

IndusFila

From Design to Delivery

An Indus Mandhana Enterprise

SIXTEENTH ANNUAL REPORT

2014-15

Indus Fila Limited
CIN: L17121KA1999PLC025320

Board of Directors

Mr. Gerhard Bornemann	Chairman
Mr. Nitin N Mandhana	Vice Chairman & Managing Director
Mr Rajkumar Aggarwal	Independent Director
Mr Mr.Sandeep Choudhary	Independent Director

Compliance Officer

Nitin Mandhana

Auditors

Suri & Co, Bangalore

Registrar And Transfer Agents

Link Intime India Private Limited
C-13, Pannalal Silk Mills Compound,
L. B. S. Marg, Bhandup (W),
Mumbai – 400078

Registered Office

Survey No. 285, 37th KM Stone, Kasaba Hobli,
Nelamangala, Bangalore Rural District – 562 123

<p>16th Annual General Meeting on Wednesday, the 30th September, 2015 at 9 A.M. at the Registered office of the Company at No. 285, 37th KM Stone, T. Begur Village, Kasaba Hobli, Nelamangala, Bangalore Rural District – 562 123</p>

NOTICE OF ANNUAL GENERAL MEETING

Notice is hereby given that the 16th Annual General Meeting of the Members of INDUS FILA **LIMITED** will be held at the Registered office of the Company at 285 , 37th KM Stone, Tumkur Road, T. Begur , Nelamangala, Bangalore-562123 on Wednesday 30th September , 2015 at 9.00 am to transact the following business:

ORDINARY BUSINESS:

1. To receive, consider and adopt the audited financial statements of the Company for the financial year ended March 31, 2015 and the Reports of the Board of Directors and Auditors thereon.
2. To appoint a Director in place of Mr. Gerhard Bornemann, who retires by rotation and being eligible, offers himself for re-appointment.
3. To re-appointment of Auditors and to fix their remuneration.

**By Order of the Board of Directors
For Indus Fila Limited**

**NITIN N MANDHANA
Director**

**Place: Bangalore
Date : August 14, 2015**

NOTES:

1. Details under clause 49 of the listing agreement with the Stock Exchanges in respect of the Directors seeking appointment / re-appointment at the Annual General Meeting are furnished and forms part of the notice. The Directors have furnished the requisite consents / declarations for their appointment / reappointment.
2. A member entitled to attend and vote at the Annual General Meeting is entitled to appoint a proxy to attend and vote instead of himself and the proxy need not be a member of the Company. The instrument appointing the proxy, in order to be effective, must be deposited at the Registered Office of the Company, duly completed and signed, not less than forty eight hours before the commencement of the meeting. Proxies submitted on behalf of limited companies, societies etc, must be supported by appropriate resolutions/authority, as applicable.

A person can act as proxy on behalf of the members not exceeding fifty (50) and holding in the aggregate not more than ten percent of the total share capital of the Company. A member holding more than ten (10) percent of the total share capital of the Company may appoint a single person as proxy. However, then such proxy shall not act as a proxy for any other person or shareholder.

3. Register of Members and Share Transfer Books of the Company will remain closed from 26th day of September , 2015 to Wednesday 30th day of September , 2015 (both days inclusive).
4. Members holding shares in dematerialized form are requested to intimate to all changes pertaining to their bank detail, National Electronic Clearing Service (NECS), Electronic Clearing Service (ECS), Mandates, Nominations, Power of attorney, change of address, change of name, e-mail address, contact numbers etc, to their Depository Participant(DP), change intimated to the DP will be then automatically reflected in the Company's records which will help the Company and the Company Registrar and Transfer Agents, M/s. Link Intime India Private Limited. Members holding Shares in physical form are requested to communicate any change in address immediately to the Company's Registrar and Share Transfer agent M/s. Link Intime India Private Limited.
5. In case of Joint holders attending the meeting, The member whose name appears as the first holder in the order of name as per the register of members of the Company will be entitled to vote.
6. Any Member desirous of getting any information on the accounts operations of the Company is requested to forward his/her queries to the Company at least seven working days to the meeting, so that the required information can be made available at the meeting.

7. The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in securities market, Members holding shares in electronic form are, therefore, requested to submit the PAN to their Depository participants with whom they are maintaining their demat account(s). Members holding shares in physical form can submit their PAN details to the Registrar and Share Transfer Agent.
8. Copies of the Annual Report 2015, the Notice of the Annual General Meeting of the Company and instructions for e-voting, along with the Attendance Slip and Proxy form, are being sent by electronic mode only to all the members to the registered e-mail addresses of the shareholders. For members who have not registered their e-mail address, physical copy of the Annual Report 2015 are sent by permitted mode.
9. Members may also note that the Notice of the Annual General Meeting and the Annual Report 2015 will be available on the Company's website : www.indusfila.com. The physical copies of the aforesaid documents will also be available at the Company's registered office for inspection during normal business hours on working days. Members who require communication in physical form in addition to e-communication, or have any other queries, may write to the Company Secretary, Indus Fila Limited, Survey No. 284/285, 37th KM Stone, Kasaba Hobli, Nelamangala, Bangalore Rural District – 562 123

Annexure

Details of Directors seeking appointment and re-appointment at the Annual General Meeting in pursuance of clause 49 of the listing agreement.

Name	Mr. Gerhard Bornemann
Date of Birth	25.9.1939
Nationality	Graduate
DOA on the Board	11.4.2006
Relationship with other director	NA
Qualification	Graduate
Expertise in Area	Operations & Marketing
No. of Shares Held	Nil
List of Director-ship held in other Companies	Nil
Chairman/Member of the Committees of the board of other companies in which he is director	Nil

Report of the Board of Directors

Dear Shareholders,

Your Directors are pleased to present their 16th Annual Report on the business and operations of your Company together with Audited Statements of the Accounts for the financial year ended 31st March, 2015.

Corporate Overview

Indus Fila Limited is one of the most integrated companies in the industry, present across the value chain from fabric to garments. We have added capacities in every segment including yarn dyeing, weaving and processing.

The Company prepares its financial statements in compliance with the requirements of the Companies Act, 2013 and the Generally Accepted Accounting Principles (GAAP) in India. The estimates and judgments relating to the financial statements are made on prudent and reasonable basis so as to reflect in true and a fair manner the form and the substance of transactions and reasonably present your Company state of affairs, profit and cash flow for the year ended March 31, 2015.

Financial Performance

(Rs. in Lakhs)

PARTICULARS	2014 -15	2013 -14
TURNOVER	(3745.17)	(7736.11)
Profit/(Loss) before Interest, Depreciation & Tax	(5106.80)	(12332.20)
Less: Interest	4874.25	3670.09
Less : Depreciation	1349.48	664.10
Less : Tax	(40.08)	1134.26
Net Profit/(Loss) after taxation	(11290.45)	(17800.65)

Your Company has suffered huge loss during the year due to sluggish Market, Lack of overseas demand and non availability of additional finance for working capital. As a consequence the company became a sick company and it is registered with board for Industrial and Financial Restructuring.

Consolidated Accounts

In accordance with the requirements of Accounting Standard AS-21 prescribed by the Institute of Chartered Accountants of India, the Consolidated Accounts of the Company and its wholly owned subsidiary is annexed to this Report.

The Company will make available the audited annual accounts and related information of its subsidiaries, upon request by any of its shareholders. The annual accounts of the subsidiary company will also be kept for inspection, by any member at the registered office of the Company and its Subsidiary Company.

Dividend

In view of Continuous losses, The board does not recommend dividend.

Extract of Annual Return

The details forming part of the extract of the Annual Return in form MGT-9, as required under Section 92 (3) of the Companies Act, 2013 and Rule 12(1) of the Companies (Management & Administration) Rules, 2014, is included in this Report as set out in the Annexure to this report.

Number of Meeting of the Board

During the Financial Year 2014-15, 4 meetings of the Board were held, details of which are given in the Corporate Governance Report.

Board Evaluation

Pursuant to the provisions of the Companies Act, 2013 and Clause 49 of the Listing Agreement, the Board has evaluated its performance taking into consideration of the various aspects of its functioning, composition of the Board and its Committees and performance of specific duties, obligations and governance. The performance evaluation of the Chairman and Non-Independent Directors was carried out by the Independent Directors through a meeting of Independent Directors.

Directors

In accordance with the provisions of the Companies Act, 2013 and the Company's Articles of Association, Mr. Gerhald Bornemann retire by rotation at the forthcoming Annual General Meeting and, being eligible, offers himself for re-appointment.

None of these Directors are disqualified from being re-appointed as Directors of your Company.

Fixed Deposit:

The Company has not accepted fixed deposits from the public and shareholders within the meaning of Section 73(1) of the Companies Act, 2013 and Rules made there under, during the year under review.

The Company has re-paid all outstanding deposits accepted before the commencement of the Companies Act, 2013, during the year under review.

Audit

The Company's Auditors, M/s Suri & Co., & Co., Chartered Accountants, were re-appointed as the Statutory Auditors of the Company to hold office from the conclusion of 15th Annual General Meeting held on 30th Sep, 2014 until the conclusion of the 18th Annual General Meeting to be held in the year 2018 subject to ratification of their appointment by the Members at every Annual General Meeting held after the Annual General Meeting held on 30th Sep, 2014..

As required under provisions of Section 139 of the Companies Act, 2013, the Company has received written consent from M/s Suri & Co., to their appointment and a Certificate to the effect that that their re-appointment, if made, would be in accordance with the Companies Act, 2013 and the Rules framed there under and that they satisfy the criteria provided in Section 141 of the Companies Act, 2013.

The Members are requested to ratify the appointment of the Statutory Auditors as foresaid. The statements made by the Auditors in their Report are self-explanatory and do not call for any further comments and explanation.

Management Discussion & Analysis

The management discussion and analysis on the operations of your Company is set out in the Annexure to this report.

Directors' Responsibility Statement

To the best of their knowledge and belief and according to the information and explanations obtained by them, your Directors make the statements in terms of 134(3)(c) of the Companies Act, 2013,

- (a) in the preparation of the Annual Accounts, the applicable accounting standards have been followed along with proper explanation relating to material departures;
- (b) the Directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at March 31, 2015 and of the Company for the year ended on that date;
- (c) the Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- (d) the Directors had prepared the annual accounts on a going concern basis;
- (e) the Directors have laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and were operating effectively
- (f) the Directors have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

Particulars of Loans, Guarantees or Investments by Company:

During the year under review the Company has not given any loan, guarantee or made any investment covered under the provisions of Section 186 of the Companies Act, 2013.

Remuneration and Nomination Policy

The Board of Directors have framed a policy which lays down a framework in relation to remuneration of Directors, Key Managerial Personnel and Senior Management of the Company. The policy also lays down criteria for selection and appointment of Board Members. The Policy is set out in the Annexure to this report.

Related Party Transactions:

During the year under review the Company has not entered into any contract or arrangement with related parties attracting the provisions of Section 186 of the Companies Act, 2013.

However during the current year the Company has entered into a transaction with a related party on arm's length basis and in the ordinary course of business thereby not attracting the provisions of Section 186 of the Companies Act, 2013. The details of related party transactions as per Accounting Standard are included in the notes to the accounts.

All Related Party Transactions are placed before the Audit Committee and also to the Board for approval.

The policy on Related Party Transactions is approved by the Board of Directors.

Vigil Mechanism / Whistle Blower Policy:

As per Companies Act, 2013 read with Clause 49 of the Listing Agreement, the Board of Directors of the Company have constituted Vigil Mechanism / Whistle Blower Policy and adopted a policy which aims to provide a channel to the Directors and employees to report genuine concerns about unethical behavior, actual or suspected fraud or violation of the Codes of Conduct or policy. The Company is committed to adhere to the highest standards of ethical, moral and legal conduct of business operations and in order to maintain these standards, the Company encourages its employees who have genuine concerns about suspected misconduct to come forward and express those concerns in writing through an e-mail or a letter to the Chairman of the Company or to the compliance officer or to the Chairman of the Audit Committee.

Risk Management

The Company has in place Risk Management Policy according to which the Board of Directors of the Company and the Audit Committee periodically review and evaluate the risk management system of the Company so that the management controls the risks through properly defined network.

Corporate Social Responsibility:

No disclosures on Corporate Social Responsibility are required as provision under Section 135 of the Companies Act, 2013 and Rules made thereunder are not applicable to the Company.

Particulars of Employees

None of the employees were in receipt of remuneration exceeding the amounts specified in Section 197 (12) of the Companies Act, 2013 read with Rule 5(1), (2) & (3) the Companies (Appointment and Remuneration of Managerial Personnel) Rule 2014.

Particulars of Conservation of Energy, Technology Absorption and Foreign Exchange Earnings and Outgo

The information on conservation of energy, technology absorption and foreign exchange earnings and outgo pursuant to Section 134 (3)(m) of the Companies Act, 2013, read with Rule 8(3) of the Companies (Accounts) Rules, 2014 is given in set out in the Annexure to this report.

Corporate Governance

The Company is committed to maintain high standards of Corporate Governance and adhere to the Corporate Governance requirements set out by SEBI. The report on the Corporate Governance as stipulated under Clause 49 of the Listing Agreement forms part of the Annual Report.

The requisite Certificate from the Practicing Company Secretary confirming compliance with the conditions of Corporate Governance as stipulated under the aforesaid Clause 49 is attached to this Report.

Secretarial Audit:

Pursuant to the provisions of Section 204 of the Companies Act, 2013 and the Rules made thereunder, the Company has appointed S Vishwanathan, Company Secretary the Secretarial Auditor of the Company. The Secretarial Audit Report is annexed as an Annexure and forms an integral part of this Report. The Secretarial Audit Report does not contain any qualification, reservation or adverse remark.

Significant and Material Orders Passed by the Regulators or Court or Tribunals

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

Internal Control Systems and Their Adequacy

The Company has an adequate internal control system commensurate with its size and nature of its business.

Health, Safety and Environment:

The health and safety of the workforce is of paramount importance. The Company aims to provide a workplace that is free from any occupational hazards or illness.

During the year under review the Company has not received any complaint under the Sexual Harassment of Women at Workplace (Prevention, Prohibition & Redressal) Act, 2013.

Acknowledgements

Your Directors wish to place on record their appreciation for the contribution made by employees at all levels. Your Directors also wish to thank the customers, suppliers, investors and bankers for their continued support and faith reposed in the Company.

For and behalf of the Board of Directors

Nitin N. Mandhana
Vice Chairman & Managing Director

Place: Bangalore

Date: 14th August 2015