



DIRECTOR REPORT

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

Profit and Loss Account

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

Operation

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

Transfer to Reserves

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

Dividend

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

Directors and Key Managerial Personnel

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

Key Managerial Personnel

1.Mr. Harshad Thakkar	Chairman and Managing Director
2.Mr. Anurag Gangwal	Chief Financial Officer
3.Ms.Bhoomi Mewada	Company Secretary



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

Capacity expansion

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

Human Capital

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

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

Directors Responsibility Statement

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

The Director confirms that:

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



Share Capital

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

Declaration by independent directors

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

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

Familiarization programme for Independent Director

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

Number of Meeting of the Board

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

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

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

Performance evaluation

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



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

Corporate Governance

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

Extract of Annual Return

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

Auditors

Statutory Auditor



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

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

Secretarial Auditor

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

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



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

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

Related party transactions

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

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

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

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

Details relating to Deposits

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

Corporate Social Responsibility

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

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

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



Whistle Blower Policy/ Vigil Mechanism

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

Subsidiary, Associates or Joint Venture

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

Company's Policy on Directors Appointment and Remuneration

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

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

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

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

Management Discussion and Analysis Report (MDAR)

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

Internal Financial Control and Its Adequacy

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

Other Information/ Disclosures'

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

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



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

Committees of Board

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

Scheme of Amalgamation

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

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

Code of Conduct

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

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

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

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

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



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

Acknowledgement and Appreciation

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

For and On Behalf of the Board

sd/-

Harshad Thakkar
Managing Director
DIN: 01869173

Place: Mumbai
Date: 25th August, 2016

