

Junction Fabrics and Apparels Limited



Annual Report 2016



Chairman & Managing Director	PREM DINANATH AGGARWAL
Key Managerial Personnel	SHIKHA AGGARWAL PREM
Directors	S. THIRUMURUGAN R. SENTHILRAJAGOPAL S. MUTHURAMAKRISHNAN ASHMITA AGARWAL
Chief Financial Officer	R PERIASWAMY
Company Secretary	K. LAKSHMI PRIYA
Statutory Auditors	BALAJI & THULASIRAMAN, TIRUPUR
Registered office	NO.18 (1)24, WORKSHOP STREET, KHADERPET, TIRUPUR – 641 601. (CIN: U18101TZ2011PLC017586)

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JUNCTION FABRICS AND APPARELS LIMITED

Notice is hereby given that the 5th Annual General Meeting of the Members of Junction Fabrics and Apparels Limited (CIN:U18101TZ2011PLC017586) will be held on 23rd Day of July_2016 at Hotel Swaad Mantra, Tirupur - 641601, to transact the following business:

ORDINARY BUSINESS

1. To receive, consider and adopt the Financial Statements as at 31st March 2016 together with the Directors' Report and Auditors' Report thereon.
2. To appoint a Director in the place of Mrs. Shikha Aggarwal Prem (DIN: 03373965), who retires by rotation and, being eligible, offers herself for reappointment.
3. To consider and if thought to fit to pass, with or without modification, the following resolution as an **Ordinary Resolution**:

RESOLVED THAT pursuant to the provisions of Section 139 and other applicable provisions, if any of the Companies Act, 2013 and the rules made thereunder, as amended from time to time and Ordinary Resolution passed by the members at their 3rd Annual General Meeting held on 29th September 2014, appointment of M/s. Balaji & Thulasiraman, Chartered Accountants(Firm Registration Number:007262S),Tirupur as the Statutory Auditors for the financial year 2016-17be and is ratified on such remuneration as may be fixed by the Board of Directors of the Company.

SPECIAL BUSINESS:

4. To consider and if thought to fit to pass, with or without modification, the following resolution as an **Ordinary Resolution**:

RESOLVED THAT Ms. Ashmita Agarwal (DIN: 07332067) who was appointed as an Additional Director of the Company with effect from 21st November 2015 and holds office upto the ensuing Annual General Meeting of the Company in terms of Section 161 of the Companies Act, 2013 be and is hereby appointed as a Director of the Company."

By order of the Board

Place: Tirupur
Date: 30.05.2016

(Shikha Aggarwal Prem)
Whole time Director
(DIN: 03373965)

JUNCTION FABRICS AND APPARELS LIMITED

NOTES:

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT ONE OR MORE PROXIES TO ATTEND AND VOTE INSTEAD OF HIMSELF/HERSELF AND SUCH PROXY NEED NOT BE A MEMBER OF THE COMPANY.
2. The instrument appointing a proxy should be deposited at the registered office of the company not less than forty-eight hours before the commencement of the meeting.
3. Member / proxy should bring the attendance slip sent herewith, duly filled in, for attending the meeting.
4. Corporate members intending to send their authorized representatives to attend the Meeting pursuant to Section 113 of the Companies Act, 2013 are requested to send to the Company a certified true copy of the Board Resolution authorizing their representative to attend and vote on their representative to attend and vote on their behalf at the Meeting.
5. A statement pursuant to Section 102(1) of the Companies Act, 2013 relating to the Special Business to be transacted at the Meeting is annexed hereto.
6. In case of joint holders attending the Meeting, only such joint holder who is higher in the order of names will be entitled to vote.
7. Relevant documents referred to in the accompanying Notice and the Explanatory Statement are open for inspection by the members at the Registered Office of the Company on all working days of the Company during business hours upto the date of Annual General Meeting.
8. The Company has not closed the Register of Members and share transfer books.
9. Members are requested to bring their Annual Report to the Annual General Meeting. The duly filled in attendance slip must be surrender at the counter before attending the Meeting.
10. The Ministry of Corporate Affairs has taken "Green Initiative in the Corporate Governance" by allowing paperless compliances by the Companies and has issued circulars stating that service of notice/documents including Annual Report can be sent by e-mail to its members. To support this green initiative of the Government in full measure, members are requested to register their e-mail address in respect of

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electronics holdings with the Depository through their concerned Depository Participants.

11. The Notice of the AGM along with the Annual Report 2015-16 along with the Attendance Slip and Proxy Form is being sent by electronic mode to those Members whose e-mail addresses are registered with the Company/Depositories, unless any Member has requested for a physical copy of the same. For Members who have not registered their e-mail addresses, physical copies are being sent by the permitted mode.
12. The shareholders are requested to intimate immediately any change in their address or bank mandates to their Depository Participants with whom they are maintaining their Demat accounts,
13. Members who hold shares in dematerialized form are requested to bring their Client ID and DP ID numbers for easy identification of attendance at the meeting and number of shares held by them.
14. 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 their PAN to their Depository Participants with whom they are maintaining their Demat accounts
15. Non-Resident Indian Members are requested to inform Big Share Services Private Limited, immediately of:
 - Change in their residential status on return to India for permanent settlement.
 - Particulars of their bank account maintained in India with complete name, branch, account type, account number and address of the bank with pin code number, if not furnished earlier.
16. Members, who have not registered their e-mail address so far, are requested to register their e-mail address for receiving all communication including Annual Report, Notices, Circulars, etc, from the Company electronically.
17. Members seeking any information with regard to the Financial Statements are requested to write to the Company at least 7 days before the Meeting so as to enable the management to keep the information ready at the meeting.
18. The Notice is sent to all the members, whose name appeared in the Register of Members.

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Explanatory Statement Pursuant to Section 102 of the Companies Act, 2013

Item No.4

Ms. Ashmita Agarwal (DIN: 07332067) who was appointed as an Additional Director of the Company with effect from 21st November 2015. In terms of the provisions of Section 161 of the Companies Act, 2013, Ms. Ashmita Agarwal holds office upto the ensuing Annual General Meeting. The Board recommends the appointment of Ms. Ashmita Agarwal (DIN: 07332067) as a Director of the Company.

The Board considers it desirable that the Company should continue to avail itself of the Services of Ms. Ashmita Agarwal as Director and accordingly, commends the Resolution as Item No. 4 for approval by the members.

Except Ms. Ashmita Agarwal, Mr. Prem Dinanath Aggarwal and Mrs. Shikha Aggarwal Prem, no other Director is concerned or interested in this resolution.

By order of the Board

Place: Tirupur
Date: 30.05.2016

(Shikha Aggarwal Prem)
Whole time Director
(DIN: 03373965)

JUNCTION FABRICS AND APPARELS

DIRECTORS' REPORT

To

The Members,

Your Directors have pleasure in presenting their 5th Annual Report of your Company together with the Audited Balance Sheet for the Financial Year ended 31st March, 2016.

1. FINANCIAL RESULTS:

Particulars	Current Year 2015-2016	Previous Year 2014-2015
Income from Operations	51,56,69,183	15,25,55,497
Gross Receipts (including other Income)	51,58,43,358	15,27,56,409
Total Expenditure before Interest and Depreciation	49,56,13,111	14,54,67,649
Less: Interest and Financial Charges	1,08,24,766	42,00,433
Less: Depreciation and Amortization	10,74,528	7,17,240
Profit before taxation for the year	83,30,953	23,71,087
Less: Current tax Expenses	23,51,916	4,51,811
Less: Deferred Tax Liability/Asset	2,19,656	3,30,896
Profit after taxation for the year	5,759,381	15,88,380

2. PERFORMANCE OF THE COMPANY

During the year under review, the Company has earned sales income of Rs. 51,56,69,183/- as compared to Rs. 15,25,55,497/- in the previous year. Your Company has made a Net profit after providing depreciation, finance charges and deferred tax the Company of Rs. 5,759,381/- as compared to Rs. 15,88,380/- in the Previous year.

3. DIVIDEND / TRANSFER TO RESERVES:

Your directors do not recommend any dividend for the year ended March 31, 2016 in order to conserve resources for the future and does not propose to transfer any amount to reserves.

4. BUSINESS REVIEW:

The Company is making efforts to improve the turnover and your Directors are optimistic of better performance during the year.

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The company had achieved a revenue of Rs. 52 crores during the Financial year ending March 2016. The company has set a conservative growth of 20% for the current financial year and positive outlook on exports, your company expects to achieve an revenue of Rs.70 to Rs.75 crores for the current year.

5. SHARE CAPITAL:

During the year under review the Company has allotted 10,00,000 Equity shares of Rs. 16 each (including a premium of Rs. 6 per Equity Shares) to the public who subscribed the shares in the Initial Public offering which was opened for subscription on 25th June 2015 and Closed on 29th June 2015. The entire share has listed on BSE Limited under the SME Platform.

6. DIRECTORS:

Mrs. Aggarwal Prem Tanvi (DIN: 06573950) resigned from the directorship of the Company with effect from 21st November 2015. The Board expresses its appreciation for her valuable services rendered during her association with the Company.

Ms. Ashmita Agarwal (DIN: 07332067) was appointed as an Additional Director with effect from 21st November 2015 hold office upto the ensuing Annual General Meeting in terms of Section 161 of the Companies Act, 2013. The Board recommends the appointment of Ms. Ashmita Agarwal as Director of the Company.

As per the provision of the Companies Act, 2013, Mrs. Shikha Aggarwal Prem (DIN: 03373965), retires by rotation at the ensuing Annual General Meeting and being eligible, seeks re-appointments. The Board recommends the appointment of Mrs. Shikha Aggarwal Prem as Director of the Company.

The Board recommends the appointment of Ms. Ashmita Agarwal as Director of the Company.

7. KEY MANAGERIAL PERSONNEL:

Ms. Kiran Agarwal, Company Secretary (Membership No. 36690) resigned from the Company with effect from 01st March 2016. The Board expresses its appreciation for valuable services rendered by her during her association with the Company.

Mrs K. Lakshmi Priya holding Membership No. 36135 in the Institute of Company Secretaries of India was appointed as a Company Secretary of the Company with effect from 27th March 2016.

No other changes took place in the Key Managerial Personnel except the Company Secretary.

8. POLICY ON DIRECTOR'S APPOINTMENT AND REMUNERATION:

The Company's policy on Director's appointment and remuneration and other matters provided in section 178 of the Companies Act, 2013 has been disclosed in the Corporate Governance Report.

9. DECLARATION BY AN INDEPENDENT DIRECTORS:

All independent Directors have given declarations that they meet the criteria of Independence as laid own under the provisions of the Companies Act and the SEBI (Listing Obligations and Disclosure Requirements) Regulation, 2015.

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10. PERFORMANCE EVALUATION:

SEBI (Listing Obligations and Disclosure Requirements) Regulation, 2015, mandated that the Board shall monitor and review the Board evaluation framework.

The Companies Act, 2013 states that a formal annual evaluation needs to be made by the Board on its own performance and that of its committees and individual Directors. Schedule IV of the Companies Act, 2013 states that the performance evaluation shall be done by the entire Board of Directors, excluding the Director being evaluated.

The evaluation of all the Directors and the Board as whole was conducted based in the criteria and framework adopted by the Board. The evaluation process has explained in the Corporate Governance Report.

11. NUMBER OF MEETINGS OF THE BOARD OF DIRECTORS:

11 meetings of the board were held during the year.

12. MANAGEMENT DISCUSSION AND ANALYSIS

In terms of provisions of Regulation 34 of the SEBI (Listing obligations and Disclosures Requirements) Regulation, 2015, the Management's discussion and analysis is set out below:

a. Industrial Structure and developments:

The Size of readymade garment industry is almost INR 300 Thousand Crores. This industry is one of the fastest growing industries in India and contributes almost 4-5% of our GDP. This is expected to grow to about INR500 Thousand Crores by 2021.

Among the Ready made garments the Hosiery segment accounts to almost 35% to 40% of the total industry. Hosiery Industry in India is concentrated in two locations one is in Ludhiana, Punjab and one is Tirupur in Tamil Nadu.

The outlook for the industry is extremely good. The reason being that 1. Majority of the population is below the age of 35. 2. The fashion sense of the young population have undergone drastic change providing an opportunity for the Industry. Another opportunity is with the disposable income with Middleclass families in India. The average spend on garments in India emanating from the middle class families are about 9% to 10%.

In addition to the above the Government has forecasted good monsoon during the current year and this is going to give disposable income with the farmers and in turn this is also likely to give a boost to the business and the industry.

b. Opportunities and threats

The major opportunity for the Company is the changing trend in the dressing sense of general population in India from village to the City. Usage of Knitwear is increasing and demand for the readymade garments have also put the pressure on the

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manufacturers to cut short the working cycle and this provides a major opportunity for the company to supply ready fabric of wide variety to smaller manufacturers

The company's strong foothold in Domestic wholesale market gives an excellent opportunity to achieve economies of scale also for increasing the exports.

Threats

The major threat is always change in Government policy. Any adverse change will affect the industry.

Another major threat to the Industry is the shortage of labour. Shortage of skilled labour and the increase in demand result in increased wages increasing the overhead costs.

c. Segment-wise or product-wise performance.

60% of the Companies revenue targeted in Ladies wears like Pyjama sets, Ladies and Girls Tops, Leggings etc. 20% of the revenue would be contributed by Kids portfolio and 20% of revenue will be towards Men's/ Boys wears like T Shirts, Bermudas, Pyjamas, Jogging pants etc.

d. Outlook.

The outlook for the industry is extremely positive. The reason being that Majority of the population is below the age of 35 and choice of fashionable attires among men and women alike wear T shirts in one form or the other has been increasing. The increase in disposable income among middle class families in India for garments are increasing and currently its averaged around 9% to 10% .

The overall size of readymade garment industry is almost INR 300 Thousand Crores. This is one of the fastest growing industries in India and contributes almost 4-5% of our GDP. This is expected to grow to about INR500 Thousand Crores by 2021.

e. Risks and Concerns.

The major threat is always change in Government policy. Any adverse change will affect the industry. Another major threat to the Industry is the shortage of labour. Shortage of skilled labour and the increase in demand result in increased wages increasing the overhead costs.

f. Internal control system and their adequacy

A separate report on internal control systems and their adequacy is attached with this report from the statutory auditors of the Company.

g. Discussion on financial performance with respect to operational performance.

The Company has earned sales income of Rs. 51,56,69,183/- as compared to Rs. 15,25,55,497/- in the Previous year an impressive growth of more than 200%. Your Company has made a Net profit after providing depreciation, finance charges and

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deferred tax the Company of Rs. 5,759,381/- as compared to Rs. 15,88,380/- in the Previous year.

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

No major challenges existed in Human resources during the current year under review.

13. CORPORATE GOVERNANCE:

In terms of Schedule V of the SEBI (Listing obligations and Disclosures Requirements) Regulation, 2015, a separate report on Corporate Governance is furnished as Annexure 1 to this report.

14. STATUTORY AUDITORS:

In terms of Proviso to Section 139 (1) of the Companies Act 2013, M/s. Balaji & Thulasiraman, Chartered Accountants (Firm Reg. No: 007262S), Tirupur has been appointed as a Statutory Auditors of the Company for a term of five years from 2014-15, subject to ratification by the shareholders at the every general meeting in terms of ordinary resolution passed by the Members at their 3rd Annual General Meeting held on 29th September 2014.

In pursuance of above term, necessary resolution, ratifying appointment of M/s. Balaji & Thulasiraman, Chartered Accountants, Tirupur as the Statutory Auditor for the financial year 2016 - 2017 is being placed before members for their consideration in this Annual General Meeting.

15. DEPOSIT:

During the year under review, the Company has not accepted any Deposits within the meaning of the provisions of Section 2 (31) of the Companies Act, 2013.

16. INTERNAL CONTROL SYSTEM:

The Company has adequate Internal Control Systems to monitor business processes, financial reporting and compliance with applicable regulations. The systems are periodically reviews by the audit Committee.

17. CODE OF CONDUCT:

In terms of SEBI (Listing Obligations and Disclosure Requirements) Regulation, 2015 and the Companies Act, 2013, the Company has framed and adopted a Code of Conduct. The code is applicable to the members of the Board, the executive officers and all the employees of the Company.

All the members of the Board, the executive officers and senior financial officers have affirmed compliance of the Code of Conduct as on 31st March 2016.

A declaration signed by the CEO and MD is furnished as Annexure 2 to this report.

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18. EXTRACT OF THE ANNUAL RETURN:

An extract of the Annual Return as on 31st March 2016 pursuant to the Sub-Section (3) of Section 92 of the Companies Act, 2013 in Form MGT 9 is furnished as Annexure 3 to this report.

19. PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS BY THE COMPANY:

During the year under review, the Company has not made any Loans, Guarantees or Investments within the meaning of the provisions of Section 186 of the Companies Act, 2013.

20. CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO:

A) Conservation of energy:

- (i) The steps taken or impact on conservation of energy: NIL
- (ii) The steps taken by the company for utilising alternate sources of energy: NIL
- (iii) The capital investment on energy conservation equipments: NIL

B) Technology absorption:

1. Specific areas in which R&D carried out by the Company.

There is no Research and development activity carried on by the Company.

C) Foreign exchange earnings and Outgo:

Foreign exchange earnings	: Rs.7,25,77,687
Foreign exchange outgo	: Rs. NIL

21. DETAILS OF ESTABLISHMENT OF VIGIL MECHANISM FOR DIRECTORS AND EMPLOYEES:

The company has formulated vigil mechanism for employees including directors of the company to report genuine concerns.

22. PARTICULARS OF CONTRACTS OR ARRANGEMENTS WITH RELATED PARTIES:

The particulars of every contract or arrangements entered into by the Company with related parties referred to in sub-section (1) of section 188 of the Companies Act, 2013 including certain arms length transactions under third proviso thereto in Form AOC - 2 is furnished as Annexure 4 to this report.

23. SECRETARIAL AUDIT REPORT:

As per the provisions of the Companies Act, 2013, the Secretarial Audit for the year 2015-16 have also been carried out by Mrs. S. Makhimasri, Practicing Company Secretary and accordingly her report is appended to Directors' Report.

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24. RISK MANAGEMENT POLICY:

The Management has devised Risk Management Policy considering the nature of industry and associated risks pertaining to the industry. The Management is overseeing the implementation of the Policy on regular basis.

25. CORPORATE SOCIAL RESPONSIBILITY:

Not applicable to the Company as per the provisions of the Companies Act, 2013.

26. PREVENTION OF SEXUAL HARASSMENT AT THE WORK PLACE:

As per the requirements specified in the “The Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act 2013”, the Company has constituted an Internal Complaints Committee and is committed to provide a work environment that is free from sexual harassment.

27. MATERIAL CHANGES:

No material changes and commitments affecting the financial position of the Company occurred between the end of the financial year as on 31.03.2016 and the date of this Report.

28. SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS OR COURTS OR TRIBUNAL:

There are no significant and material orders passed by the regulators or courts or tribunal which would impact the going concern status and the Company’s operations in future.

29. 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 following statements in terms of Section 134(3)(c) of the Companies Act, 2013:

1. in the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures;
2. the directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company at the end of the financial year and of profit of the company for that period;
3. the directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;
4. the directors had prepared the annual accounts on a going concern basis;
5. the directors had laid down internal financial controls are adequate and operating effectively.

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6. the directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

30. ACKNOWLEDGEMENT:

Your Directors wish to place on record their deep gratitude and appreciation towards the Company's suppliers, customers, investors, bankers, Government of India, State Government and other regulatory authorities for their continued support during the year. Your Directors also acknowledge the commitment and the dedication of the employees at all levels who have contributed to the growth of the Company.

(For and on behalf of the Board)

Place:

Date:

Prem Dinanath Aggarwal
Managing Director
(DIN: 02050297)

Shikha Aggarwal Prem
Whole time Director
(DIN: 03373965)

Form No. MGT-9

Extract of Annual Return as on the Financial Year ended on 31st March 2016

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

I. REGISTRATION AND OTHER DETAILS

i	CIN	U18101TZ2011PLC017586
ii	Registration Date	15/11/2011
iii	Name of the Company	Junction Fabrics and Apparels Limited
iv	Category / Sub Category of the Company	
	Category	Company limited by shares
	Sub-Category	Indian Non-Government Company
v	Address of the registered office and contact details	No.18(1)24, Workshop Street, Khaderpet, Tirupur- 641601 Email Id - tirupatiexports18@gmail.com
vi	Whether listed company	Yes
vii	Name, address and contact details of registrar and transfer agent, if any	M/s Big Share Services Private Limited, E-2 Ansa Industrial Estate-Sakhivihar Road, Sakinaka, Andheri (East), Mumbai-400 072

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:-

Sl.No	Name and description of main products/ services	NIC code of the product/service	% to total turnover of the company
1	Manufacture of all types of textile garments and clothing accessories	14101	98.79%

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES:-

S.No	Name and address of the Company	CIN/GIN	Holding/ Subsidiary/ Associate	% of shares held	Applicable Section
NIL					

IV. SHAREHOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)

i) Category-wise Shareholding

Sl. No.	Category of shareholders	No. of shares held at the beginning of the year				No. of shares held at the end of the year				% of change during the year
		Demat	Physical	Total	% of total shares	Demat	Physical	Total	% of total shares	
(A)	Promoters									
(1)	Indian									
(a)	Individuals/ HUF	-	1692270	1692270	100	1692250	-	1692250	62.86	NA
(b)	Central/State Govt	-	-	-	-	-	-	-	-	-
(c)	Bodies corporate	-	-	-	-	-	-	-	-	-
(d)	FI/ Banks	-	-	-	-	-	-	-	-	-
(e)	Any other (Relative)	-	-	-	-	-	-	-	-	-
	Sub-total (A)(1)	-	1692270	1692270	100	1692250	-	1692250	62.86	NA
(2)	Foreign									
(a)	NRIs -Individuals	-	-	-	-	-	-	-	-	-
(b)	Other Individuals	-	-	-	-	-	-	-	-	-
(c)	Bodies corporate	-	-	-	-	-	-	-	-	-
(d)	Banks /Financial Institutions	-	-	-	-	-	-	-	-	-
(e)	Any other	-	-	-	-	-	-	-	-	-
	Sub-total (A)(2)	-	-	-	-	-	-	-	-	-
	Total shareholding of Promoter (A) = (A)(1) + (A)(2)	-	1692270	1692270	100			1692250	62.86	NA
(B)	Public shareholding	-	-	-	-	-	-	-	-	-
(1)	Institutions	-	-	-	-	-	-	-	-	-
(a)	Mutual funds/UTI	-	-	-	-	-	-	-	-	-
(b)	FI/Banks	-	-	-	-	-	-	-	-	-
(c)	Central/ State Govt. (s)	-	-	-	-	-	-	-	-	-
(d)	Venture Capital Funds	-	-	-	-	-	-	-	-	-
(e)	Insurance Companies	-	-	-	-	-	-	-	-	-
(f)	FII	-	-	-	-	-	-	-	-	-

Sl. No.	Category of shareholders	No. of shares held at the beginning of the year				No. of shares held at the end of the year				% of change during the year
		Demat	Physical	Total	% of total shares	Demat	Physical	Total	% of total shares	
(g)	Foreign Venture Capital Funds	-	-	-	-	-	-	-	-	-
(i)	Others (specify)	-	-	-	-	-	-	-	-	-
	Sub-Total (B)(1)	-	-	-	-	-	-	-	-	-
(2)	Non-institutions	-	-	-	-	-	-	-	-	-
(a)	Bodies corporate	-	-	-	-	-	-	-	-	-
(b)	Individual	-	-	-	-	728020	-	728020	27.04	-
(c)	Others	-	-	-	-	272000	-	272000	10.10	-
	Sub-total (B)(2)	-	-	-	-	-	-	-	-	-
	Total Public Shareholding (B)= (B)(1)+ (B)(2)	-	-	-	-	1000020	-	1000020	37.14	-
	C. Shares held by Custodian for GDRs & ADRs	-	-	-	-	-	-	-	-	-
	Total (A)+(B)+(C)	-	1692270	1692270	100	2692270	-	2692270	100	-

ii) Shareholding of Promoters

Sl. No	Shareholder's name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in shareholding during the year
		No of shares	% of total shares of the company	% of shares pledged/encumbered to total share	No. of Shares	% of total shares of the company	% of shares Pledged/encumbered to total shares	
1.	Prem Dinanth Aggarwal	1287220	76.06	-	1287220	47.81	-	
2.	Shikha Aggarwal Prem	405000	23.93	-	405000	15.04	-	
3.	Tanvi Aggarwal	10	0.00	-	10	0.00	-	
4	Ashmitha Aggarwal	10	0.00	-	10	0.00	-	
5	Aditya Aggarwal	10	0.00	-	10	0.00	-	

iii) Change in Promoters' Shareholding

1. Name of the Promoter : Prem Dinanth Aggarwal				
	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
	No.of shares	% of total shares of the company	No.of shares	% of total shares of the company
At the beginning of the year	1287220	76.06	1287220	76.06
Decrease /Increase in the year	NIL			
At the end of the year			1287220	47.81

2. Name of the Promoter : Shikha Aggarwal Prem				
	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
	No.of shares	% of total shares of the company	No.of shares	% of total shares of the company
At the beginning of the year	405000	23.93	405000	23.93
Decrease /Increase in the year	NIL			
At the end of the year			405000	15.04

3. Name of the Promoter : Tanvi Aggarwal				
	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
	No.of shares	% of total shares of the company	No.of shares	% of total shares of the company
At the beginning of the year	10	0.00	10	0.00
Decrease /Increase in the year	NIL			
At the end of the year			10	0.00

4. Name of the Promoter : Ashmitha Aggarwal				
	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
	No.of shares	% of total shares of the company	No.of shares	% of total shares of the company
At the beginning of the year	10	0.00	10	0.00
Decrease /Increase in the year	NIL			
At the end of the year			10	0.00

5. Name of the Promoter : Aditya Aggarwal				
	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
	No.of shares	% of total shares of the company	No.of shares	% of total shares of the company
At the beginning of the year	10	0.00	10	0.00
Decrease /Increase in the year	NIL			
At the end of the year			10	0.00

iv) **Shareholding Pattern of top ten shareholders (other than directors, promoters, and holders of GDRs and ADRs):**

1. Hem Securities Limited					
		Shareholding at the beginning of the year		Cumulative shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
	At the beginning of the year	NIL			
	Increase in the year			272000	10.10
	At the end of the year			272000	10.10

2. Shefali Trehan					
		Shareholding at the beginning of the year		Cumulative shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
	At the beginning of the year	NIL			
	Increase in the year			184000	6.83
	At the end of the year			184000	6.83

3. H V Gupta					
		Shareholding at the beginning of the year		Cumulative shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
	At the beginning of the year	NIL			
	Increase in the year			104000	3.86
	At the end of the year			104000	3.86

4. Harsh Varadhan Gupta					
		Shareholding at the beginning of the year		Cumulative shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
	At the beginning of the year	NIL			
	Increase in the year			48000	1.78
	At the end of the year			48000	1.78

5. Sadhana Gupta					
		Shareholding at the beginning of the year		Cumulative shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
	At the beginning of the year	NIL			
	Increase in the year			24000	0.89
	At the end of the year			24000	0.89

6. Ponnarasi G					
		Shareholding at the beginning of the year		Cumulative shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
	At the beginning of the year	NIL			
	Increase in the year			16000	0.59
	At the end of the year			16000	0.59

7. Shiv Kant Sharma					
		Shareholding at the beginning of the year		Cumulative shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
	At the beginning of the year	NIL			
	Increase in the year			8000	0.30
	At the end of the year			8000	0.30

8. Krishna Nirvan					
		Shareholding at the beginning of the year		Cumulative shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
	At the beginning of the year	NIL			
	Increase in the year			8000	0.30
	At the end of the year			8000	0.30

9. Rameshwarlal Taparia					
		Shareholding at the beginning of the year		Cumulative shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
	At the beginning of the year	NIL			
	Increase in the year			8000	0.30
	At the end of the year			8000	0.30

10. Rakesh Taparia .					
		Shareholding at the beginning of the year		Cumulative shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
	At the beginning of the year	NIL			
	Increase in the year			8000	0.30
	At the end of the year			8000	0.30

v) **Shareholding of Directors and Key Managerial Personnel**

1. Name of the Director: Prem Dinanth Aggarwal (DIN: 02050297)				
For Each of the Directors and KMP	Shareholding at the beginning of the year		Cumulative shareholding during the year	
	No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
At the beginning of the year	1287220	76.0647	1287220	76.0647
Increase/Decrease in the year	NIL			
At the end of the year			1287220	47.8117

2. Name of the Director: Shikha Aggarwal Prem (DIN: 03373965)				
For Each of the Directors and KMP	Shareholding at the beginning of the year		Cumulative shareholding during the year	
	No. of shares	% of total shares of the	No. of shares	% of total shares of the
At the beginning of the year	405000	23.9323	405000	23.9323
Increase/Decrease in the year	NIL			
At the end of the year			405000	15.0431

3. Name of the Director: Tanvi Aggarwal (DIN: 6573950)				
For Each of the Directors and KMP	Shareholding at the beginning of the year		Cumulative shareholding during the year	
	No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
At the beginning of the year	10	0.0006	10	0.0006
Increase/Decrease in the year	NIL			
At the end of the year			10	0.0004

4. Name of the Director: Ashmitha Aggarwal (DIN: 07332067)				
For Each of the Directors and KMP	Shareholding at the beginning of the year		Cumulative shareholding during the year	
	No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
At the beginning of the year	10	0.0006	10	0.0006
Increase/Decrease in the year	NIL			
At the end of the year			10	0.0004

V. INDEBTEDNESS

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

	Secured Loans excluding deposits	Unsecured Loans	Deposit	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	7,78,93,637	1,00,85,256	-	8,79,78,893
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	-	-
Total (i + ii + iii)	7,78,93,637	1,00,85,256	-	8,79,78,893
Change in Indebtedness during the financial year				
• Addition	10,82,489	39,449	-	11,21,938
• Reduction	-	-	-	-
Net Change	10,82,489	39,449	-	11,21,938
Indebtedness at the end of the financial year				
i) Principal Amount	7,89,76,126	1,01,24,705	-	8,91,00,831
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	-	-
Total (i + ii + iii)	7,89,76,126	1,01,24,705	-	8,91,00,831

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

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

Particulars of Remuneration	Prem Dinanath Aggarwal (MD)	Shikha Aggarwal Prem (WTD)	Aggarwal Prem Tanvi (WTD)*	Ashmita Aggarwal (**)	Total
Gross salary	10,00,000	6,40,000	2,30,000	3,25,000	21,95,000
(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	NIL	NIL	NIL	NIL	NIL
(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	NIL	NIL	NIL	NIL	NIL
(c) Profits in lieu of salary under section 17(3) Income-Stock Option	NIL	NIL	NIL	NIL	NIL

Sweat Equity	NIL	NIL	NIL	NIL	NIL
Commission - as % of profit - Others, specify...	NIL	NIL	NIL	NIL	NIL
Others, please specify	NIL	NIL	NIL	NIL	NIL
Total (A)	10,00,000	6,40,000	2,30,000	3,25,000	21,95,000
Ceiling as per the Act					

* Mrs. Aggarwal Prem Tanvi (DIN: 06573950) was resigned from the Board on 21st November 2015.

** Ms. Ashmita Agarwal (DIN: 07332067) was appointed as an Additional Director on 21st November 2015.

B. Remuneration to other directors: Independent Directors

Particulars of Remuneration	Ramasubramaniam Senthilrajagopal	Subramanian Thirumurugan	Sankaranarayanan Muthuramakrishnan	Total
Independent Directors				
Fee for attending board / committee meetings	NIL	NIL	NIL	NIL
Commission				
Total (1)	NIL	NIL	NIL	NIL
Other Non-Executive Director				
Fee for attending board / committee meetings	NIL	NIL	NIL	NIL
Commission				
Total (2)	NIL	NIL	NIL	NIL
Total (B) + (1 + 2)	NIL	NIL	NIL	NIL
Total Managerial	NIL	NIL	NIL	NIL
Overall Ceiling as per the Act	NIL	NIL	NIL	NIL

C. Remuneration to key managerial personnel other than MD/Manager/WTD :

Particulars of Remuneration	Kiran Agarwal Company Secretary	R. Periaswamy CFO	Total
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Gross salary	1,10,000	2,90,000	4,00,000
(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	NIL	NIL	NIL
(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	NIL	NIL	NIL
(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	NIL	NIL	NIL
Stock Option	NIL	NIL	NIL
Sweat Equity	NIL	NIL	NIL
Commission - as % of profit - Others, specify...	NIL	NIL	NIL
Others, please specify	NIL	NIL	NIL
Total (A)	1,10,000	2,90,000	4,00,000
Ceiling as per the Act			

Note:

Ms.Kiran Aggarwal resigned as Company Secretary with effect from 01st March, 2016.

Ms.Lakshmi Priya was appointed as Company Secretary with effect from 26th March, 2016. She was paid Prorata remuneration for 5 days

VII. PENALTIES/ PUNISHMENT/COMPOUNDING OF OFFENCES:

Type	Section of the Companies Act	Brief Description	Details of Penalty / Punishment/ Compounding fees imposed	Authority [RD / NCLT/ COURT]	Appeal made, if any (give Details)
A. COMPANY			NIL		
Penalty					
Punishment					
Compounding					
B. DIRECTORS			NIL		
Penalty					
Punishment					
Compounding					
C. OTHER OFFICERS IN DEFAULT			NIL		
Penalty					
Punishment					
Compounding					

(For and on behalf of the Board)

Place: Tirupur
Date: 30.05.2016

Ashmita Aggarwal
Whole time Director
(DIN: 07332067)

Sikha Aggarwal Prem
Whole time Director
(DIN:03373965)

Independent Auditors' Report

To the Members of Junction Fabrics and Apparels Limited, Tirupur

Report on the Standalone Financial Statements

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

Management's Responsibility for the Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation and presentation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies(Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made there under. We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement. An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the standalone financial statements.

Opinion

In our opinion and to the best of our information and according to the explanations 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, of the state of affairs of the Company as at 31st March, 2016, and its profit and its cash flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016("the Order"), issued by the Central Government of India in terms of sub-section (11) of Section 143 of the Act, we give in the "Annexure I", a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

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 purposes 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 appears 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 the 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 the written representations received from the directors as on 31st March, 2016 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 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 II" and
- (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:
 - i. There has been no pending litigations against the Company having any impact on its financial position in its financial statements
 - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses;

iii. There has been no delay in transferring amounts required to be transferred, to the Investor Education and Protection Fund by the Company.

Place: Tirupur
Date: 30.05.2016

For Balaji and Thulasiraman
Chartered Accountants

Sd/-
(CA.S.Balaji FCA DISA)
Partner M.No.202992 FRN.007262

Annexure I to the Independent Auditors' Report

i.(a) The Company has maintained proper records showing full particulars, including quantitative details and situation of the fixed assets.

(b) The Company has a regular programme of physical verification of its fixed assets by which all fixed assets are verified in a phased manner, over a period of three years. In our opinion, this periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its assets. No material discrepancies were noticed on such verification.

(c) In our opinion and according to information and explanations given to us and on the basis of an examination of the records of the Company, the title deeds of immovable properties are held in the name of the Company.

ii. The inventory, except goods-in-transit and stocks lying with third parties, have been physically verified by the management during the year. In our opinion, the frequency of such verification is reasonable. For stocks lying with the third parties at the year end, written confirmations have been obtained. The discrepancies noticed on verification between the physical stocks and the book records were not material and have been dealt with in books of account.

iii. According to the information and explanations given to us, the Company has not granted any unsecured loan any Companies, Firms, Limited Liability Partnerships and Other parties Section 189 of the Act.

iv. In our opinion and according to information and explanations given to us, the Company has complied with provisions of Section 185 and 186 of the Act in respect of loans ,investments, guarantees and security.

v. In our opinion and according to the information and explanations given to us, the Company has not accepted any deposit from the public in accordance with the provisions of Sections 73 to 76 or any other relevant provisions of the Act and the rules framed thereunder. Accordingly, paragraph3(v) of the Order is not applicable to the Company.

vi. We have broadly reviewed the books of accounts maintained by the Company pursuant to the rules prescribed by the central Government for the maintenance of cost records under Section 148(1) of the Act and are of the opinion that prima facie, the prescribed accounts and records have been made maintained.

vii. (a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, amounts deducted/accrued in the books of account in respect of undisputed statutory dues including Provident Fund, Employees' State Insurance ,Income Tax, Sales Tax/Value Added Tax, Wealth Tax ,Service Tax, Customs Duty, Excise Duty and material statutory dues have generally been regularly deposited during the year by the Company with the appropriate authorities.

(b) According to the information and explanations given to us, no undisputed amounts payable in respect of Provident Fund, Employees' State Insurance, Income Tax, Sales Tax/Value Added Tax, Wealth Tax, Service Tax, Customs Duty, Excise Duty and any other material statutory dues were in arrears as at 31st March, 2016 for a period of more than six months from the date they became payable.

viii. In our opinion and according to the information and explanations given to us, the Company has not defaulted during the year in repayment of dues to its financial institutions, bankers and government. The Company did not have any outstanding debentures during the year.

ix. a. The Company during the year has raised Rs.160 Lakhs, by way of initial public offer by issuing 1000000 equity shares of Rs.10/- each, with a premium of Rs.6/- The fund raised have been utilized for the purpose for which they were raised.

b. The Company during the year has not availed any term loans from any bank or financial institutions

c. The Company during the year has not raised money by way debt instruments.

x. According to the information and explanations given to us, no material fraud by the Company or on the Company by its officers or employees has been noticed or reported during the course of our audit.

xi. According to the information and explanations given to us, 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 Act.

xii. According to the information and explanations given to us, the Company is not a Nidhi Company as prescribed under Section 406 of the Act. Accordingly, paragraph 3(xii) of the Order is not applicable to the Company.

xiii. According to the information and explanations given to us, all transactions with the related parties are in compliance with Section 177 and 188 of Act, where applicable and the details have been disclosed in the Financial Statements as required by the applicable accounting standards.

xiv. According to the information and explanations 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.

xv. According to the information and explanations given to us and based on our examination of the records of the Company, during the year, the Company has not entered into non-cash transactions with directors or persons connected with him.

xvi. According to information and explanations given to us, the Company is not required to be registered under Section 45 IA of the Reserve Bank of India Act, 1934. Accordingly, paragraph3(xvi) of the Order is not applicable to the Company.

Place: Tirupur
Date: 30.05.2016

For Balaji and Thulasiraman
Chartered Accountants

Sd/-
(CA.S.Balaji FCA DISA)
Partner M.No.202992 FRN.007262

Annexure II to the Independent Auditors' Report

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

We have audited the internal financial controls over financial reporting of Junction Fabrics and Apparels Limited ("the Company") as at 31st March, 2016 in conjunction with our audit of the 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 based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India ("ICAI"). 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 Act.

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 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 Act, 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 ICAI. 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 judgement, 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 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:

- (a) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company;
- (b) 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 authorisations of management and directors of the company; and
- (c) provide reasonable assurance regarding prevention or timely detection of unauthorised 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, the Company has, 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 31st March, 2016, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

Place: Tirupur
Date: 30.05.2016

For Balaji and Thulasiraman
Chartered Accountants

Sd/-
(CA.S.Balaji FCA DISA)
Partner M.No.202992 FRN.007262

JUNCTION FABRICS AND APPARELS LIMITED**COMPANY'S CORPORATE GOVERNANCE PHILOSOPHY:**

Corporate governance is creation and enhancing long-term sustainable value for the stakeholders through ethically driven business process and it is imperative that our Company affairs are managed in a fair and transparent manner.

We, Junction Fabrics and Apparels Limited, ensure that we adopt and follow the corporate governance guidelines and best practices. We consider it our inherent responsibility to disclose timely and accurate information regarding our financials and performance as well as the leadership and governance of the Company.

BOARD OF DIRECTORS:**Composition of Board of Director as at the close of 31st March 2016:**

Category of Directors	No. of Directors
Executive Directors	3
Non-Executive Independent Directors	3
Other Non-Executive Directors	0
Total	6

During the Financial Year under review 11 Board Meeting were held on dates mentioned herein below:

Sl.No	Date of Board meeting
1	07/04/2015
2	07/07/2015
3	31/08/2015
4	09/09/2015
5	07/11/2015
6	21/11/2015
7	08/01/2016
8	14/01/2016
9	05/03/2016
10	26/03/2016
11	29/03/2016

CORPORATE GOVERNANCE REPORT

Particulars of Directors, their attendance at the Annual General Meeting and the Board Meeting detailed above held during the Financial Year 2015-16 and also their other Directorship held in Indian Public Companies and Membership/Chairmanship of various Board Committees of other Indian Public Companies as at 31st March 2016 are as under:

Name of the Director (DIN)	Attendance at		No of Directorship in other public companies	No of Committee positions held in other public companies as	
	Board Meeting (Total 11 Meetings)	AGM held on 30.09.2015		Chairman	Member
Executive Director:					
Mr. Prem Dinanath Aggarwal (DIN:02050297)	11	1	NIL	nil	nil
Mrs. Shikha Aggarwal Prem (DIN:03373965)	11	1	NIL	nil	nil
Ms. Ashmita Agarwal (DIN: 07332067)*	6	1	NIL	nil	nil
Mrs. Aggarwal Prem Tanvi (DIN:06573950)**	7	1	NIL	nil	nil
Non-Executive Independent Director:					
Mr. Subramanian Thirumurugan (DIN: 03107366)	9	1	NIL	nil	nil
Mr. Ramasubramaniam Senthilrajagopal (DIN:06520260)	9	1	NIL	nil	nil
Mr. Sankaranarayanan Muthuramakrishnan (DIN:07137404)	8	1	NIL	nil	nil

* Mrs. Ashmita Agarwal (DIN: 07332067) was appointed as an Additional Director on 21st November 2015.

** Mrs. Aggarwal Prem Tanvi (DIN: 06573950) resigned from the Board on 21st November 2015.

INTER-SE RELATIONSHIPS BETWEEN DIRECTORS OF THE COMPANY:

S.No	Name of the Director	Designation	Inter-se Relationships
1	Mr. Prem Dinanath Aggarwal	Managing Director	Husband of Ms. Shikha Aggarwal Prem and Father of Mrs. Aggarwal Prem Tanvi and Mrs. Ashmita Aggarwal
2	Ms. Shikha Aggarwal Prem	Whole time Director	Wife of Mr. Prem Dinanath Aggarwal and Mother of Mrs. Aggarwal Prem Tanvi and Mrs. Ashmita Aggarwal
3	Ms. Aggarwal Prem Tanvi	Whole time Director	Daughter of Mr. Prem Dinanath Aggarwal and Mrs. Shikha Aggarwal Prem and Sister of Mrs. Ashmita Aggarwal
4	Ms. Ashmita Aggarwal	Whole time Director	Daughter of Mr. Prem Dinanath Aggarwal and Mrs. Shikha Aggarwal Prem and Sister of Mrs. Aggarwal Prem Tanvi

BOARD COMMITTEES:**A. AUDIT COMMITTEE**

Audit Committee comprises of Mr. Ramasubramaniam SenthilRajagopal, Chairman of the Committee, Mr.Sankaranarayanan Muthuramakrishnan, Independent Director and Mrs.Shikha Aggarwal Prem, Whole Time Director of the Company as a members of the committee.

Particulars of Meetings of Audit Committee held during the year along with details of member's attendance of audit Committee Meetings are detailed herein:

Name of the members	Attendance of the Audit Committee meeting dated			
	31/08/2015	07/11/2015	08/01/2016	05/03/2016
Mr. Ramasubramaniam Senthilrajagopal	✓	✓	✓	✓
Mr. Sankaranarayanan Muthuramakrishnan	✓	✓	✓	x
Mrs. Shikha Aggarwal Prem	✓	✓	✓	✓

Terms of reference:

The Terms of reference and role of the Audit Committee are as per guidelines set out in Clause 49 of the Listing Agreement, Part C of Schedule II of SEBI (Listing Obligations and Disclosures Requirements) Regulations, 2015 and Section 178 of Companies Act, 2013. The Committee meets periodically and mandatorily reviews the following:

The Role of Audit Committee together with its powers shall be as under:

1. Overseeing the company's financial reporting process and the disclosure of its financial information to ensure that the financial statements are correct, sufficient and credible;
2. Recommending to the Board, the appointment, re-appointment and, if required, the replacement or removal of the statutory auditor and the fixation of audit fees;
3. Approving payment to statutory auditors for any other services rendered by the statutory auditors;
4. Approving initial or any subsequent modification of transactions of the company with related parties;
5. Scrutinizing inter-corporate loans and investments;
6. Valuation of undertakings or assets of the company, wherever it is necessary;
7. Monitoring the end use of funds raised through public offers and related matters;
8. Reviewing, with the management, the annual financial statements before submission to the Board for approval, with particular reference to;
 - matters required to be included in the Director's Responsibility Statement to be included in the Board's report in terms of clause (c) of sub-section 134 of the Companies Act, 2013 ;
 - changes, if any, in accounting policies and practices along with reasons for the same;
 - major accounting entries involving estimates based on the exercise of judgment by management;
 - significant adjustments made in the financial statements arising out of audit findings;
 - compliance with listing and other legal requirements relating to financial statements;
 - disclosure of any related party transactions; and
 - Qualifications in the audit report.

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9. Reviewing, with the management, the quarterly financial statements before submission to the board for approval;
10. Reviewing, with the management, the statement of uses / application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document/ Draft prospectus/notice and the report submitted by the monitoring agency monitoring the utilization of proceeds of a public or rights issue, and making appropriate recommendations to the Board to take up steps in this matter;
11. Reviewing, with the management, performance of statutory and internal auditors, and adequacy of the internal control systems;
12. Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit;
13. Discussing with the internal auditors any significant findings and follow up there on;
14. Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the Board;
15. Discussing with the statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern;
16. Looking into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of nonpayment of declared dividends) and creditors;
17. Reviewing the functioning of the Whistle Blower mechanism, in case the same is existing;
18. Approving the appointment of the Chief Financial Officer (i.e. the whole time finance director or any other person heading the finance function) after assessing the qualifications, experience and background, etc., of the candidate; and
19. Carrying out any other function as is mentioned in the terms of reference of the Audit Committee or contained in the equity listing agreements as and when amended from time to time.

Further, the Audit Committee shall mandatorily review the following:

1. Management discussion and analysis of financial condition and results of operations;
2. Statement of significant related party transactions (as defined by the Audit Committee), submitted by management;

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3. Management letters / letters of internal control weaknesses issued by the statutory auditors;
4. Internal audit reports relating to internal control weaknesses; and
5. The appointment, removal and terms of remuneration of the chief internal auditor.

B. NOMINATION AND REMUNERATION COMMITTEE:

Nomination and Remuneration Committee comprises of Mr. Subramanian Thirumurugan, Chairman of the Committee, Mr. Ramasubramaniam Senthilrajagopal, Independent Director and Mr. Sankaranarayanan Muthuramakrishnan, Independent Director of the Company as a members of the committee.

Particulars of Meetings of Nomination and Remuneration (NR) Committee held during the year along with details of member's attendance of NR Committee Meetings are detailed herein:

Name of the members	Attendance of the NR Committee meeting dated			
	21/11/2015	18/03/2016		
Mr. Subramanian Thirumurugan	✓	✓		
Mr. Ramasubramaniam Senthilrajagopal	✓	✓		
Mr. Sankaranarayanan Muthuramakrishnan	✓	✓		

Terms of reference:

The terms of reference of the Nomination and Remuneration Committee include:

1. Identify persons who are qualified to become directors and may be appointed in senior management in accordance with the Criteria laid down, recommend to the Board their appointment and removal and shall carry out evaluation of every director's performance.
2. Formulate the criteria for determining the qualifications, positive attributes and independence of a director and recommend to the board a policy relating to the remuneration for directors, KMPs and other employees.
3. Determine our Company's policy on specific remuneration package for the Managing Director / Executive Director including pension rights.
4. Decide the salary, allowances, perquisites, bonuses, notice period, severance fees and increment of Executive Directors.

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STOCK CODE:

The Trading Scrip Code at the Bombay Stock Exchange Limited: 539216.

REGISTRAR AND SHARE TRANSFER AGENT:

M/s Big Share Services Private Limited, E-2 Ansa Industrial Estate-Sakhivihar Road, Sakinaka, Andheri (East), Mumbai- 400 072.

DISTRIBUTION OF SHAREHOLDING AS ON 31.03.2016:

Category	No. of Shares held	Percentage of Share Holding
A) Promoter & Promoter Group	16,92,250	62.86
B) Public	10,00,020	37.14
C) Non Promoter-Non Public		
C1) Shares underlying DRs	0	0.00
C2) Shares held by Employee Trust	0	0.00
Grand Total	26,92,270	100.00

DEMAT INFORMATION:

All the Equity Shares of the Company are held in dematerialized form.

PLANT LOCATION:

Our factory is located at Shed No. 40 Netaji Apparel Park, New Tirupur.

ADDRESS FOR CORRESPONDENCE:

Correspondence Address	The Managing Director/Company Secretary, Junction Fabrics and Apparels Limited, CIN:U18101TZ2011PLC017586 No.18(1)24, Workshop Street, Khaderpet, Tirupur - 641601
CIN	U18101TZ2011PLC017586
Website	www.junctionfabrics.in .
Compliance Officer E-mail ID	companysecretary@junctionfabrics.in
Phone	+91-0421-2200359, 4336896

