

IndusFila

From Design to Delivery

An Indus Mandhana Enterprises

EIGHTEENTH ANNUAL REPORT 2016-2017

Indus Fila Limited
CIN : L17121KA1999PLC025320

Board of Directors:

Mr. Nitin N Mandhana : Vice Chairman & Managing Director

Mr. Raj Kumar Agarwal : Independent Director

Mr. Sandeep Choudhary : Independent Director

Compliance Officer :

Nitin N Mandhana

Auditors :

M/s. Suri & Co.

Bangalore

Registrar and Transfer Agent :

Link Intime India Pvt. Ltd
C-13, Pannialal Silk Mills Compound
I.B.S. Marg, Bhandup (West)
Mumbai-400078

Registered Office

Survey no. 285, 37th K M Stone,
Tumkur Road, T Begur
Kasaba Hobli, Nelamangala
Bangalore Rural District -562123

18th Annual General Meeting on Monday the 11th September, 2017 at 9.00 A.M. at the Registered office of the Company at Survey No. 285, 37th K M Stone, Tumkur Road, T Begur, Kasaba Hobli, Nelamangala Bangalore Rural District-562123

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NOTICE OF 18TH ANNUAL GENERAL MEETING

Notice is hereby given that the 18th 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, Kasaba Hobli, Nelamangala, Bangalore-562123 on Monday 11th September , 2017 at 9.00 am to transact the following business :

ORDINARY BUSINESS

1. To receive, consider and adopt the Balance Sheet as at March 31, 2017, Profit & Loss Account for the year ended as on that date and the report of the Board of Directors and Auditors thereon.
2. To appoint Director in place of Mr. Nitin N Mandhana (DIN:00025738), who retires by rotation and being eligible, offers himself for re - appointment.
3. To consider and approve appointment of Auditors and fix their remuneration and if thought fit, to pass with or without modification, the following resolution as an Ordinary Resolution.

“RESOLVED THAT pursuant to the provisions of Section 139, 142 and all other applicable provisions, if any, of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014 (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force) approval of the Members of the Company be and is hereby accorded to appoint M/s. YCRJ & Associates, Chartered Accountants (Firm Registration No. 006927S) as Statutory Auditors of the Company, in place of retiring auditors M/s. Suri & Co., Chartered Accountants (Firm Registration No. 004283S), to hold office for a period of five years from the conclusion of this Annual General Meeting till the conclusion of the Twenty Third Annual General Meeting of the Company, subject to ratification of their appointment by Members at every Annual General Meeting if so required by the Companies Act 2013, for audit of financial statements, at such remuneration as shall be fixed by the Board of Directors of the Company in consultation with the Auditors”.

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

Sd/

**NITIN N MANDHANA
Managing Director**

Place: Bangalore

Date : August 21, 2017

**Indus Fila Ltd., Survey No.284/285, 37th K.M. Stone From Bangalore, Tumkur Road
N.H.4, T. Begur, Kasaba Hobli, Taluk Nelamangala-562 123. India
Tel : +91 (0) 8118 - 7733501 to 07 Ext. 305**

NOTES:

1. Details as required under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 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. Corporate members intending to send their authorised representative to attend the meetings are requested to send to the Company a certified copy of the Board Resolution authorizing their representative to attend and vote on their behalf at the meeting.
4. Register of Members and Share Transfer Books of the Company will remain closed from Wednesday, the 06th September 2017 to Monday, the 11th September 2017 (both days inclusive).
5. Section 72 of the Companies Act, 2013 provides for nomination by the shareholders of the Company in the prescribed Form SH – 13. Shareholders are requested to avail this facility.
6. 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.
7. 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.
8. 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.

9. 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.
- 10 Copies of the Annual Report 2017, 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 2017 are sent by permitted mode.
- 11 Members may also note that the Notice of the Annual General Meeting and the Annual Report 2017 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 Indus Fila Limited, Survey No. 284/285, 37th KM Stone, Kasaba Hobli, Nelamangala, Bangalore Rural District – 562 123

Annexure

Details of Directors seeking re-appointment at the Annual General Meeting in pursuance of SEBI(Listing Obligations and Disclosure Requirements) Regulations, 2015.

Name	Mr. Nitin N Mandhana
DIN	00025738
Date of Birth	22.11.1967
Nationality	Indian
Date of Appointment	11.04.2006
No. Of Meeting of Board attended during the year	04
Relationship with other director	NA
Qualification	Graduate
Expertise in Area	Business
No. of Shares Held	9829
List of Director-ship held in other Companies	List Attached
Chairman/Member of the Committees of the board of other companies in which he is director	Nil

List of Director in Companies

Sl. No.	Name of the Company
1	Parag Investment Private Limited
2	Kamal Kishor Finvest Private Limited
3	Andrew Finvest Private Limited
4	Heaven Investment Private Limited
5	Nateshwar Investment Private Limited
6	Siddmeshwar Investment Pvt. Ltd.

7	Indus Infoways Private Limited
8	VIVA Retail Private Limited
9	VIR Retail Private Limited
10	Indus Garments (India) Pvt. Ltd

Though not mandatory, this statement is provided for reference.

Pursuant to the provisions of section 139 of the Companies Act, 2013, an audit firm can act as auditors of a listed company for a maximum tenure of two terms of 5 consecutive years. For the purpose of reckoning this limit, existing tenure of the auditors needs to be counted.

Further, companies have been given a transition time of 3 years from April 1, 2014 to comply with this provision. Suri & Co., (Firm Registration No. 004283S), Chartered Accountants, Bangalore were first appointed as auditors at 5th Annual General Meeting held on 30th Sept, 2004. As per the above requirement, the term of Suri & Co., comes to an end with the conclusion of audit for the financial year 2016-17 and they can continue as the auditors of the Company only up to the conclusion of this Annual General Meeting, having completed their term as per the provisions of Section 139 of the Act. Accordingly, as per the aforesaid requirements of the Companies Act, 2013, and pursuant to recommendation of Audit Committee, the Board of Directors have proposed for approval of Members the appointment of YCRJ & Associates, Chartered Accountants (Firm Registration No. 006927S) as Auditors for a period of five years, commencing from the conclusion of 18th Annual General Meeting till the conclusion of the 23rd Annual General Meeting, subject to ratification by Members of their appointment at every Annual General Meeting if so required under the Companies Act, 2013.

YCRJ & Associates, Chartered Accountants, have consented to the aforesaid appointment and confirmed that their appointment, if made, would be within the limits specified under Section 141(3)(g) of the Companies Act, 2013. They have further confirmed that they are not disqualified to be appointed as statutory auditors in terms of the provisions of the proviso to Section 139(1), Section 141(2) and Section 141(3) of the Companies Act, 2013 and the provisions of the Companies (Audit and Auditors) Rules, 2014.

Report of the Board of Director

Dear Shareholders,

Your Directors are pleased to present their 18th Annual Report on the business and operations of your Company together with Audited Statements of the Accounts for the financial year ended 31st March, 2017.

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, 2017.

Financial Performance

(Rs. in Lakhs)

PARTICULARS	2016 -17	2015 -16
TURNOVER	5.15	15.07
Profit/(Loss) before Interest, Depreciation & Tax	(250.50)	(6315.63)
Less: Interest	5654.92	5654.84
Less : Depreciation	1165.84	1214.40
Less : Tax	(184.95)	(192.77)
Net Profit/(Loss) after taxation	(6886.31)	(12292.09)

During the year under review there was no operations in the Company.

Dividend

In view of Continuous losses, the board does not recommend dividend for the financial year ended March 31, 2017.

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 2016-17, 4 (Four) meetings of the Board were held, details of which are given in Corporate Governance Report.

Board Evaluation

Pursuant to the provision of the Company Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, 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, 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. Nitin N Mandhana retire by rotation at the forthcoming Annual General Meeting and, being eligible, offers himself for re-appointment.

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

Fixed Deposit

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

Audit

Pursuant to the provisions of section 139 of the Companies Act, 2013, an audit firm can act as auditors of a listed company for a maximum tenure of two terms of 5 consecutive years. For the purpose of reckoning this limit, existing tenure of the auditors needs to be counted.

Further, companies have been given a transition time of 3 years from April 1, 2014 to comply with this provision. Suri & Co., (Firm Registration No. 004283S), Chartered Accountants, Bangalore were first appointed as auditors at 5th Annual General Meeting held on 30th Sept, 2004. As per the above requirement, the term of Suri & Co., comes to an end with the conclusion of audit for the financial year 2016-17 and they can continue as the auditors of the Company only up to the conclusion of this Annual General Meeting, having completed their term as per the provisions of Section 139 of the Act. Accordingly, as per the aforesaid requirements of the Companies Act, 2013, and pursuant to recommendation of Audit Committee, the Board of Directors have proposed for approval of Members the appointment of YCRJ & Associates, Chartered Accountants (Firm Registration No. 006927S) as Auditors for a period of five years, commencing from the conclusion of 18th Annual General Meeting till the conclusion of the 23rd Annual General Meeting, subject to ratification by Members of their appointment at every Annual General Meeting if so required under the Companies Act, 2013.

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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, 2017 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 followed by the Company and that such internal financial controls are adequate and were operating effectively
- (f) The Director 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 Investment 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 Director have framed a policy which lays down a framework in relation to remuneration of Director, Key Managerial personnel and senior Management of the Company. The people also lay down criteria for selection and appointment of Board Member. The Policy is set out in the Annexure to this report.

Related party Transactions:

During the year under review the Company has not entered in to any contract or arrangement with related parties attracting the provisions of Section 188 of the Companies Act, 2013.

However during the current year the company has entered in to a transaction with the related party on arm's length basis and in the ordinary course of business thereby not attracting the provisions of Section 188 of the company Act, 2013. The details of related party transaction as per accounting standard are include in the notes to the account.

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

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

Vigil Mechanism / Whistle Blower Policy :

