneration committee was present at the last Annual General Meeting of the company.

The Table below provides the attendance of the Nomination and Remuneration committee members:

Date of the Meeting	Mr. Ramakant Nayak (Chairperson)	Mr. Ratan Thakur (Member)	Mrs. Anupama Sharma (Member)
Sept 18 th , 2015	Yes	Yes	Yes
March 31 st , 2016	Yes	Yes	Yes

iii. Terms of reference

The Board has framed the Nomination and Remuneration Committee Charter which ensure effective compliance of section 178 of the Companies Act, 2013 and regulation 19 of Listing Regulation, which are as follows.

- Reviewing the overall compensation policy, service agreements and other employment conditions of Managing/Whole-time Director(s) and Senior Management and Key Managerial Personals (one level below the board).
- To help in determining the appropriate size, diversity and composition of the Board;
- To recommend to the Board appointment/reappointment and removal of directors;
- To frame criteria for determining qualifications, positive attributes and independence of directors;
- To recommend to the board remuneration payable to the directors (while fixing the remuneration to executive directors the restrictions contained in the Companies Act, 2013 is to be considered);
- To create an evaluation framework for independent directors and the Board;
- To provide necessary reports to the chairman after the evaluation process is completed by the directors;
- To assist the Board in fulfilling responsibilities entrusted from time-to-time;
- Delegation of any of its powers to any member of the committee or the compliance officer.

Performance Evaluation

During the year, the board conducted a formal annual evaluation mechanism for evaluating its performance as well as that of its committee and individual Directors, including the chairman of the Board. The performance of the committee was evaluated by the board seeking inputs from the committee members.

The criteria to evaluate the performance of the Board, Committees, independent Directors and non-independent directors were;

- a) Board Composition, size, mix of skill, experience, and role;
- b) Attendance and deliberation in the meetings;
- c) Contribution/suggestions for effective functioning, development of strategy, board process, policies and others.

The directors were satisfied with the evaluation results, which reflect the overall engagement of the board and its committee with the company.

c. Stakeholders Relationship Committee

The Stakeholder Relationship Committee look after Shareholder grievance(s) and their respective shareholdings. Pursuant to the provisions Section 178 of the Act and Clause 49 of erstwhile Listing Agreement, the Company was required to constitute a "Stakeholders' Relationship Committee" for considering and resolving the grievances of the security holders of the Company including complaint related to transfer of shares, non-receipt of balance sheet, non-receipt of declared dividends, if any.

Corporate Governance Report

I. Composition

Pursuant to the provisions Section 178 of the Act and Clause 49 of erstwhile Listing Agreement, the Company was required to constitute a "Stakeholders Relationship Committee" for considering and resolving the grievances of the security holders of the Company including complaints related to transfer of shares, non-receipt of balance sheet, non-receipt of declared dividends, if any. This Composition of NRC is in line with Regulation 20 of the SEBI Listing Regulations.

Detailed composition of the SRC is as follows:

Name of the Member	Category	Position
Mr. Ramakant Nayak	Non-Executive, Independent Director	Chairman
Mrs. Anupama Sharma.	Non-Executive, Independent Women Director	Member
Mr. Harshad Thakkar	Non-Executive, Independent Director	Member

Ms. Manisha Pareek, Company secretary of the Company acts as the Secretary to the Committee.

ii. Meeting and Attendance

The table below highlights the attendance of the members of the committee. The necessary quorum was present for all Meetings.

Date of the Meeting	Mr. Ramakant Nayak (Chairperson)	Mrs. Anupama Sharma(Member)	Mr. Harshad Thakkar (Member)
May 30 st , 2015	Yes	Yes	Yes
July 25 th , 2015	Yes	Yes	No
November 9 th , 2015	Yes	Yes	Yes
March 31 st , 2016	Yes	Yes	yes

Ms. Manisha Pareek, Company secretary of the Company acts as the Secretary and compliance officer to the Committee.

iii. Terms of Reference

The board has clearly defined the terms of reference for this committee, which generally meets once a Quarterly. The committee looks into the matters of shareholders / Investors grievances along with other matters listed below:

- Approval of transfer of shares and issue of Duplicate / Split / Consolidation / Subdivision Of Share;
- Opening / Modification of operation and closing of bank accounts;
- Grant of special / general power of attorney in favour of employees of the company from time to time in connection with the conduct of the business of the company particularly with Government and Quasi Government Institutions;
- To fix record date/book closure of share transfer book of the company from time to time;
- To carry out any other duties that may be delegated to the committee by the board of directors from time to time.

The secretarial Department of the company and the registrar and Share Transfer Agent, Link Intime India Private Limited attend to all grievances of the shareholders received directly or through SEBI, Stock Exchanges, Ministry of Corporate Affair, Registrar of Companies, etc. The minutes of the stakeholders Relationship Committee Meetings are circulated to the Board and noted by the Board of Directors at the Board Meetings.

Corporate Governance Report

Continuous efforts are made to ensure that grievances are more expeditiously redressed to the complete satisfaction of the investors.

iv. Details of Shareholders complaints received, solved and pending share transfers

Ms. Manisha Pareek, Company Secretary of the Company is designated as the Compliance Officer of the Company as per the requirements of Listing Regulations for resolution of Shareholders' / Investors' Complaints.

The total number of complaint received and resolved during the year ended March 31st, 2016 was 2 there were no complaints outstanding as on March 31st, 2016. The number of pending share transfers and pending requests for dematerialization as on March 31st, 2016 were Nil. Shareholders/Investors complaints and other correspondence are normally attended to within seven working days except where constrained by disputes or legal impediments. No investor grievances remained unattended / pending for more than 30 days as on March 31st, 2016.

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

d. Corporate Social Responsibility Committee

I. Composition

Pursuant to the provisions of Section 135 of the Act, the Board has constituted a separate Committee named "Corporate Social Responsibility ("CSR")Committee" for monitoring and implementation of the CSR projects/ programmes/ activities of the Company and also for approving the annual CSR Budget, implementation of CSR projects and other such related activities.

Detailed composition of the CSR committee is as follows:

Sr. No.	Name	Position	Category
1	Mr. Harshad Thakkar	Chairperson	Managing Director, Executive
2	Mr. Hitesh Punjani	Member	Executive Director
3	Mr. Ratan Thakur	Member,	Non-Executive, Independent,

Ms. Manisha Pareek, Company secretary of the Company acts as the Secretary to the Committee.

The company has formulated CSR policy, which is uploaded on the website of the company.

ii. Meetings and Attendance:

The CSR Committee met once during the year on March 31st, 2016. The necessary quorum was present for meeting.

Corporate Governance Report

The table below provides the attendance of the CSR Committee members:

Date of the Meeting	Mr. Harshad Thakkar (Chairperson)	Mr. Hitesh Punjani (Member)	Mr. Ratan Thakur (Member)
March 31 st , 2016	Yes	Yes	Yes

iii. Terms of reference:

- To review the existing CSR Policy and to make it more comprehensive so as to indicate the activities to be undertaken by the company as specified in schedule VII of the Companies Act, 2013;
- To provide guidance on various CSR activities to be undertaken by the company and to monitor process.

3. Remuneration Policy

a. Remuneration to Non-Executive Directors

The non-executive directors are paid remuneration by way of sitting fees. The non-executive directors are paid sitting fees for each meeting of the board or committee of directors attended by them. The total amount of sitting fees paid to non-executive directors during the financial year 2015-16 was Rs. 2,61,376/-. The non executive independent directors do not have any material pecuniary relationship or transaction with the company.

b. Remuneration to executive directors

The appointment and remuneration of Executive Directors including Chairman and Managing Directors and whole time director is governed by the recommendation of the Nomination and Remuneration committee, resolution passed by the Board of Directors and shareholders of the company.

The remuneration/commission etc. to be paid to MD/WTD etc. shall be governed as per provisions of the Companies Act, 2013 & rules made there under or any other enactment for the time being in force & the approvals obtained from the members of the company.

The nomination & remuneration committee shall make such recommendations to the board of directors, as it may consider appropriate with regard to remuneration to MD/WTD. The remuneration package of Chairman and Managing Director and whole time director comprises of salary and other perquisites.

The remuneration policy is directed towards rewarding performance, based on review of achievements. It is aimed at attracting and retaining high caliber talent. Presently, the company does not have a stock options scheme for its directors. The Nomination and Remuneration policy is displayed on the company's website: <http://ashapurafashion.com/investor/Nomination%20and%20Remuneration%20Policy.pdf>

4. GENERAL BODY MEETING

a. Annual General Meeting

AGM	Financial Year	Date & Time of AGM	Venue of AGM	Particulars of Special Resolution passed
9 th AGM	2014-15	7 th September, 2015 at 10.00 AM	Kohinoor Bhavan, Kohinoor Road, Dadar East, Mumbai - 400014, Opposite Dadar (East) Railway station Mumbai-400014	Preferential Issue of Warrants

Corporate Governance Report

AGM	Financial Year	Date & Time of AGM	Venue of AGM	Particulars of Special Resolution passed
8 th AGM	2013-14	26 th September, 2014 at 10.00 AM	Shop No 3-4 Ground Floor, Pacific Plaza Plot, No 507 Tps iv off B.S.Road Mahim Division Dadar-W, Mumbai- 400028	<p>1.A. appointment of as Mr. Shrikant Maheshwari as Independent Director</p> <p>B. Appointment of Mr. Ramakant Nayak as Independent Director</p> <p>C. Appointment of Mr. Sunil Kumar Manocha as Independent Director</p> <p>2.Regularization of Appointment of Additional Director (Executive Director) Mr. Hitesh S. Punjani</p> <p>3.Resolution passed under section 180(1) (a) and (c) for Borrowing power of the board.</p> <p>4.Adoption of New Articles of association as per Companies Act, 2013</p>
7 th AGM	2012-13	28 th September, 2013 at 10.00 AM	Kohinoor Corner, Opp Siddhivinayak Temple, Veer Savarkar Marg, Prabhadevi, Mumbai – 400025	<p>1.Appointment of Mr. Ramakant Nayak, Mr. Arun Kishanlal Bagaria and Mr. Mohit Shah, as Additional Director.</p> <p>2.Resolution passed under section 293(1)(a) and (d) for Borrowing power of the board</p>

b. Details of Resolution passed through postal ballot.

No Special Resolution was passed through postal ballot during the financial year ended March 31st, 2016. None of the businesses proposed to be transacted in the ensuing Annual General Meeting require special resolution through postal ballot.

c. Details of Circular Resolution passed

During the year the company has passed one circular resolution for allotment of Preferential warrants to BCCL on 13th Oct, 2015.

Corporate Governance Report

4. Means of Communication

a) **Newspapers:** The quarterly, half-yearly and annual financial results of the company are published in leading newspaper in India viz. Economic Times, Navbharat Times, Navshakti, Free Press Journal.

b) **News Release and Presentation:** The Company also regularly releases press and magazine ads, Earning presentation and investors Presentation made to investors etc.

c) **Website:** The Company's website www.ashapurafashion.com contains a separate dedicated section "Investors" where shareholder's information is available. Quarterly and Annual Financial Results, annual reports are also available on the website.

d) **Annual Report:** Annual Report containing, inter alia, Board's Report, auditor's report, audited financial statements and other important information is circulated to members and others entitled thereto. The Annual Report is also available on website of the company.

e) **Website of the stock exchanges:** Disclosures and filing with the BSE Limited (BSE) and National Stock Exchange (NSE) by the company are also hosted on website of the said stock exchanges.

f) **Disclosures:** The Company also informs by way of intimation to the stock exchanges all price sensitive matters or such other matters which in its opinion are material and have relevance to the shareholders.

5. Subsidiary Companies

The Company has only one subsidiary Momai Apparels Limited on March 31st, 2016 and as on date.

6. CEO/ CFO Certification

As required under the provisions of Regulation 33 of the SEBI Listing Regulations, Mr. Harshad Thakkar, Managing Director and Mr. Mohit Shah, Chief Financial Officer have reviewed the Financial Statements and the Cash Flow Statement for the financial year ended March 31st, 2016 and accordingly have provided a certificate, which is enclosed separately at the end of this Report.

7. Report On Corporate Governance

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

8. Disclosures

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

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

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

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

Corporate Governance Report

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

The Company has a whistle-Blower Policy for establishing a Vigil Mechanism to report genuine concerns regarding unethical behavior and mismanagement, if any. No employee of the company was denied access to the Audit Committee. Details relating to Vigil Mechanism are also mentioned in the Board's report.

iv. Compliance of Corporate Governance

The company has complied with the mandatory requirements of the Corporate Governance of the Listing Regulations.

There were no pecuniary relationships or transactions of non-executive directors vis-à-vis the company during the year under review, except payment of sitting fees and remuneration.

v. Insider Trading Code:

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

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

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

The company has also formulated 'The Code of Practices and Procedures for fair disclosure of Unpublished Price Sensitive Information (UPSII)' in compliance with SEBI (Prohibition of insider trading) Regulations, 2015. This code is displayed on the company's website:

<http://www.ashapurafashion.com/investor/Code%20of%20Conduct%20for%20Insider%20Trading.pdf>

vi. Code of Conduct for Board Members and Senior Management

This Code of Conduct has been framed and adopted by your Company in compliance with the provisions of Clause 49 of erstwhile Listing Agreement (now Regulation 17 of the SEBI Listing Regulations).

The code incorporates the duties of independent directors as laid down in the Act and also helps the Board Members and Senior Managers to observe the highest standards of ethical conduct and integrity and to work to the best of their ability and judgment.

vii. Policy on Preservation of Documents

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

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

Corporate Governance Report

viii . Policy for Determination of Materiality of Information or Event

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

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

ix. Policy for Archival of Documents

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

x. Code of Practices and Procedures for Fair Disclosure of Unpublished Price Sensitive Information (UPSI)

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

xi. Material Subsidiary disclosure

Pursuant to the provisions of Regulation 16 of the SEBI Listing Regulations, your Company has adopted this policy for determining material subsidiary .The Company has uploaded the policy on the website for Determining Material Subsidiary

<http://www.ashapurafashion.com/investor/Policy%20for%20%20Determining%20Material%20Subsidiary.pdf>

xii. Details of compliance with mandatory requirements and adoption of non-mandatory requirements

The Board periodically reviewed the compliance of all applicable laws and steps taken by the Company to rectify instances of non-compliance, if any. During the Year, the Company has complied with all mandatory requirements of SEBI Listing Regulations and erstwhile Listing Agreement, as and when applicable.

In addition, the Company has also adopted the following non-mandatory requirements to the extent mentioned below:

xiv. Disclosure of Accounting Treatment

The Company has followed all relevant Accounting Standards while preparing the financial statements.

Corporate Governance Report

Mandatory and Non -Mandatory Requirement

The Company has partly complied with the mandatory requirement laid down under SEBI(Listing Obligation and Disclosure Requirement) Regulation, 2015 and company will be complying in the financial year 2016-17 for other mandatory and non-mandatory requirement

1. Shareholders' rights: The quarterly results along with the press release, if any, are uploaded on the website of the Company i.e. www.ashapurafashion.com .

2. Audit Report: The Company has submitted audited standalone financial results for the financial year under review along with the audit report and prescribed Form A i.e. for audit report with unmodified opinion.

3. Reporting of Internal Auditor: The Internal Auditor of the Company directly reports to the Audit Committee on functional matters.

Corporate Governance Report

CEO/ CFO CERTIFICATION

Dear members of the board,
Ashapura Intimates Fashion Limited
Mumbai

We, Harshad Thakkar, Managing Director and Mohit shah, Chief Financial Officer of Ashapura Intimates Fashion Limited ('AIFL') to the best of our knowledge and belief, certify that:

1. We have reviewed the Balance Sheet, Statement of Profit and Loss account and Cash Flow Statement of the company and all the notes on accounts and the Board Report.
2. These statements do not contain any materially untrue statement or omit to state a material fact necessary to make the statement made in light of the circumstances under which such statement were made, not misleading with respect to the period covered by this report.
3. The Financial Statement, and other financial information included in this report, present in all material respects a true and fair view of the company's affair, the financial conditions, results of operations and cash flow of the company as at, and for, the periods presented in this report and are in compliance with existing accounting standards and applicable rules and regulations.
4. There are no transactions entered into by the company during the year that are fraudulent, illegal or violate the company's code of conduct and ethics, except as disclosed to the company's auditors and the company's and the company's audit committee of the board of directors.
5. We are responsible for establishing and maintaining disclosure controls and procedures and internal controls over financial reporting for the company and we have:
 - a. Designed such disclosures controls and procedures or cause such disclosures controls and procedures to be designed under our supervision to ensure that material information relating to company, including its subsidiary is made known to us by others within those entities, particularly during the period in which this report is being prepared.
 - b. Designed such internal control which provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with Generally Accepted Accounting Principles (GAAP) in India.
6. We further declare that all board members and senior management personnel have affirmed compliance with the code of conduct and ethics for the year 2015-16.

Sd/-
Harshad Thakkar
Managing Director

Sd/-
Mohit Shah
Chief Financial Officer

Date: 25th Aug, 2016
Place: Mumbai

General Shareholder Information

GENERAL SHAREHOLDER INFORMATION

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

Corporate Identification Number (CIN):
L17299MH2006PLC163133

Registered Office:

Ashapura Intimates Fashion Limited
3-4, Valentine, Pacific Plaza,
B.S.Road, Mahim Division, TPS IV
Dadar West, Mumbai- 400 028
Phone: 022-24331552/53

Fax: 022-24331506

Website: www.ashapurafashion.com

Email: cs@ashapuraintimates.com

Registrar and Transfer Agents ("RTA"):

Link InTime India Pvt. Ltd.

Pannalal Silk Mills Compound,
C-13, Lal Bhadur Shastri Road,
Sadan Wadia, Bhandup (West),
Mumbai – 400078, Maharashtra, India.
Tel. : (022) 2594 6970 Fax : (022) 2594 6969

10th Annual General Meeting:

Date : 29th September, 2016

Time: 11.00 AM

Venue: Prabhadevi Kohinoor Hall Banquets
Veer Savarkar Marg, Prabhadevi Mumbai- 400025.

Financial Year:

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

Dividend

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

Dividend History for the last 3 Years

The table below highlights the history of Dividend declared by the company in the last 3 years.

Sr. No.	Year of Declaration of Dividend	Date of Declaration of Dividend	Amount Declared per Share
1	2012-2013	25-05-2013	0.50
2	2013-2014	20-05-2014	0.75
3	2014-2015	21-05-2015	1

Stock Exchange where shares are listed

BSE Limited Phiroze Jeejeeboy Towers Dalal Street, Fort, Mumbai 400 001 Fax No.: 22722037/39/41/61/3121/3719 BSE Scrip Code: 535467	National Stock Exchange of India Limited Exchange Plaza, 5th Floor Plot no.C/1, G Block BandraKurla Complex, Bandra (East) Mumbai 400 051 Fax No.: 26598237/38 NSE Scrip Symbol: AIFL
--	--

Payment of Annual Listing/ Custody/ Issue Fees:

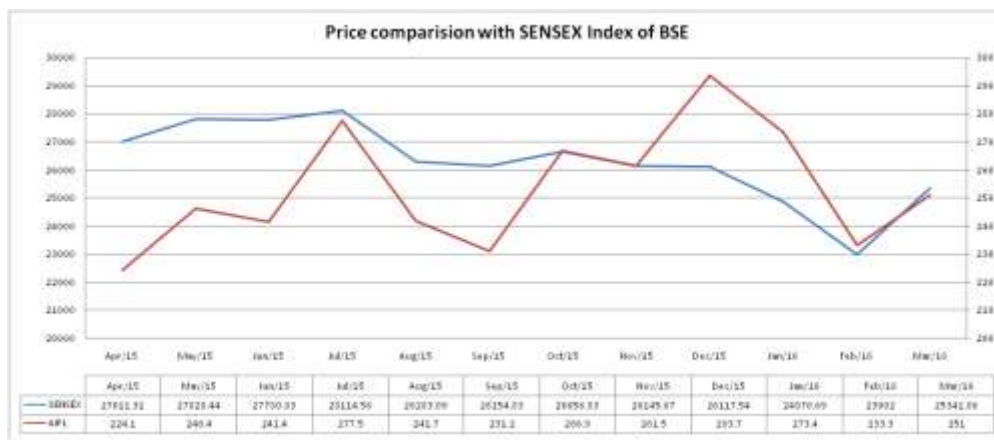
Annual Listing Fees for the Financial Year 2016-17 have been paid to both the Stock Exchanges. Annual Custody/ Issue Fees have been paid to National Securities Depository Limited ("NSDL") and Central Depository (India) Services Limited ("CDSL") for the Financial Year 2016-17.

Market Price Data: the monthly high and low price of shares traded on the BSE Limited (BSE) are as follows:

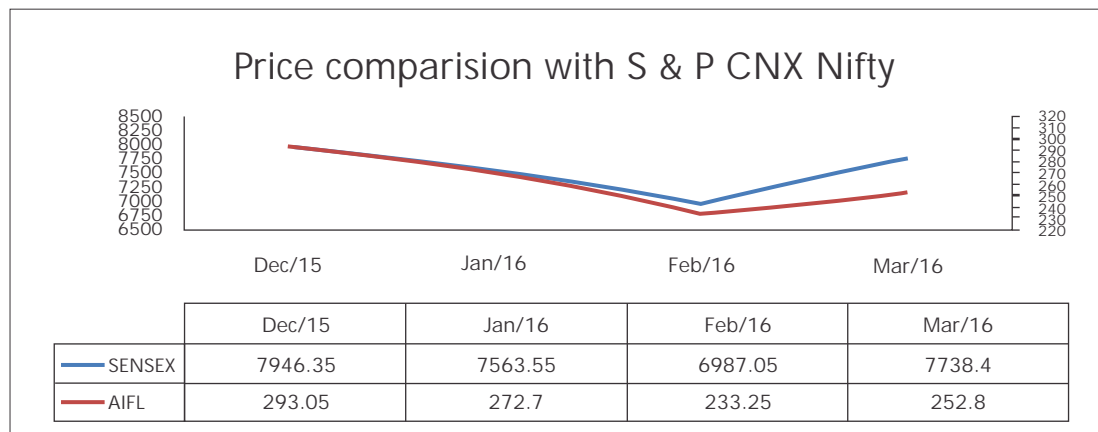
Month & Years	BSE (In Rs.)			NSE (In Rs.)		
	High	Low	Closing	High	Low	Closing
April 2015	284	144	224.01	--	--	
May 2015	310	210	246.04	--	--	
June 2015	269.07	231.10	241.04	--	--	
July 2015	279.05	229.05	277.05	--	--	
August 2015	289.05	213.08	241.07	--	--	
September 2015	250	216	231.02	--	--	
October 2015	309	230	266.09	--	--	
November 2015	283	247.03	261.05	--	--	
December 2015	311	247	293.07	311	247.06	293.05
January 2016	327.05	245.09	273.04	327	248	272.07
February 2016	277.01	230.01	233.03	285	215.65	233.25
March 2016	259	231	251.00	270.95	231.06	252.08

Stock Performance:

Share Price Movement for the period from April, 2015 to March 2016 Ashapura Intimates Fashion Limited v/s BSE Sensex



Share Price Movement for the period from April, 2015 to March 2016 Ashapura Intimates Fashion Limited v/s NSE Nifty.

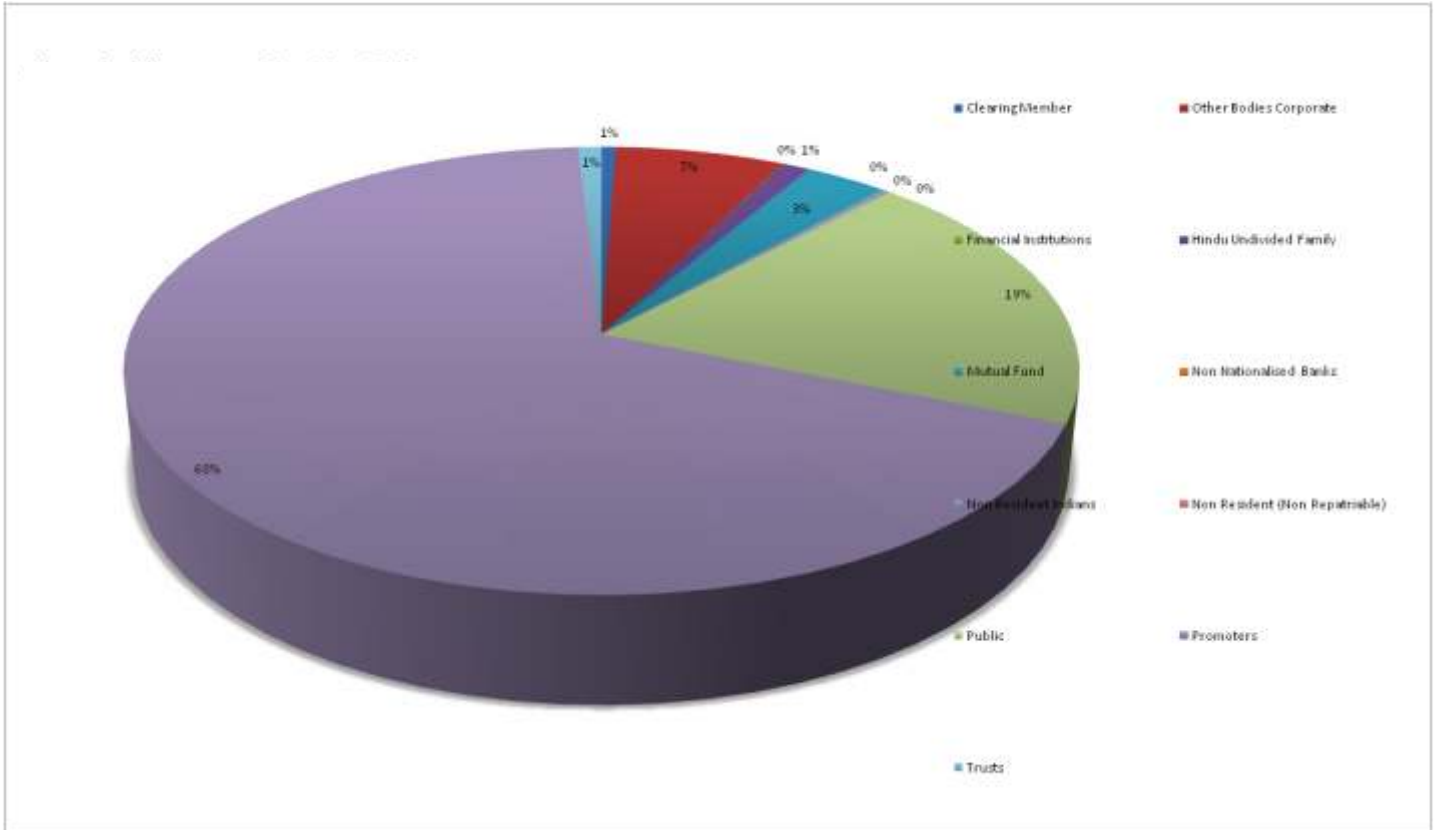


Note* AIFL shares Listed on NSE from 2nd December, 2016

Share Transfer System

Share transfers are processed and duly endorsed share certificate(s) are returned within 15 days from the date of receipt, provided that the supporting documents are complete in all respects.

Share holding as on 31st Mar 2016



Distribution of shareholding as on March 31st, 2016:

a) Distribution of shareholding:

(i) The shareholding Pattern as on 31st March, 2016 is as follows:-

Sr. No.	Category	No. of Shares	%
1.	Promoter	13186640	67.74
2.	Body Corporate, Indian Public and others	6280600	32.26
	Total	19467240	100

(ii) Distribution of shareholding as on 31st of March 2016

Shareholding of Nominal Shares	Shareholder	Percentage of total	Total shares	Percentage of total
1 to 500	2729	78.4195	345145	1.7730
501 to 1000	307	8.8218	263748	1.3548
1001 to 2000	172	4.9425	270656	1.3903
2001 to 3000	86	2.4713	234496	1.2046
3001 to 4000	29	0.8333	105753	0.5432
4001 to 5000	33	0.9483	156890	0.8059
5001 to 10000	56	1.6092	431725	2.2177
10001 to above	68	1.954	17658827	90.7105
Total	3480	100	19467240	100.00

Dematerialization of equity and shares and liquidity

As on 31st March 2016, 100 % of the Equity shares have been dematerialized.

Equity Shares of the company are under compulsory demat trading by all investors. Considering the advantages of scripless / demat trading, shareholders are requested to consider dematerialization of their shares so as to avoid inconvenience in future.

The company's shares are traded in dematerialized form and are admitted in both the depositories in India- National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited. The company's shares are liquid and are actively traded on stock Exchange.

Number of shares held in dematerialized and physical mode as on 31st March 2016 are as follows:

Mode of Holding	No. of Shares	Percentage to total issued capital
CDSL	15529304	79.77
NSDL	3937936	20.23
Physical	NIL	NIL
Total	19467240	100

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

During the year the company has issued 5 convertible warrants of value 3,25,00,000 to Bennett Coleman & Co. Ltd. being a person not belonging to promoter or promoter group (hereinafter referred to as "BCCL"), each Warrant exercisable for equity shares of the Company having a face value of Rs. 10 each, aggregating upto to Rs. 16,25,00,000 (Rupees Sixteen Crore Twenty Five Lakhs Only).

SEBI minimum price is 262.91 and it is calculated by taking Average of weekly high and low of the volume weighted average price (VWAP) of equity share of AIFL quoted on BSE during the last 26 week preceding the relevant rate.

Maximum Number of shares as per above rate will be 6,18,082 and total paid up share capital of company post proposed issue will be 20,08,53,630. Preferential Warrants are converted into equity shares after 17th month from the date of allotment of warrant but on or before expiry of 18th month.

Managing Directors Declaration on Code of Conduct and Ethics:

The board of directors of the company had laid down the code of conduct and Ethics (The code) for the Company's Directors and Senior executives. All the directors and senior executive has affirmed compliance with on the annual basis.

For and on behalf of the Board of Director

sd/-

Harshad Thakkar
Chairman and Managing Director
DIN: 01869173

Date: 25th Aug 2016
Place: Mumbai.

Standalone Financials

Independent Auditors Report on standalone Financial statements

To,
The shareholders of
Ashapura Intimates Fashion Limited
Mumbai

We have audited the accompanying Standalone Financial Statements of M/s Ashapura Intimates Fashion Limited as on 31st March, 2016 which comprises the balance sheet as at March 31st, 2016, the Statement Of Profit And Loss And Cash Flow Statement for the year ended and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation of these standalone financial statements that gives 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 Accounting Standards referred to in section 133 of the Companies Act, 2013(the Act). This responsibility includes the design, implementation and maintenances of Internal Control relevant to the preparation and presentation of the financial statements that give a True and Fair View and are free from material misstatement, whether due to fraud or error.

Auditors Responsibility

Our responsibility is to express an opinion on this Standalone Financial Statement based on our audit. We conducted our audit in accordance with the standards on Auditing issued by the Institute of Chartered Accountant 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 misstatements.

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 assessment; the auditor considers internal control relevant to the company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the financial statement.

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 explanation given to us, the aforesaid Standalone Financial Statements give the information required by the act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:

- (a) In the case of the Balance sheet, of the state of affairs of the Company as at March 31st, 2016;
- (b) In the case of the Statement of Profit and Loss, of the Profit for the year ended on that date; and
- (c) in the case of the Cash flow statement, of the cash flows for the year ended on that date.

Report on other legal and regulatory requirement

1. As required by the Companies(Auditor's Report) Order, 2016 (" the order") as amended, issued by the Central Government of India in terms of sub section (11) of section 143 of the act, we give in the annexure a statement on 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 it appear from our examination of those books;

c. The Balance sheet, the statement of profit and loss and the cash flow statement dealt with by this report are in agreement with books of account.

d. In our opinion, the aforesaid financial statements comply with the accounting standards specified under section 133 of the act, read with rule 7 of the Companies (Accounts) Rules, 2014.

e. On the basis of written representations received from the directors as on March 31st, 2016 taken on record by the board of directors, none of the directors is disqualified as on March 31st, 2016 from being appointed as a director in terms of section 164(2) of the act.

f. With respect to the adequacy of the internal financial controls over financial reporting of the company and the operating effectiveness of such controls, refer to our separate report in Annexure B.

g. With respect to the other matters to be included in the Auditors Report in accordance with rule 11 of the Companies (Audit and Auditors) Rules, 2014 in our opinion and to the best of our information and according to the explanations given to us the company does not have any pending litigations which would impact its financial position.

For JDNG & Associates
Chartered Accountants
Firm's Registration No: 104315W

sd/-
Jayesh Rawal
Partner
Membership No: 104738

Place: Mumbai
Date: 28th May, 2016

Annexure a to the Independent Auditors' Report

Referred to in paragraph 1 under the heading ' Report on Other Legal & Regulatory Requirement' of our report of even date to the financial statements of the company for the year March 31st, 2016.

1 (a) The company has maintained proper records showing full particulars, including quantitative details and situation of fixed asset;

(b) The fixed assets have been physically verified by the management in a phased manner, designed to cover all the items over a period of three year, which in our opinion, is reasonable having regard to the size of the company and nature of its business. Pursuant to the program, apportion of the fixed asset has been physically verified by the management during the year and no material discrepancies between the books records and the physical fixed assets have been noticed.

(c) the title deeds of immovable properties are held in the name of the company

2 (a) The management has conducted the physical verification of inventory at reasonable intervals.

(b) the discrepancies noticed on physical verification of the inventory as compared to books records which has been properly dealt with in the books of account were not material.

3. The company has not granted any loans, secured or unsecured to companies, firms limited liability partnership or other parties covered in the register maintained under section 189 of the act.

4. In our opinion and according to the information and explanation given to us, the company has complied with the provisions of section 185 and 186 of the Companies Act, 2013 in respect of loans, investments, guarantees and security.

5. The company has not accepted any deposits from the public and hence the directives issued by the Reserve bank of India and the provisions of section 73 to 76 or any other relevant provisions of the Act and the Companies (Acceptance of Deposit) Rules, 2015 with regards to the deposits accepted from the public are not applicable.

6. We have broadly reviewed the cost records maintained by the company pursuant to the Companies (Cost records ad audit) Rules, 2014 as amended and prescribed by the central government under subsection (1) of Section 148 of the Companies Act, 2013, are of the opinion that prima facie the prescribed cost records have been made and maintained. We have, however, not made a detailed examination of the cost records with a view to determine whether they are accurate or complete.

7. (a) According to information and explanations given to us and on the basis of our examination of the books of account, and records, the company has been generally regular in depositing undisputed statutory dues including provident fund, employees state insurance, income tax, sales tax, service tax duty of custom, duty of excise , value added tax, cess and any other statutory dues with the appropriate authorities. According to the information and explanation given to us, no undisputed amounts payable in respect of the above where in arrears as at March 31st, 2016 for the period of more than six months from the date on when they become payable.

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

Name of the statute	Nature of dues	Amount (Rs. Lakhs)	Period covered	Forum where dispute is pending
Income tax act, 1961	Tax deducted at source	Rs.11.12	FY 2012-13 AY 2013-14	The Commissioner of Income Tax(TDS)

8) In our opinion and according to the information and explanations given to us, the company has not defaulted in the repayment of dues to banks, the company has not taken any loans either from financial institutions or from the government and has not issued any debentures during the year.

9) The company did not raise any money by way of initial public offer or further public offer (including debt instruments) and term loans during the year. Accordingly, paragraph 3(ix) of the order is not applicable.

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

11) Based upon the audit procedures performed and the information and explanations given by the management, the managerial remuneration has been paid or provided in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Companies Act:

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

13) In our opinion, all transactions with the related parties are in compliance with section 177 and 188 of companies act, 2013 and the details have been disclosed in the financial statements as required by the applicable accounting standards.

14) According to the information and explanation given to us and based on our examination of the records of the company, the company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year.

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

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

For JDNG & Associates
Chartered Accountants
Firm's Registration No: 104315W

sd/-
Jayesh Rawal
Partner
Membership No: 104738

Place: Mumbai
Date: 28th May, 2016

Annexure B to the independent auditor's report of even date on the standalone financial statements of Ashapura Intimates Fashion Limited

Report on the internal financial controls under clause (i) of sub-section 3 of section 143 of the companies act, 2013 ("the Act")

We have audited the internal financial controls over financial reporting of Ashapura Intimates Fashion Limited ("the company") as of march 31st, 2016 in conjunction with our audit of the standalone financial statements of the company for the year ended on that date.

Management's Responsibility for internal financial controls

The Company's management is responsible for establishing and maintaining internal financial controls. These responsibilities include the design, implementation and maintenance of adequate internal financial that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under companies act, 2013.

Auditors' Responsibility

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

Our audit involves performing procedures to obtain audit evidence about the adequacy of internal financial control system over financial reporting and their operating effectiveness. Our audit of financial control system over financial reporting included obtaining understanding of financial control system over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the company's internal financial control system over financial reporting.

Meaning of financial control system over financial reporting

A company's financial control system over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purpose in accordance with generally accepted accounting principles. A company's internal financial control system over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail,

accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal financial control system over financial reporting

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

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial control system over financial reporting and such internal financial control system over financial reporting were operating effectively as at March 31st, 2016.

For JDNG & Associates
Chartered Accountants
Firm's Registration No: 104315W

sd/-
Jayesh Rawal
Partner
Membership No: 104738

Place: Mumbai
Date: 28th May, 2016

Standalone Statement of Assets and Liabilities

As At 31st March 2016

Rs in Lakhs

Particulars	Note No	As at 31 st March, 2016	As at 31 st March, 2015
I. EQUITY AND LIABILITIES			
(1) Shareholder's Funds			
(a) Share Capital	1	1,946.72	1,946.72
(b) Reserves and Surplus	2	4,207.48	2,973.30
(c) Money Received against Share Warrants	3	406.25	-
(2) Non-Current Liabilities			
(a) Long-term borrowings	4	781.63	910.48
(b) Other Long term liabilities	5	568.14	238.85
(3) Current Liabilities			
(a) Short-term borrowings	6	2,335.75	5,009.93
(b) Trade payables	7	856.56	3,239.30
(c) Other current liabilities	8	117.82	238.84
(d) Short-term provisions	9	828.88	1,244.86
Total		12,049.23	15,802.28
II. Assets			
(1) Non-current assets			
(a) Fixed assets			
(i) Tangible assets	10	1,178.96	1,030.06
(ii) Capital work-in-progress		-	20.36
(b) Non-Current Investment	11	177.97	177.97
(c) Deffered Tax Asset(Net)		44.23	29.70
(2) Current assets			
(a) Inventories	12	4,709.19	6,867.35
(b) Trade receivables	13	4,397.21	6,369.44
(c) Cash and cash equivalents	14	20.20	286.61
(d) Short-term loans and advances	15	587.96	104.32
(e) Other current assets	16	933.49	916.47
Total		12,049.23	15,802.28

AS PER OUR REPORT OF EVEN DATE

FOR:JDNG & ASSOCIATES

(CHARTERED ACCOUNTANTS)
REGISTRATION NO.: -104315W

sd/-

(CA JAYESH S. RAWAL)
PARTNER
M.NO.104738
PLACE : MUMBAI
DATED : 28th May, 2016

FOR ASHAPURA INTIMATES FASHION LTD.

sd/-

Harshad Thakkar
DIN : 01869173
Chairman and Managing Director

sd/-

Mohit Shah
Chief Financial Officer

sd/-

Manisha Pareek
Company Secretary

Profit and Loss account for the year ended 31st March, 2016

Rs in Lakhs

Particulars	Note No	As at 31 st March, 2016	As at 31 st March, 2015
I. Revenue from operations	17	18,596.79	17,744.22
II. Other Income	18	151.59	156.49
III. Total Revenue (I + II)		18,748.38	17,900.71
IV. Expenses:			
Cost of materials consumed	19	12,264.36	15,841.09
Changes in inventories of finished goods, work-in-progress and Stock-in-Trade	20	1,724.56	(1,656.20)
Employee benefit expense	21	489.56	361.85
Financial costs	22	591.09	768.95
Depreciation and amortization expense	23	224.72	141.71
Other expenses	24	1,585.71	863.74
Total Expenses		16,880.00	16,321.13
V. Profit before exceptional and extraordinary items and tax	(III - IV)	1,868.38	1,579.58
VI. Exceptional Items		-	-
VII. Profit before extraordinary items and tax	(V - VI)	1,868.38	1,579.58
VIII. Extraordinary Items		-	-
IX. Profit before tax	(VII - VIII)	1,868.38	1,579.58
X. Tax expense:			
(1) Current tax		800.00	600.00
(2) Deferred tax		(14.53)	(2.36)
(3) Short/Excess Provision of Previous Year		(155.34)	114.91
XI. Profit(Loss) for the period from continuing operations		1,238.25	867.03
XII. Profit/(Loss) from discontinuing operations		-	-
XIII. Tax expense of discounting operations		-	-
XIV. Profit/(Loss) from Discontinuing operations	(XII - XIII)	-	-
XV. Profit/(Loss) for the period	(XI + XIV)	1,238.25	867.03
XVI. Earning per equity share:			
(1) Basic		6.36	4.45
(2) Diluted		6.27	4.45

AS PER OUR REPORT OF EVEN DATE

FOR:JDNG & ASSOCIATES

(CHARTERED ACCOUNTANTS)
REGISTRATION NO.: -104315Wsd/-
(CA JAYESH S. RAWAL)
PARTNER
M.NO.104738
PLACE : MUMBAI
DATED : 28th May, 2016

FOR ASHAPURA INTIMATES FASHION LTD.

sd/-
Harshad Thakkar
DIN : 01869173
Chairman and Managing Directorsd/-
Mohit Shah
Chief Financial Officersd/-
Manisha Pareek
Company Secretary

Cash Flow Statement for the year ending 31st March, 2016

Rs in Lakhs

Particulars	As at 31 st March, 2016	As at 31 st March, 2015
A. CASH FLOW FROM OPERATING ACTIVITIES		
Net Profit before taxation and extraordinary items:	1,868.38	1,579.58
Adjustments for:		
Depreciation	224.72	141.71
Finance Charges	578.29	768.95
Interest Received	(33.84)	(8.72)
Dividend Received	(21.68)	(14.24)
Rent Received	(21.01)	(26.43)
Profit on Sale of Assets	(0.39)	-
Provision for CSR	28.88	-
Cash generated from operations before Working Capital Changes	2,623.35	2,440.84
Adjustments for:		
Changes in Trade and Other Receivables	3,280.31	(3,505.35)
Changes in Trade and Other Payables	(1,979.80)	1,224.74
Cash generated from/(used in) Operations	3,923.86	160.24
Income Taxes paid (net)	(700.26)	(322.66)
Net Cash Flow from /(used in) Operating Activities	3,223.60	(162.43)
B. CASH FLOW FROM/ (USED IN) INVESTING ACTIVITIES		
Purchase of Fixed Assets	(362.43)	(260.78)
Investment in Shares of Subsidiary	-	(18.72)
Sale of Fixed Assets	5.49	-
Interest Received	33.84	8.72
Dividend Received	21.68	14.24
Rent Received	21.01	26.43
Net Cash from / (used in) Investing Activities	(280.41)	(230.11)
C. CASH FLOW FROM/ (USED IN) FINANCING ACTIVITIES		
Proceeds from Issue of Shares/Share Application Money.	406.25	-
Proceeds/(Repayment) from/of Short Term borrowings (net)	(2,674.18)	268.49
Proceeds/(Repayment) from/of Long Term Borrowings (net)	(128.84)	(10.13)
Dividend Paid	(234.53)	(170.81)
Finance Charges Paid	(578.29)	(768.95)
Net Cash from / (used in) Financing Activities	(3,209.59)	(681.40)

Rs in Lakhs

Particulars	As at 31 st March, 2016	As at 31 st March, 2015
Net increase / (decrease) in Cash and Cash Equivalents	(266.40)	(1,073.94)
Cash and Cash Equivalents at the beginning of the year	286.61	1,360.55
Cash and Cash Equivalents at the end of the year	20.20	286.61
Components of cash and cash equivalent		
- Cash and cheques on hand	18.81	37.53
- With banks		
- On current account	1.20	249.07
- On deposit account unrestricted	0.20	-

AS PER OUR REPORT OF EVEN DATE

FOR:JDNG & ASSOCIATES

(CHARTERED ACCOUNTANTS)
REGISTRATION NO.:-104315W

sd/-

(CA JAYESH S. RAWAL)

PARTNER

M.NO.104738

PLACE : MUMBAI

DATED : 28th May, 2016

FOR ASHAPURA INTIMATES FASHION LTD.

sd/-

Harshad Thakkar

DIN : 01869173

Chairman and Managing Director

sd/-

Mohit Shah

Chief Financial Officer

sd/-

Manisha Pareek

Company Secretary

Notes Forming Part Of Standalone Balance Sheet And Profit & Loss Account For The Year Ended 31st March, 2016

Note: 1 Share Capital

Rs in Lakhs

Particulars	As at 31 st March, 2016	As at 31 st March, 2015
AUTHORISED SHARE CAPITAL		
2,30,00,000 Equity Shares Of Rs. 10/- each	2,300.00	2,300.00
(Previous Year - 2,30,00,000 Equity Shares Of Rs. 10/- each)		
ISSUED, SUBSCRIBED & PAID UP CAPITAL	1,946.72	1,946.72
1,94,67,240 Equity Shares of Rs. 10/- fully paid		
(Previous Year - 1,94,67,240 Equity Shares of Rs. 10/- fully paid)		
Total	1,946.72	1,946.72

1.1 The Company has only one class of shares having par value of Rs.10/- per share

1.2 Details of Number of Shares during the year :-

Rs. in Lakhs

Particulars	Opening Balance	Changes during the year	Closing Balance
Balance as on 01/04/15	1946.72	-	1,946.72
Fresh Issue	-	-	-
Bonus Issue	-	-	-
Total	1,946.72	-	1946.72

1.3 Details of Shares held by each shareholder holding more the 5% shares

Rs in Lakhs

Name of Share Holder	As at 31 st March,2016		As at 31 st March,2015	
	No.of Shares held(FV Rs.10)	% holding in that class of shares	No.of Shares held(FV Rs.10)	% holding in that class of shares
Harshad Thakkar	1,13,18,440	58.14%	1,13,18,440	58.14%

Note : 2 Reserves & Surplus

Rs in Lakhs

Particulars	As at 31 st March, 2016	As at 31 st March, 2015
<u>Share Premium Account</u>		
Opening Balance	1,575.00	1,575.00
Additions During the year	-	-
Less: Transfer to Share Capital	-	-

Note : 2 Reserves & Surplus

Rs in Lakhs

Particulars	As at 31 st March, 2016	As at 31 st March, 2016
Total (A)	1,575.00	1,575.00
<u>Profit and loss account</u>	-	-
Opening Balance	1,398.30	765.80
Additions During the year	1,238.25	867.03
Less: Appropriations		
Proposed Dividend	-	194.67
Dividend Distribution Tax	-	39.86
Assets Written Off as Per Schedule II	4.07	-
Total (B)	2,632.48	1,398.30
Total (A) + (B)	4,207.48	2,973.30

Note : 3 Money Received against Share Warrants

Rs in Lakhs

Particulars	As at 31 st March, 2016	As at 31 st March, 2015
Money Received against Share Warrants	406.25	-
Total	406.25	-

Note : 4 Long Term Borrowings

Rs in Lakhs

Particulars	As at 31 st March, 2016	As at 31 st March, 2015
Secured		
Car Loan from bank (Secured against Motor Car)	46.97	57.59
From Financial Institution (Secured against hypothecation of movable assets & personal guarantee of Directors & their relatives)	734.66	852.89
Total	781.63	910.48

Note : 5 Other Long Term Liabilities

Rs in Lakhs

Particulars	As at 31 st March, 2016	As at 31 st March, 2015
Dealer Deposits	441.63	238.85
Franchise Security Deposit	126.51	-
Total	568.14	238.85

Note : 6 Short Term Borrowings

Rs in Lakhs

Particulars	As at 31 st March, 2016	As at 31 st March, 2015
<u>From Banks</u>		
Cash Credit Account (Secured against Stock & Book Debts. Equitable mortgage of Factory Premises, Residential Premises of Directors, Office Premises, Plant & Machinery & Personally guarantee by Directors.)	835.75	3,457.30
Loan from Bank (Secured against Stocks and Book Debts & personal guarantee of Directors)	1,500.00	1,500.00
Total (A)	2,335.75	4,957.30
Unsecured		
Loans from Bank and Financial Institutions (B)	-	52.63
(A) + (B)	2,335.75	5,009.93

Note : 7 Trade Payables

Rs in Lakhs

Particulars	As at 31 st March, 2016	As at 31 st March, 2015
Sundry Creditors	822.30	3,183.40
Sundry Creditors for Capital Goods	34.26	55.90
Total	856.56	3,239.30

As explained to us, there are no dues to Small & Micro Scale Enterprises, exceeding 30 days.

Note : 8 Other Current Liabilities

Rs in Lakhs

Particulars	As at 31 st March, 2016	As at 31 st March, 2015
Expenses Payable	66.98	44.17
Proposed Dividend	-	194.67
Advance From Debtors	47.57	-
Other Advances	3	-
Total	117.82	238.84

Note : 9 Short Term Provisions

Rs in Lakhs

Particulars	As at 31 st March, 2016	As at 31 st March, 2015
Provision for Taxation	800.00	1,244.86
Provision for CSR Expenditure	28.88	-
Total	828.88	1,244.86

Notes : 10 Tangible Assets:-

Fixed Assets

PARTICULARS	GROSS BLOCK			DEPRECIATION			NET BLOCK			
	As On 01.04.2015	Additions	Deductions	As On 31.03.2016	As On 01.04.2015	For the period	Deductions	W/OFF	As On 31.03.2016	As On 01.04.2015
Factory Premises	89,150,130	5,188,614	-	94,338,744	24,421,835	6,441,544	-	-	30,863,379	64,728,295
Plant & Machinery, Factory Equipment, Electrical Fitting etc	13,561,457	2,700,251	1,041,611	15,220,097	5,574,843	1,845,184	552,183	-	6,867,844	7,986,613
Office Equipments	3,866,792	2,203,412	838,168	5,232,036	1,131,130	1,687,403	516,437	321,731	2,302,096	2,735,661
Furniture & Fixtures	18,980,477	20,421,404	55,191	39,346,690	5,588,146	5,334,898	34,580	-	10,888,464	13,392,331
Computer & Printers	6,994,770	4,153,596	1,640,475	9,507,891	2,814,766	3,895,305	1,555,352	85,123	5,154,719	4,180,004
Motor Car	10,116,109	-	-	10,116,109	4,797,358	1,661,046	-	-	6,458,404	5,318,751
Garment Rack	7,422,872	3,612,018	-	11,034,890	2,758,459	1,606,673	-	-	4,365,132	4,664,413
TOTAL	150,092,606	38,279,295	3,575,445	184,796,456	47,086,538	22,472,053	2,658,552	406,854	66,900,039	103,006,068
Previous Year	150,092,606	26,342,320	-	150,092,606	32,915,664	14,170,874	-	-	47,086,538	90,834,622

Note : 11 Non-Current Investments

Rs in Lakhs

Particulars	As at 31 st March, 2016	As at 31 st March, 2015
Investment in Equity instruments		
28,90,500 shares of Rs. 10 each fully paid up in Momai Apparels Ltd	177.97	177.97
Total	177.97	177.97

11.1 The market value of the shares as at 31st March, 2016 is Rs 88 per share ; total market value of the investment is Rs 254.36 Lakhs as on balance sheet date

Note : 12 Inventories

Rs in Lakhs

Particulars	As at 31 st March, 2016	As at 31 st March, 2015
(Accepted As Certified By The Management)		
Raw Material & Accessories	83.92	517.52
Finished Goods	4,625.28	6,349.83
Total	4,709.19	6,867.35

12.1 The Raw Materials, Accessories and Semi-finished goods are valued at cost & the finished goods are valued at cost or Net Realisable Value whichever is lower.

Note : 13 Trade Receivables

Rs in Lakhs

Particulars	As at 31 st March, 2016	As at 31 st March, 2015
Sundry Debtors (Unsecured, Considered Good)		
<u>Outstanding</u>		
More than Six Months	782.47	280.00
Other Debts	3,614.74	6,089.44
Total	4,397.21	6,369.44

Note : 14 Cash & Cash Equivalents

Rs in Lakhs

Particulars	As at 31 st March, 2016	As at 31 st March, 2015
Cash on hand	18.81	37.53
Bank Balance with Scheduled Banks in Current A/c	1.20	249.07
Bank Balance with Scheduled Banks in Fixed Deposit	0.20	-
Total	20.20	286.61

Cash in hand is accepted as per books of accounts.

Note : 15 Short Term Loans & Advances

Rs in Lakhs

Particulars	As at 31 st March, 2016	As at 31 st March, 2015
Loan & Advances		

Rs in Lakhs

Particulars	As at 31 st March, 2016	As at 31 st March, 2015
(Unsecured, Considered Good)		
Advance recoverable in cash or in kind of value to be received	587.96	104.32
Total	587.96	104.32

Note : 16 Other current Assets

Rs in Lakhs

Particulars	As at 31 st March, 2016	As at 31 st March, 2015
Advance recoverable in cash or in kind of value to be received	933.49	916.47
Total	933.49	916.47

Note : 17 Revenue from Operations

Rs in Lakhs

Particulars	As at 31 st March, 2016	As at 31 st March, 2015
<u>Sales less returns</u>		
Domestic Sales	17,877.63	16,594.16
Export Sales	719.16	1,150.06
Total	18,596.79	17,744.22

Transactions denominated in foreign currency are recorded at the rate of exchange prevailing on the date of realization.

Note : 18 Other Income

Rs in Lakhs

Particulars	As at 31 st March, 2016	As at 31 st March, 2015
Duty Drawback Received	63.44	88.66
Interest Received	33.84	8.72
Rent Received	21.01	26.43
Miscellaneous Income	-	0.12
Vat Refund	11.22	8.32
Dividend Received	21.68	14.24
Royalty Fees Received	-	10.00
Profit From Sale of Assets	0.39	-
Total	151.59	156.49

Duty Drawback are recognised on the basis of claims made by the company.

Note : 19 Cost of Materials Consumed

Rs in Lakhs

Particulars	As at 31 st March, 2016	As at 31 st March, 2015
Opening Stock	517.52	1,259.93
Add : Purchases During the year	11,242.38	14,639.04
Packing Materials & Consumables	171.40	211.45
Labour Charges	133.76	7.35
Sales Tax on Purchase / Expenses	283.23	240.84
Total	12,348.28	16,358.61
Less : Closing Stock	83.92	517.52
Cost of Materials Consumed Total	12,264.36	15,841.09

Note : 20 Changes in inventories of finished goods, work-in-progress and Stock-in-Trade

Rs in Lakhs

Particulars	As at 31 st March, 2016	As at 31 st March, 2015
Opening Stock		
Finished Goods	6,349.83	4,092.94
Semi Finished Goods	-	600.69
(A)	6,349.83	4,693.63
Less : Closing Stock		
Finished Goods	4,625.28	6,349.83
Semi Finished Goods	-	-
(B)	4,625.28	6,349.83
Total	(A) - (B) 1,724.56	(1,656.20)

Note : 21 Employee Benefit Expenses

Rs in Lakhs

Particulars	As at 31 st March, 2016	As at 31 st March, 2015
Staff Welfare Expenses	62.06	61.12
Wages & Salaries Paid	371.07	245.64
Directors Remuneration	54.00	54.00
Director Sitting Fees	2.43	1.09
Total	489.56	361.85

Note : 22 Financial Costs

Rs in Lakhs

Particulars	As at 31 st March, 2016	As at 31 st March, 2015
Bank Interest	402.13	569.10
Interest on Loan	163.46	151.54
Bank Charges	3.88	28.62
Interest on Secutiry Deposit	21.63	19.70
Total	591.09	768.95

Note : 23 Depreciation & Amortization Expenses

Rs in Lakhs

Particulars	As at 31 st March, 2016	As at 31 st March, 2015
Depreciation	224.72	141.71
Total	224.72	141.71

Note : 24 Other expenses

Rs in Lakhs

Particulars	As at 31 st March, 2016	As at 31 st March, 2015
Audit Fees	9.71	7.87
Advertisement & Sales Promotion Expenses	277.54	138.59
Commission Paid	45.61	32.82
Electricity Charges	44.74	15.07
Insurance Charges	8.08	12.10
Legal and Professional Charges	79.28	70.22
Power & Fuel Expenses	8.12	14.78
Printing & Stationary	24.81	20.84
Rent Paid	240.37	57.36
Repairs & Maintainace	33.26	61.07
Security Charges	17.15	11.28
Telephone Expenses	20.66	12.61
Tour & Traveling Expenses	105.69	87.14
Transport Charges	121.11	94.27
Vat and CST Paid	107.01	-
Foreign Exchange Fluctuation Difference	46.43	(18.04)
Provision for CSR Expenditure	28.88	-
Miscellaneous Expenses	367.26	245.75
Total	1,585.71	863.74

AS PER OUR REPORT OF EVEN DATE
FOR:JDNG & ASSOCIATES
(CHARTERED ACCOUNTANTS)
REGISTRATION NO.: -104315W

sd/-
(CA JAYESH S. RAWAL) - PARTNER
M.NO.104738
PLACE : MUMBAI
DATED : 28th May, 2016

FOR ASHAPURA INTIMATES FASHION LTD.

sd/-
Harshad Thakkar
DIN : 01869173
Chairman and Managing Director

sd/-
Mohit Shah
Chief Financial Officer

sd/-
Manisha Pareek
Company Secretary

ASHAPURA INTIMATES FASHION LIMITED

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS

I. CORPORATE INFORMATION

Ashapura Intimates Fashion Limited (formerly known as Ashapura Apparels Private Ltd) is Limited Company incorporated under the Provisions of Companies Act, 1956. The Company is engaged in the Manufacturing, Marketing, Designing & Exporting of all kinds of Intimate wears. The company's registered office is in Mumbai

II. SIGNIFICANT ACCOUNTING POLICIES:

(A) BASIS OF PREPARATION

The Financial statements are prepared under the historical cost convention, on the accrual basis of accounting in accordance with applicable mandatory accounting standards notified under the Companies (Accounting Standard) Rules, 2006 (as amended) and relevant presentational requirements of the Companies Act, 2013. The accounting policies adopted in the preparation of financial statements are consistent with those of previous years.

(B) USE OF ESTIMATES

The preparation of financial statements requires management to make estimates and assumptions that affect the reported amount of assets and liabilities and disclosure of contingent liabilities on the date of financial statements and reported amount of revenues and expenses for the year. Actual results could differ from these estimates. Difference between the actual result and estimates are recognized in the period in which the results are known/ materialized. Any revision to an accounting estimate is recognized prospectively in the year of revision.

(C) REVENUE RECOGNITION

Revenue from sale of goods is recognised when all the significant risks and rewards of ownership in the goods are transferred to the buyer as per the terms of the

contract, the company retains no effective control of the goods transferred to a degree usually associated with ownership and no significant uncertainty exists regarding the amount of the consideration that will be derived from the sale of goods. Sales are recognised net of trade discounts, rebates and sales taxes.

Interest on investments is recognised on a time proportion basis taking into account the amounts invested and the rate of interest. Dividend income on investments is recognised when the right to receive dividend is established.

(D) DEPRECIATION

Depreciation is provided on the written down value method over the useful life of the assets as specified in Schedule II of the Companies Act, 2013. Depreciation is charged on a pro-rata basis from / up to the date of acquisition /sale or disposal.

(E) TAXATION

Income Tax expense comprises current tax and deferred tax charge credit. Current tax is provided on the taxable income by applying the applicable tax rates and tax laws. The deferred tax for timing difference between the book and tax profit for the year is accounted using tax rates and tax laws that have been enacted the Balance Sheet date. Deferred tax asset arising from the timing are recognized to the extent that there is reasonable certainty that sufficient future taxable income will be available.

(F) PROVISION, CONTINGENT LIABILITIES AND CONTINGENT ASSETS

Provisions involving substantial degree of estimation in measurement are recognized when there is a present obligation as a result of past events and it is probable that there will be an outflow of resources. Contingent liabilities are not recognized in the books

of accounts and disclosed as notes to accounts. Contingent assets are neither recognized nor disclosed in the financial statements.

(G) IMPAIRMENT OF ASSETS

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

(H) INVENTORIES

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

(I) RETIREMENT BENEFITS

Liability for employee benefits, both short and long term, for present and past services which are due as per terms of employment are recorded in accordance with Accounting Standard (AS) 15 "Employee Benefits" as notified under the Companies (Accounting Standard) Rules, 2006 (as amended).

a) Gratuity and Retirement Benefits

The management is of the opinion that since none of the employees of the Company were in continuous service for more than five years and accordingly making provision of the gratuity does not arise. However, if payment on account of gratuity arises due to happening of any incidents as provided under the applicable provisions of the law, the same will be accounted for on cash basis.

b) Provident Fund & Pension

Retirement benefit in the form of provident fund is as defined contribution scheme. The contributions to the provident fund are charged to the statement of profit and loss for the year when the contributions are due.

The company has no obligation, other than the contribution payable to the provident fund.

(J) SEGMENT REPORTING

Identification of segments

The company's operating businesses are organized and managed separately according to the nature of products and services provided, with each segment representing a strategic business unit that offers different products and serves different markets. The analysis of geographical segments is based on the areas in which major operating divisions of the company operate.

Allocation of common costs

Common allocable costs are allocated to each segment according to the relative contribution of each segment to the total common costs.

Unallocated items

Unallocated items include general corporate income and expense items which are not allocated to any business segment.

Segment accounting policies

The company prepares its segment information in conformity with the accounting policies adopted for preparing and presenting the financial statements of the company as a whole.

(K) EARNING PER SHARE

The Company reports basic and diluted earnings per equity share in accordance with (AS) 20, Earnings per share notified under the Companies (Accounting Standard) Rules, 2006 (as amended). Basic earnings per share have been computed by dividing net income by the weighted average number of equity Shares outstanding for the period. Diluted earnings per equity shares have been computed using the weighted average number of equity shares and dilutive potential equity shares outstanding during the period.

(L) DEFERED REVENUE EXPENDITURE

The expenditure towards advertisement & marketing expenses for which the benefit of the same will arise in future are written off over a period of three years.

III. NOTES TO ACCOUNTS:

1. SEGMENT REPORTING

Primary Segment Information

The primary segment reporting format is determined to be business segments as the company's risks and rates of return are affected predominantly by differences in the products and services produced. The Company solely deals in business segment of lounge wear. The entire operations are governed by the same set of risks and returns and hence, have been considered as representing a single primary segment.

Rs.in lakhs

Particulars	Year ended 31 st March, 2016	Year ended 31 st March, 2015
<u>Revenue by geographical market</u>		
Domestic	17,877.63	16,594.16
Export	719.16	1,150.06
Unallocated	151.59	156.49
Total Revenue	18,748.38	17,900.71
<u>Carrying amount of Segment assets</u>		
Domestic	4182.32	5,855.78
Export	214.89	513.66
Unallocated	7652.02	9,432.84
Total assets	12,049.23	15,802.28
Tangible assets (Addition During the year)	382.79	263.42

Secondary Segment information

Secondary information is reported geographically. The Company has identified two segments "Domestic

Segment" and "Export Segment". Domestic Segment represents sale of lounge wear in the Indian Markets and Export Segment represents sale of lounge wear globally except India.

2. FOREIGN CURRENCY TRANSACTIONS AND BALANCES

i. Initial recognition

Foreign currency transactions are recorded in the reporting currency, by applying to the foreign currency amount the exchange rate between the reporting currency and the foreign currency at the date of the transaction.

ii. Conversion

Foreign currency monetary items are retranslated using the exchange rate prevailing at the reporting date. Non-monetary items, which are measured in terms of historical cost denominated in a foreign currency, are reported using the exchange rate at the date of the transaction. Non-monetary items, which are measured at fair value or other similar valuation denominated in a foreign currency, are translated using the exchange rate at the date when such value was determined.

iii. Exchange differences

The company accounts for exchange differences arising on translation/ settlement of foreign currency monetary items as below:

1. Exchange differences arising on a monetary item that, in substance, forms part of the company's net investment in a non-integral foreign operation is accumulated in the foreign currency translation reserve until the disposal of the net investment. On the disposal of such net investment, the cumulative amount of the exchange differences which have been deferred and which relate to that investment is recognized as income or as expenses in the same period in which the gain or loss on disposal is recognized.

2. Exchange differences arising on long-term foreign currency monetary items related to acquisition of a

fixed asset are capitalized and depreciated over the remaining useful life of the asset. For this purpose, the company treats a foreign monetary item as "long-term foreign currency monetary item", if it has a term of 12 months or more at the date of its origination.

3. Exchange differences arising on other long-term foreign currency monetary items are accumulated in the "Foreign Currency Monetary Item Translation Difference Account" and amortized over the remaining life of the concerned monetary item.

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

3. UNHEDGED FOREIGN CURRENCY RESERVES

Particulars of unhedged foreign currency exposure as at the reporting date:

Particulars	Year ended 31 st March, 2016	Year ended 31 st March, 2015
Export trade receivable (INR in lakhs)	214.89	515.04

4. DUES TO MICRO, SMALL AND MEDIUM ENTERPRISES:

The Classification of the suppliers under micro, small and medium enterprises Development Act 2006 is made on the basis of information made available to the company. No principal amount or interest amount remains unpaid to such Micro and Small enterprises as on March 31, 2016. Also, the company has not paid any interest in terms of section 16 of the above mentioned act or otherwise.

5. RELATED PARTY DISCLOSURE

(A) Related parties with whom transactions have taken place during the year are as follows:

Particulars	Year ended 31 st March, 2016
Harshad H. Thakkar	Director
Hitesh S. Punjani	Director
Dinesh C. Sodha	Director
Momai Apparels Limited	Subsidiary

B) Transactions with Related Parties:

Particulars	Amount	Rs.in lakhs
Mr. Harshad H. Thakkar	Director's remuneration	36.00
Mr. Harshad H. Thakkar	Rent paid	30.24
Mr. Dinesh C. Sodha	Director's remuneration	12.00
Mr. Dinesh C. Sodha	Rent paid	2.59
Mr. Hitesh Punjani	Director's remuneration	6.00
Momai Apparels Limited	Purchases	7461.68
Momai Apparels Limited	Rent Received	23.91

6. Additional information required pursuant to paragraphs 3, 4C & 4D of part II of Schedule III of the Companies Act, 1956.

Rs.in lakhs

Particulars	Year ended 31 st March, 2016	Year ended 31 st March, 2015
Consumption of Raw Materials	11,675.98	15,381.46
Consumable, Tools and Components	171.40	211.45
Earnings in Foreign Exchange	719.16	1150

7. PAYMENT TO DIRECTORS

Rs.in lakhs

Particulars	Year ended 31 st March, 2016	Year ended 31 st March, 2015
Director Remuneration	54.00	54.00

8. AUDITOR'S REMUNERATION

Rs.in lakhs

Particulars	Year ended 31 st March, 2016	Year ended 31 st March, 2015
Audit Fees	9.71	7.87

- Figures are inclusive of Service Tax

9. CONTINGENT LIABILITIES

Rs.in lakhs

Particulars	Year ended 31 st March, 2016	Year ended 31 st March, 2015
Guarantees given by Company on behalf of Subsidiary Company	3250.00	200

10. STATEMENT PURSUANT TO SECTION 212 OF COMPANIES ACT,1956, RELATING TO SUBSIDIARY COMPANIES

Sr No	Name of Subsidiary Company	Financial Year ended on	No. of Equity Shares held by Ashapura Intimates Fashion Limited as on 31 st March,2016	Extent of Interest of Ashapura Intimates Fashion Limited as on 31 st March,2016	Net Profits of Subsidiary for year ended 31 st March, 2016.
1.	Momai Apparels Limited	31/03/16	28,90,500 shares of Rs. 10 each fully paid	20.03 %	Rs 312.18 Lakhs

The Company's stake in Momai Apparels Limited amounts to 20.03%, and the control of the concern continues to be with Ashapura Intimates Fashion Limited

AS PER OUR REPORT OF EVEN DATE

FOR:JDNG & ASSOCIATES

(CHARTERED ACCOUNTANTS)
REGISTRATION NO.: -104315W

sd/-
(CA JAYESH S. RAWAL)
PARTNER
M.NO.104738
PLACE : MUMBAI
DATED : 28th May, 2016

FOR ASHAPURA INTIMATES FASHION LTD.

sd/-
Harshad Thakkar
DIN : 01869173
Chairman and Managing Director

sd/-
Mohit Shah
Chief Financial Officer

sd/-
Manisha Pareek
Company Secretary

Consolidated Financials

Independent Auditors Report on consolidated financial statement

TO,
THE SHAREHOLDERS OF
ASHAPURA INTIMATES FASHION LIMITED
MUMBAI.

We have audited the accompanying consolidated financial statements of M/S. ASHAPURA INTIMATES FASHION LIMITED as on 31st March, 2016 (the Company) & its subsidiary (the company and its subsidiary constitute the "Group"), which comprise the Consolidated Balance Sheet as at March 31, 2016, the Statement of Consolidated Profit and Loss and Consolidated Cash Flow Statement for the year ended and other explanatory information.

Management's Responsibility for the Financial Statements

The Holding Company's Management is responsible for the preparation of these financial statements that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows of the Group in accordance with the accounting principles generally accepted in India. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that give true and fair view and are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these 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. The 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 misstatements.

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

We believe that the audit evidences we have obtained are 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, the aforesaid financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:

- (a) In the case of the Consolidated Balance Sheet, of the state of affairs of the Group as at March 31, 2016;
- (b) In the case of the Consolidated Statement of Profit and Loss, of the profit of the Group for the year ended on that date; and
- (c) In the case of the Consolidated Cash Flow Statement, of the cash flows of the Group for the year ended on that date.

Report on Other Legal and Regulatory Requirements

As required by section 143 (3) of the Act, we report to the extent possible 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 of the aforesaid consolidated financial statements
- b) In our opinion proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books and the reports of the other auditors
- c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss and the Consolidated Cash Flow Statement dealt with by this Report are in agreement with the books of account maintained for the purpose of preparation of the consolidated financial statements
- d) In our opinion, the aforesaid consolidated financial statements comply with the Accounting Standards specified under section 133 of the Act
- e) On the basis of written representations received from the directors of the Holding Company as on March 31, 2016 taken on record by the Board of Directors of the holding company and the reports of the statutory auditors of its subsidiary company, none of the directors is disqualified as on March 31, 2016 from being appointed as a director in terms of Section 164 (2) of the Act.
- f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure A". which is based on the auditors reports of the Holding company and the subsidiary company
- g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us: the Company and its subsidiary does not have any pending litigations which would impact its financial position.

We did not audit the financial statements / financial information of the subsidiary, the Financial Statements/financial information have been audited by other auditors whose reports have been furnished to us by the Management and our opinion, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries, is based solely on the Reports of the other auditors.

Our Report is not qualified in respect of this matter.

For JDNG & ASSOCIATES
CHARTERED ACCOUNTANTS
FRN: 104315W

sd/-
CA JAYESH S.RAWAL
PARTNER
Membership No: 104738

Place: MUMBAI
Date : 28th May, 2016

Annexure A to the Independent Auditor's Report of even date on the Consolidated Financial Statements of Ashapura Intimates Fashion Limited

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

In conjunction with our audit of the standalone financial statements of the Company as of and for the year ended March 31, 2016 and relying upon the report of the auditor of the subsidiary company for the said period, We have audited the internal financial controls over financial reporting of Ashapura Intimates Fashion Limited ("the Company") and its subsidiary as of that date.

Management's Responsibility for Internal Financial Controls

The respective Board of Directors of the Holding company and its subsidiary company are responsible for establishing and maintaining internal financial controls. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditors' Responsibility

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

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

We believe that the audit evidence obtained by us and the other auditor in terms of their report is sufficient and appropriate to provide a basis for our audit opinion on the Group's internal financial controls system over financial reporting.

Meaning of Internal Financial Controls over Financial Reporting

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

Inherent Limitations of Internal Financial Controls Over Financial Reporting

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

Opinion

In our opinion, to the best of our information and according to the explanations given to us and based on the consideration of report of other auditor, The Group companies have, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2016

Other Matter

Our aforesaid reports under section 143(3)(l) of the Act on the adequacy and operating effectiveness of the internal financial controls over financial reporting is so far as it relates to consolidated/standalone financial statements of its subsidiary company is based on the corresponding report of the auditor of such company.

For JDNG & ASSOCIATES
Chartered Accountants
Firm's registration number: 104315W

sd/-
CA JAYESH RAWAL
Partner
Membership number: 104738

PLACE : MUMBAI
DATE : 28th May, 2016