



ASHAPURA
INTIMATES FASHION LTD

ANNUAL REPORT 2014-15



01	aspire. achieve. accelerate.
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Three simple words.

These three words are the inspiration driving our vision and values, our philosophy and plans, our strategy and strength.

aspire. achieve. accelerate.

These words recount our eventful and exciting journey that started with small steps but big **ASPIRATIONS** in 2006 to become a fashion house for lounge wear and intimate wear categories.

These words reveal our resolve as we **ACHIEVED** remarkable success to emerge as market leaders and dominant players in the world with a market capitalization of ₹ 5 billion.

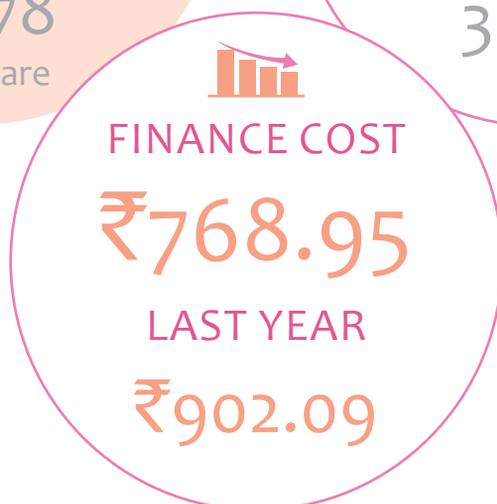
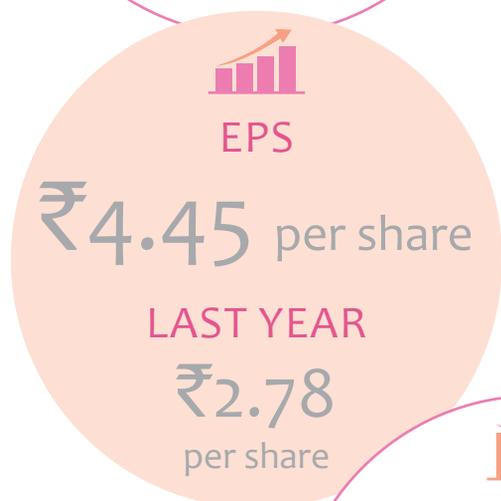
These words reflect our focus and firm ambition as we now prepare to **ACCELERATE** the momentum by leveraging our scale, skills and scope to enter into the next phase of growth.

At Ashapura Intimates Fashion Limited, these simple words inspire and encourage us to

aspire further
achieve bigger
accelerate faster

Highlights of the Year

In Lakhs





NEW VISUAL IDENTITY FOR VALENTINE WITH NEW BRAND POSITIONING REVOLVING AROUND THE STRONGEST HUMAN EMOTION - LOVE



6

BRANDS
CONSOLIDATED
UNDER VALENTINE

2,000+

NEW SKUs
INTRODUCED
DURING THE YEAR

1

NEW
CATEGORY
INTRODUCED

REACH

5

EBOs opened

3

New Modern Retailers added

MIGRATED TO BSE MAIN BOARD*

*(June 2015)

Corporate Snapshot

PROFILE

Ashapura Intimates Fashions Limited (AIFL) is a young company founded in 2006. In less than a decade, AIFL emerged as one of the leading fashion house in India in the intimate wear market. The Company has fully integrated operations from manufacturing to retail. The Company today has its presence across the entire intimate wear value chain.

What makes AIFL unique is its comprehensive range of products which cater to every member of a family: from lounge wear to sleep wear to women's intimate wear to sports wear and kids lounge wear – making AIFL the only player having an unmatched capability to offer a full range of products required for a retail outlet under one-roof.

The Company is headquartered in Mumbai and listed on the Bombay Stock Exchange in the BSE SME IPO segment in 2013. The Company migrated to BSE Main Board in June 2015.

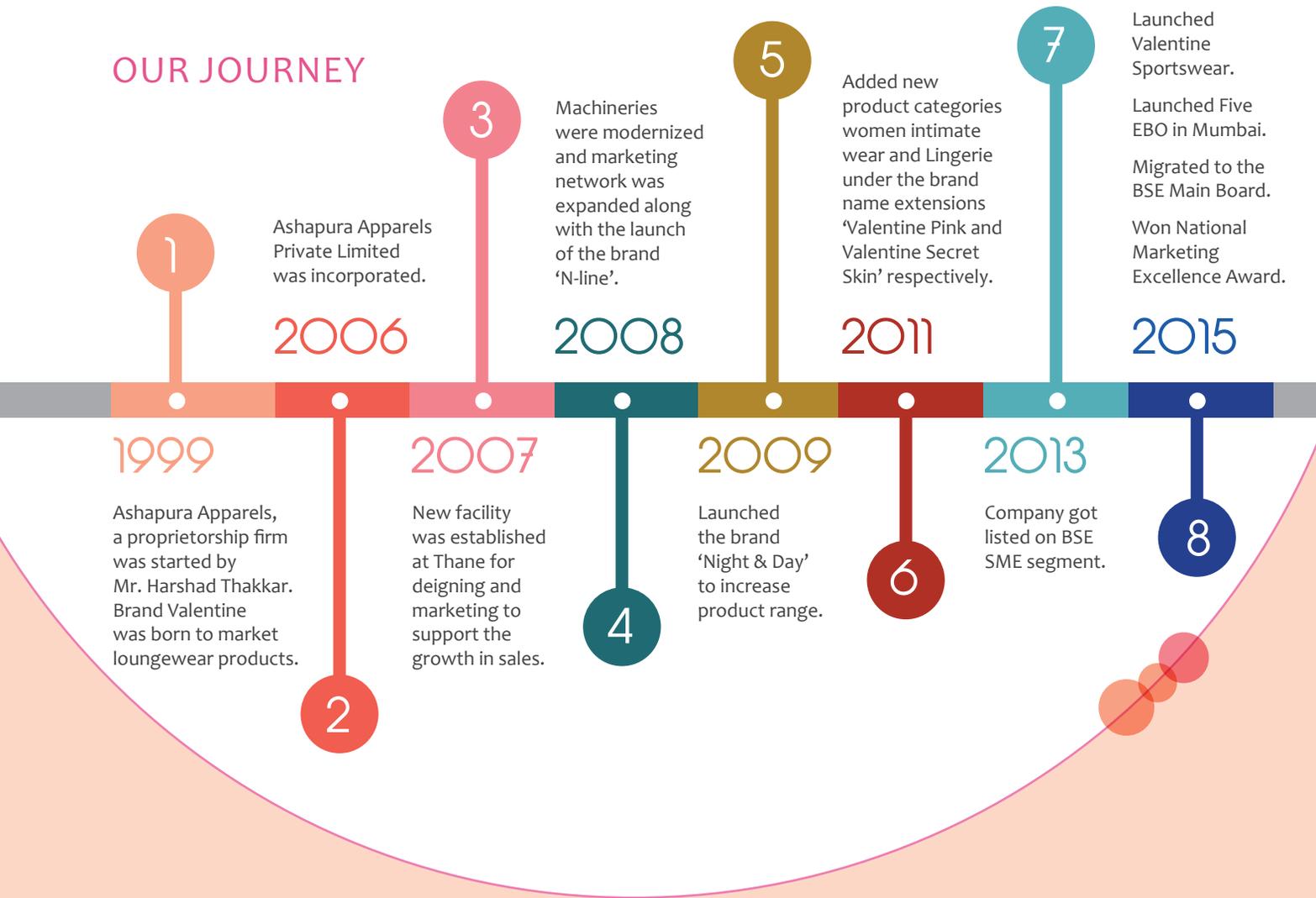
The Company currently trades under the code BSE: 535467.

VALUES

Embedded deep inside the core of AIFL's Aspirations and Achievements are its SEVEN Corporate Values. These values form the DNA, guiding every thought and action of the Company. They bond and bind every division and department into a powerful and a unified entity with shared vision and goal. These values create the crucial driving force that helps us Accelerate faster in our journey.



OUR JOURNEY



PRODUCT RANGE

- Lounge Wear
- Bridal Night Wear
- Honeymoon Sets
- Bathrobes
- Night Wear
- Women's Intimate Wear and Lingerie
- Sports Wear
- Kids Lounge Wear

14,000

retail touch-points

5

VALENTINE Exclusive Brand Outlets (EBO) owned by the Company

115

Pan India presence with 115 Distributors and 15 C&F Agents

11

Franchise EBOs across India

REACH AND PRESENCE

Presence in all major Modern Retail Outlets like Central, Globus and others

Launched online store: www.valentineclothes.com

International presence in MENA countries

Chairman's Message



There is a major shift happening in the intimate wear space: the aspirational youth is demanding fashion in intimate wear, which has hitherto a non-fashion, functional and utility product.

Dear Shareholders,

It is always a pleasure and privilege to share with you highlights of the year's performance and the outlook for the next year.

The year 2014-15 has been a year of positivity and optimism for the Indian economy. The bold and directional reforms in key sectors undertaken by the new government brought confidence and conviction back in the long-term India growth story that once again became the focus of the world. The country's GDP bounced back to 7.3 per cent in the fiscal year 2015, and crossed the threshold US\$ 2 trillion mark, as all the major sectors of the economy saw a marked revival and resurgence in industrial as well as consumer demand. The falling oil prices in the latter half of the year further contributed to the positive momentum as inflation fell to around 5 per cent levels, allowing the Reserve Bank of India (RBI) to lower interest rates. Foreign investors are flocking back as they foresee a period of stability and sustained high-growth for the near and mid-term as India marches ahead to become the fastest growing economy in the world.

IN A SPAN OF ONLY NINE YEARS,
WE HAVE BECOME A FORCE TO RECKON
WITH IN THE INTIMATE WEAR MARKET
PLACE. THE COMBINATION OF CATEGORIES,
PRODUCTS, RANGE AND DESIGNS FOR
THE ENTIRE FAMILY GIVES US A DISTINCT
COMPETITIVE ADVANTAGE THAT IS
HARD TO REPLICATE.

With almost 61 per cent of its population below the age of 35 years, India is growing younger, unlike many other countries. The young India is aspirational and aware, confident and conscious. And this is the single biggest factor in India's favour.

These are exciting and interesting times indeed!

At Ashapura Intimates Fashions Limited, we are a fashion house specializing in the intimate wear products for men, women and kids. The intimate wear market and the women's intimate wear market is expected to grow at a CAGR of 9 per cent and 15 per cent respectively between 2013-2023, and reach ₹ 595 billion and ₹ 440 billion by 2023. There is a major shift happening in the intimate wear space: the aspirational youth is demanding fashion in intimate wear, which has hitherto a non-fashion, functional and utility product. However, compared to countries like China and Thailand, India is still way behind in terms of consumer spend on fashionable intimate wear – a clear indication of the huge opportunity that lies ahead.

It was another year of excellent financial performance by your Company. The key financial highlights are:

📈 Our Total Revenues for the year were ₹ 1,792 million compared to ₹ 1,676 million in the previous year, an increase of 6.9 per cent.

📈 Our EBIDTA for the year was ₹ 249 million against ₹ 201 million in the previous year, an increase of 24.04 per cent

📈 Our Net Profit for the year was ₹ 87 million against ₹ 54 million in the previous year, an increase of 60.33 per cent

We are in the process of converting our distributors into super-distributors, which would help us reduce the credit period from 3 months to 15 days, significantly improving working capital cycle.

Branding is one of our key strengths, and as part of our strategic marketing

initiative, we have started the process of converging all our brands into a single consumer/retail brand – VALENTINE. We firmly believe that a single strong brand will help us consolidate our focus as well as ensure higher visibility and connect with customers and consumers alike. Our recent foray into kids lounge wear and sports wear categories have shown excellent traction during the year. We are also in the process of expanding our footprint in India with tie-ups with larger MBOs, more EBOs and a higher online sales. For accelerating our export business, we are planning to set up a sales office in Dubai.

In a span of only nine years, we have become a force to reckon with in the intimate wear market place. The combination of categories, products, range and designs for the entire family gives us a distinct competitive advantage that is hard to replicate. This short but eventful journey has seen your Company ASPIRE and ACHIEVE, and yet, we believe this is just the beginning. We are all set to ACCELERATE!

I thank all our stakeholders – our bankers, our investors, our vendors and partners, our distributors and agents and customers for their trust and faith. A special thank you to all the employees of the Company for their energy and efforts to make Ashapura Intimates Fashion Limited No. 1.

Yours sincerely,

Harshad Thakkar
Chairman & Managing Director

Business Overview

Ashapura Intimates Fashion Limited has redefined the lounge wear, intimate wear and sports wear spaces by making these fashionable and aspirational – a far cry from the functional and utility driven space. With a passion for design and a focus on quality, the Company constantly strives to create the best customer offering in each individual market and deliver the best value proposition for its customers.

OVER THE YEARS, THE COMPANY'S SUCCESSES AND GOOD PERFORMANCE HAVE PUT IT IN A STRONG FINANCIAL POSITION, WITH A PROMISING SCOPE TO CONTINUE ON THE GROWTH TRAJECTORY AS A VIBRANT AND ACCELERATING INDIA MARCHES RAPIDLY AHEAD OFFERING NEW BUSINESS OPPORTUNITIES.

AIFL has one of the largest product basket in lounge wear, night wear and intimate wear, giving it a distinct advantage of addressing a larger market. Today, it is the only Company having the capability of offering a comprehensive range of products sufficient to complete the entire range for a store. Leveraging this distinct advantage, the Company has been launching its own Exclusive Branded Outlets and plans to launch many more on a pan India basis. New outlets are being opened in prime locations in Tier 1 and 2 cities across the country with alluring signage, state of the art visual merchandising, styling and presentation of the products. The store layout has been carefully thought and executed to convey the right feel and focus on the concepts and collections.

The Company is also increasing its presence online by creating a dedicated back-end team for its e-commerce portal www.valentineclothes.com. In order to capitalize on brand awareness in existing markets, we have tie-ups with various other retail websites too.

Over the years, the Company's success and good performance have put it in a strong financial position, with a promising scope continue on the growth trajectory as a vibrant and accelerating India marches rapidly ahead offering new business opportunities. The growth prospects are positive for mid and long terms. The Company is growing successfully in India and in the Middle East.

The consolidation of all sub-brands under VALENTINE brand will further channelize and drive the Company's expansion in the future.

The expansion strategy is long-term and is taking place both via stores and online. The target is to increase the number of stores in Mumbai to 26 by 2015 year end and 100 stores in India within the next two-three years.

Plans are in place to set up a sales office in Dubai to strengthen our presence in the Middle East region. Expansion will also continue in the product mix based on the license the Company already has to use cartoon characters like Snoopy. We plan to diversify into kids intimate wear category as well.

Our in-house design studio and regular customer-connect ensures we remain aligned to evolving consumer preferences and fashion trends. We have consistently endeavoured to provide products which are glamorous and stylish coupled with products which render comfort and fit. At the heart of product-planning and design is quality, fashion and value for money. Supported by flexible planning and efficient logistics, we are successful in continually adapting our products to suit customers' demand. Our diverse range allows customers the freedom to select a product that is a unique reflection of their style and personality.



What differentiates us is our unique experience in identifying the gaps and foraying into the untapped market of intimate garment segments with distinct products.

Strategic Overview

India today has presents one of the most exciting and promising growth opportunities. The economy is surging. Confidence is growing. Consumption is rising.

India today is a young nation with 605 million people below the age of 25. By 2020, it is estimated that the average age of India will be 29 years. The youth of India are increasingly adapting western lifestyle, aspiring higher, demanding more.

At AIFL, our growth strategy revolves around the aspirations of the new, young India. We believe our future growth will be driven by the twin engines of ENHANCING BRAND and EXPANDING REACH.

ENHANCING BRAND

VALENTINE

The VALENTINE brand has played a pivotal role in single handedly promoting and branding this un-branded clothing category. It has emerged as one of the most visible and recognizable brand in the lounge wear, sleep wear, sportswear, and intimate wear categories.

VALENTINE caters to the fashion need of the entire family viz. men, women and kids offering products like nightwear, lounge wear, inner wear and sportswear. At the heart of the family is the strongest human emotion – LOVE. The brand VALENTINE is synonymous with love and underpins our belief that love is the connecting bond and enjoys a strong recognition and relationship with human being across the world. Through our products, we strive to share our love for fashion with our customers.

And that is why, the VALENTINE brand strapline is WITH LOVE. Our latest brand campaign embodies this with the slogan – MADE with LOVE.



VALENTINE
with love



*made
with
love*

EXPANDING REACH

India today is going through an unprecedented technology shift. The explosion of smart devices, mobile internet and falling data charges have unleashed an online revolution that is radically changing customer behavior.

One of the largest intimate wear fashion brand in the world from the USA catapulted into a different league the moment its products were available on the e-commerce platforms that exponentially multiplied its reach and presence.

At AIFL, we have ambitious plans to expand our online reach. The e-commerce explosion that India is experiencing today has the potential to take us into a totally different and higher league. Our products are already available on all the leading e-commerce platforms through on-line retailers. In addition, this year we have also launched our own online store at www.valentineclothes.com

Our customers in even the remote corners of the country can easily get our products at the click of a mouse or tap of the mobile phone.

We also have plans to expand our physical reach pan-India. Every year, we add more Modern Retailers to our channel. In these MBOs, we add more categories to increase the size of product bouquet. Plans are also afoot to expand the network of our Exclusive Branded Outlets (EBOs) using a mix of own outlets as well as franchisee owned outlets to maximize reach within shortest time. In sharp focus are airports and high-streets our outlets would have the maximum visibility and impact.



Product Range

LOUNGE WEAR

Valentine Loungewear is a Premium category brand. The products are available in fabrics such as viscose, knits, woven, satin, georgette, stretched, lycra-net and terry material, in vibrant styles.

The N-Line Loungewear is a mid-tier category brand, consisting of

comfort wear garments made from knits & cotton fabrics for daily wear.

Products include Bermudas, capris, pyjamas, bridal sets in power net, chiffon, satin and other silky fabrics, individual sets and couple sets in terry fabric.

In Loungewear alone, AIFL features around 1,000 designs in its summer collection and 1,200 designs in its winter collection. Prices range from ₹ 599 to ₹ 1,399.





INTIMATE WEAR

- Valentine Secret Skin brand consists of products in the women's intimate wear category such as slips, camisoles and leggings. The products are made from materials such as cotton-lycra, lycra-rib, interlock, modal, viscose, etc., in comfort fit.
- Valentine Pink includes women's lingerie, bra and panty sets and corsets. Products in this category are made from fabric such as cotton-lycra, nylon, stretched net, laces, knits with elastics and other accessories.
- Prices in this product line range from ₹ 250 to ₹ 750.

NIGHT WEAR

- Premium Nightwear brand marketed exclusively to women. The Night & Day brand of the Company presents an eclectic array of nightwear for women.
- Products are available in fabrics such as woven, viscose, knits, satin, georgette, stretched etc., in comfort fit and include cotton night wear, maternity feeding night wear, satin two piece night wear.
- Prices in this product line range from ₹ 500 to ₹ 3,000.

SPORTS WEAR

- Valentine Sports brand consists of products like gym wear, yoga wear, jogging wear etc. for men & women. The MRP of Valentine Sportswear ranges from ₹ 399 to ₹ 899.
- It is made from diverse fabrics like 100% cotton single jersey (knitted), viscose, satin, modal, cotton lycra, 100% cotton fabric etc.
- Recently launched new sportswear made out of dry fit fabric exclusively made for teens and plus sizes.

Board of Directors



MR. HARSHAD THAKKAR

Chairman & Managing Director

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

MR. DINESH SODHA

Director- Marketing Head

He has 16 years' experience in the garments business. He is responsible for day to day management of the centralised warehousing facility.

MR. HITESH PUNJANI

Executive Director

He has 12 years' experience in the garments business. He is in-charge of ensuring quality production process, timely delivery of goods and quality output.

INDEPENDENT DIRECTORS

MR. RAMAKANT NAYAK

MR. RATAN THAKUR

MRS. ANUPAMA SHARMA

MANAGEMENT TEAM

MR. HARSHAD THAKKAR

Chairman & Managing Director

MR. RAJARAM GOTTIMUKKULA

National Head – Sales & Marketing

He has over 10 years' experience in the business. With a Management degree in Sales & Marketing, he is responsible for strategy planning & implementation, business development, marketing & brand building.

MR. MOHIT SHAH

CFO

MS. KIRAN MESTRY

Head of Design

MR. BHAVIK DHIRWANI

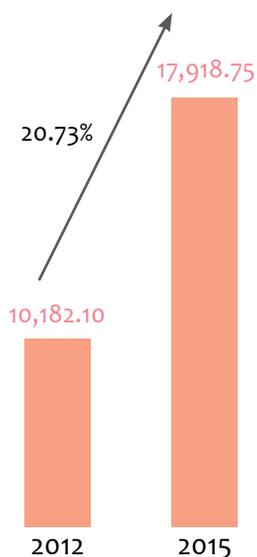
Head of Logistics

Financial Highlights

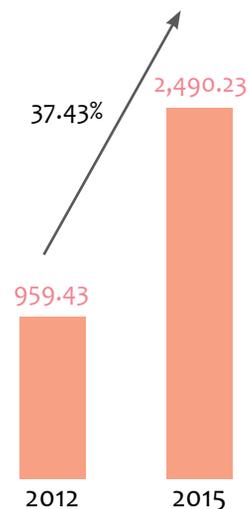
In Lakhs

Particulars	2012	2015	CAGR
Revenue	10,182.10	17,918.75	20.73%
EBITDA	959.43	2,490.23	37.43%
Profit Before Taxation	523.21	1,579.57	44.53%
Profit After Taxation	341.43	867.02	36.43%
Networth	1,098.40	4,920.02	64.84%

In Lakhs

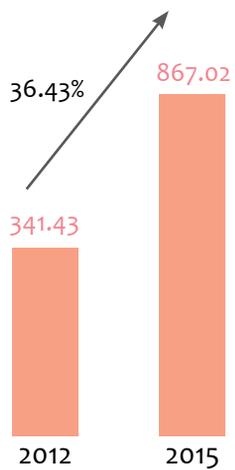


REVENUE

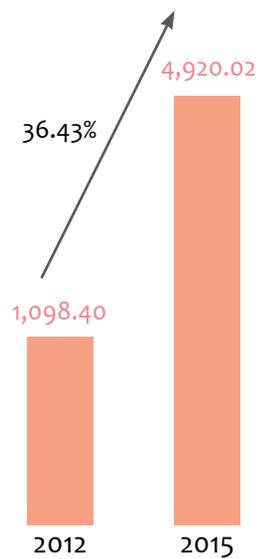


EBITDA

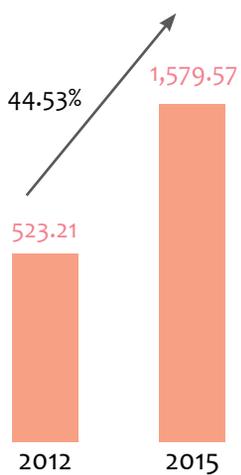
In Lakhs



PROFIT BEFORE TAXATION



PROFIT AFTER TAXATION



NETWORTH

Corporate Information

BOARD OF DIRECTOR

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

SENIOR MANAGEMENT

Mr. Mohit Shah, Chief Financial Officer

COMPANY SECRETARY & COMPLIANCE OFFICER

Ms. Manisha Pareek

STATUTORY AUDITORS

M/s. JDNG & ASSOCIATES,
Chartered Accountants
F-30/31, Dreams The Mall,
First Floor, L.B.S Road ,
Nr. Bhandup Station,
Bhandup (West), Mumbai – 400 078.
Tel: 21660391 / 21660400

REGISTRAR & SHARE TRANSFER AGENT

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

REGISTERED OFFICE

3-4, Valentine, Pacific Plaza,
Ground Floor, Plot No. 507,
TPS IV, Off B. S. Road,
Mahim Division, Dadar (West),
Mumbai – 400 028.

BANKER

Bank of Baroda

Notice Of Annual General Meeting

Notice is hereby given that the 9th Annual General Meeting of the Members of ASHAPURA INTIMATES FASHION LIMITED will be held at Kohinoor Bhavan, Kohinoor Road, Opposite Dadar (East) Railway station Mumbai-400014, on Monday, the 7th September, 2015 at 10.00 a.m. to transact the following business:

1. Financials:

To receive, consider and adopt :

- A. Audited Balance sheet as at 31st March, 2015 and the audited Statement of Profit & Loss and the audited Cash flow statement for the financial year ended on that date together with Directors' and the Auditors' Report thereon be and hereby approved and adopted."
- (B) the Audited Consolidated Financial Statements of the Company for the Financial Year ended 31 March, 2015 and the Report of the Auditors thereon.

2. Dividend:

To consider and, if thought fit, to pass, with or without modifications, if any, the following as an Ordinary Resolution:

"RESOLVED THAT A FINAL DIVIDEND of Rs 1 (i.e. 10% of FV Rs. 10/-) per equity share on the equity paid up of the company as recommended by the Board be and is hereby declared."

- i. those members whose appear on the Register of Member of the Company on 1st September, 2015 and
- ii. those whose names appears as beneficial owners as at the close of business on 1st September, 2015 as per details to be furnished by the National Securities Depository Limited and Central Depository Services Limited.

3. Re-appointment of Director

To appoint a Director in place of Mr. Dinesh C Sodha (DIN: 02836240), who retires by rotation at this Annual General Meeting and being eligible has offered himself for re-appointment.

4. Re-appointment of Director

To appoint a Director in place of Mr. Hitesh S Punjani (DIN: 03268480), who retires by rotation at this Annual General Meeting and being eligible has offered himself for re-appointment.

5. Rectification of appointment of statutory auditor

To consider and, if thought fit, to pass, with or without modifications, if any, the following as an Ordinary Resolution:

RESOLVED THAT pursuant to the provisions of section 139, 142 and other applicable provisions, if any, of the Companies Act, 2013, read with rules made thereunder and pursuant to the recommendations of the Audit Committee of the Board of Directors and the Resolution passed by the members at the Annual General Meeting of the Company held on 7th September, 2015 the company do ratifies the appointment of M/s. JDNG & ASSOCIATES, Chartered Accountants (Firm Registration No.104315W), as the statutory Auditors of the Company, to hold office till the Conclusion of the 11th AGM which will be held in the year, 2017 and the Board be and is hereby authorised to fix the remuneration.

RESOLVED FUTHER THAT the board of directors of the company(Including committees thereof) be and is hereby authorised to do all such acts, deeds, matters and things as may be considered necessary, desirable or expedient to give effect to this resolution.

SPECIAL BUSINESS:-

6. Preferential issue of warrants

To consider and, if thought fit, to pass, with or without modification(s), if any, the following resolution as an SPECIAL RESOLUTION:

"RESOLVED THAT pursuant to the provisions of Section 42, Section 62(1)(c) and all other applicable provisions, if any, of the Companies Act, 2013 ('Act') and the applicable Rules made thereunder, and the enabling provisions of the Memorandum of Association and Articles of Association of



the Company, Securities Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009, as amended from time to time ('SEBI ICDR Regulation'), Listing Agreement entered into with the stock exchange where the shares of the Company are listed, Foreign Exchange Management Act, 1999, as amended and rules and regulations framed thereunder as in force and in accordance with other applicable rules, regulation, circulars, notifications, clarifications and guidelines thereon issued from time to time by the Government of India, Securities Exchange Board of India ('SEBI'), the Reserve Bank of India ('RBI'), the Registrar of Companies ('ROC') and the stock exchange where the shares of the Company are listed ('Stock Exchange') and subject to requisite approvals, consents, permission and/or sanctions from RBI, SEBI, Stock Exchange and any other appropriate authorities and subject to such conditions and modifications as may be prescribed, stipulated or imposed by any of them while granting any such approvals, consents, permission, and/or sanctions, which may be agreed to by the Board of Directors of the Company (hereinafter referred to as the 'Board', which term shall be deemed to include any Committee which the Board may have constituted or may hereinafter constitute to exercise its powers including the powers conferred hereunder) the Board be and is hereby authorised to create, offer, issue and allot on preferential basis, 5 (Five) Warrants (hereinafter referred to as the 'Warrants') to Bennett Coleman & Co. Ltd. being a person not belonging to promoter or promoter group (hereinafter referred to as the 'Warrant holder' or "BCCL"), each Warrant exercisable for equity shares of the Company having a face value of Rs. 10 each, aggregating to Rs. 3,25,00,000 (Rupees Three Crore Twenty Five Lakhs Only), any time after 17th month from the date of allotment of the Warrants but on or before the expiry of 18th month, for cash at a price which shall be the higher of the following:-

- a) Rs. 262.89 being the price computed in accordance with regulation 76 of the SEBI ICDR Regulations on the basis of the Relevant Date or
- b) "Formula Price" being the price per Share equal to the volume weighted average of the closing prices of the shares quoted on BSE Limited during the 26 (Twenty Six) weeks preceding the expiry of 17 (seventeen)

months from the date of allotment of Warrants, after making adjustment for any bonus issue / split / consolidation."

"RESOLVED FURTHER THAT the "Relevant Date" as per SEBI ICDR Regulation for the purpose of determining the price of equity shares on exercise of the Warrant(s) shall be August 7, 2015. The Relevant Date shall be 30 days prior to the date of passing of the Special Resolution i.e. September 7, 2015 which is the date of passing the resolution in accordance with Section 62(1)(c) of the Act and the applicable Rules thereunder."

"RESOLVED FURTHER THAT the Board be and is hereby authorized to issue and allot such numbers of equity shares as may be required to be issued and allotted upon exercise of option by the Warrant holder and the equity shares so issued on exercise of option shall be subject to the Memorandum and Articles of Association of the Company and shall rank pari passu in all respects including dividend with the existing fully paid up equity shares of the Company."

"RESOLVED FURTHER THAT the Warrants to be offered, issued and allotted shall be subject to the provisions of the Act and SEBI ICDR Regulation including but not limited to the following:-

- a. The Warrants shall be allotted within a period of 15 days from the date of passing this resolution, provided that if any approval or permission by any regulatory authority or the Central Government for the allotment is pending, the period of 15 days shall be counted from the date of such approval or permission.
- b. An amount equivalent to 25% (Twenty five percent) of the total consideration payable i.e. Rs.4, 06, 25,000 (Rupees Four Crore Six Lakhs Twenty Five Thousand Only) shall be payable on or before the date of allotment of the Warrant. The balance 75% (Seventy Five percent) i.e. Rs.12,18,75,000 (Rupees Twelve Crore Eighteen Lakhs Seventy Five Thousand Only), shall be payable by the Warrant holder at the time of exercise of option and be adjusted/ set off against the price payable for the resultant equity shares.
- c. Subject to applicable provisions of law, such Warrant(s) may at the option of the holder, be exercised for equity

shares of the Company within a period of 18 months from the date of allotment of Warrant, and on such terms and conditions, in such form and manner as the Board and the holder of the Warrants may, in their absolute discretion, think fit.

- d. The equity shares to be issued and allotted by the Company on exercise of the Warrant(s) in the manner aforesaid shall be in dematerialized form.
- e. The Warrants shall be locked in for a period of 1 year from the date of allotment of Warrants and equity shares allotted pursuant to the exercise of the Warrants will be put under fresh lock in for a period of 1 year from the date of receipt of trading approval from Stock Exchange where the Company's equity shares are listed or as may be required under SEBI ICDR Regulations."

"RESOLVED FURTHER THAT for the purpose of giving effect to this resolution, the Board be and is hereby authorized to do all such acts, deeds, matters and things as it may in its absolute discretion deem necessary, desirable and expedient for such purpose, including without limitation, issuing clarifications, resolving all questions of doubt, effecting any modification or changes to the foregoing (including modification to the terms of issue) entering into contacts, arrangements, agreements, documents (including for appointment of agencies, intermediaries and advisors for the issue) and to authorize all such persons as may be necessary, in connection therewith and incidental thereto as the Board in its absolute discretion shall deem fit and to settle all questions, difficulties or doubt that may arise in regard to the offer, issue and allotment of the Warrants and equity shares and utilization of proceeds of the Warrants and equity shares, take all other steps which may be incidental, consequential, relevant or ancillary in this connection and to effect any modification to the foregoing and the decision of the Board shall be final and conclusive."

"RESOLVED FURTHER THAT the Board be and is hereby authorized to delegate all or any of the powers herein conferred to any committee of the Board or any Director(s) or Officer (s) of the Company and to generally do all such acts, deeds and things as may be required in connection with the aforesaid resolutions, including making necessary filings with the stock exchange and regulatory authorities and to

appoint any consultant, legal advisors or other professional advisors, to give effect to the aforesaid resolutions.

By Order of the Board of Directors
For Ashapura Intimates Fashion Limited
Mumbai
12th August, 2015

Registered Office:

Unit No. 3-4, Ground Floor,
Pacific Plaza, Plot No. 570, TPS IV,
Off Bhawani Shankar Road,
Mahim Division, Dadar (West),
Mumbai – 400 028,
Maharashtra, India

Sd/-

Harshad Thakkar
Managing Director

NOTES:

- (a) The Statement, pursuant to Section 102 of the Companies Act, 2013 with respect to Item Nos. 6 part of this notice.
- (b) A MEMBER ENTITLED TO ATTEND AND VOTE AT THE ANNUAL GENERAL MEETING (AGM) IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE ON A POLL ON BEHALF OF HIM/ HER AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY. A person can be a proxy on behalf of not exceeding fifty (50) members and holding in aggregate not more than more than ten (10) percent of the total share Capital of the Company.
- (c) Corporate members intending to send their authorised representatives to attend the meeting are requested to send a certified copy of the Board Resolution to the Company, authorising their representative to attend and vote on their behalf at the meeting. Members/proxies/ authorised representatives are requested to bring the duly filled Attendance Slip enclosed herewith to attend the meeting.
- (d) The Register of Members and Share Transfer Books of the Company will be closed from 2nd September, 2015 to 4th September, 2015 (both days inclusive) for the purpose of Annual General Meeting .
- (e) The Company's registrar and transfer agents for its share registry work (Physical and Electronic) are Link Intime India Private Limited having office at C-13, Pannalal Silk Mills Compound, LBS Marg, Bhandup West, Mumbai-400078
- (f) If dividend on Ordinary Shares as recommended by the Board of Directors is approved at the meeting, payment of



such dividends will be made on and from 8th September, 2015 to those members whose names are on the Company's Register of Members after giving effect to valid transfers in respect of transfer requests lodged with the Company on or before -1st September, 2015. In respect of Ordinary Shares held in electronic form, the dividend will be paid to the beneficial owners of shares at the end of business hours on 1st September, 2015, as per details furnished by the Depositories for this purpose. Shareholders are requested to provide Bank details to facilitate payment of dividend, etc., either in electronic mode or for printing on the payment instruments.

- (f) In accordance with the Companies Act, 2013 read with the Rules framed thereunder, the Annual Report 2014-15 is being sent through electronic mode to those members whose email addresses are registered with the Company/ Depository Participant unless any member has requested for a physical copy of the report. For members who have not registered their email addresses, physical copies of the Annual Report 2014-15 are being sent by the permitted mode.

INSTRUCTION FOR E-VOTING

Pursuant to the provisions of Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014 substituted by Companies (Management and Administration) Amendment Rules, 2015 and Clause 35B of the Listing Agreement, the Company is pleased to provide remote e-voting facility to its members in respect of the business (es) to be transacted at the 9th Annual General Meeting of the Company scheduled to be held on Monday, 7th September, 2015

The Company has engaged Central Depository Services (India) Limited as the authorized agency to provide remote e-voting facility.

The remote e-voting facility will be available during the following voting period:

Commencement of remote e-voting	9.00 AM on Friday , - 04th September, 2015
End of remote e-voting	5.00 PM on Sunday, - 06th September, 2015

The cut-off date/record date for the purpose of remote e-voting is - 01st September, 2015

This communication is an integral part of Notice dated 12th August , 2015 for the Annual General Meeting scheduled to be held on Monday, 7th September , 2015.

The Notice of the Annual General Meeting and this communication are also available on the website of the Company at www.valentineloungeweargroup.com.

The instructions for members for voting electronically are as under:-

In case of members receiving e-mail:

- i. Log on to the e-voting website www.evotingindia.com
- ii. Click on "shareholders" tab.
- iii. Now Enter your applicable User ID, as under:
 - a. For CDSL: 16 digits beneficiary ID
 - b. Members holding shares in Physical Form should enter Folio No. registered with the Company.
- iv. Next enter the Image Verification code as displayed and Click on Login.
- v. If you are holding shares in demat form and had logged on to www.evotingindia.com and cast your vote earlier for EVSN of any company, then your existing password is to be used.
- vi. If you are a first time user follow the steps given below:

Please fill up the following details in the appropriate boxes:

	For Members holding shares in Demat Form and Physical Form
PAN	Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders) <ul style="list-style-type: none"> • Company/Depository Participant are requested to use the sequence number which is printed on Postal Ballot / Attendance Slip indicated in the PAN field.
DOB	Enter the Date of Birth as recorded in your demat account or in the company records for the said demat account or folio in dd/mm/yyyy format.
Dividend Bank Details	Enter the Dividend Bank Details as recorded in your demat account or in the company records for the said demat account or folio. <ul style="list-style-type: none"> • Please enter the DOB or Dividend Bank Details in order to login. If the details are not recorded with the depository or company please enter the member id / folio number in the Dividend Bank details field as mentioned in instruction (iv).

- vii. After entering these details appropriately, click on "SUBMIT" tab.
 - viii. Members holding shares in physical form will then reach directly the Company selection screen. However, members holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for Resolutions of any other company on which they are eligible to vote, provided that company opts for remote e-voting through CDSL platform. It is strongly recommended that members should not share their password with any other person and take utmost care to keep their password confidential.
 - ix. For Members holding shares in physical form, the details can be used only for remote e-voting on the Resolutions contained in this Notice
 - x. Click on the EVSN of "Ashapura Intimates Fashion Limited".
 - xi. On the voting page, you will see "Resolution Description" and against the same the option "YES/NO" for voting. Select the option YES or NO as desired. The option YES implies that you assent to the respective Resolution and option NO implies that you dissent to the respective Resolution.
 - xii. Click on the "Resolutions File Link" if you wish to view the entire Resolutions.
 - xiii. After selecting the Resolution if a member has decided to vote there on, click on "SUBMIT". A confirmation box will be displayed. If a member wishes to confirm his vote, click on "OK", else to change the vote, click on "CANCEL" and accordingly modify his vote.
 - xiv. Once a member "CONFIRM" his vote on the Resolution, he will not be allowed to change his vote.
 - xv. A member can also take out print of the voting done by him/her by clicking on "Click here to print" option on the Voting page.
 - xvi. If the demat account holder has forgotten the changed password then Enter the User ID and image verification code and click on Forgot Password & enter the details as prompted by the system.
 - xvii. For Non-Individual Members and Custodians:
 - a. Non-Individual members (i.e. other than Individuals, HUF, NRI etc.) and Custodian are required to log on to www.evotingindia.com and register themselves as Corporates.
 - b. They should submit a scanned copy of the Registration Form bearing the stamp and sign of the entity to be mailed to helpdesk.evoting@cDSLindia.com.
 - c. After receiving the login details a compliance user should be created using the admin login and password. The compliance user would be able to link the account(s) for which they wish to vote on.
 - d. The list of accounts should be mailed to helpdesk.evoting@cDSLindia.com and on approval of the accounts they would be able to cast their vote.
 - e. A scanned copy of the Board Resolution and Power of Attorney (PoA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.
- The remote e-voting commences on Friday, 4th September, 2015 (IST 9.00 A.M.). And ends on Sunday, 6th September, 2015 (IST 5.00 P.M.). During this period members of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date/record date i.e. - 01st September, 2015 may cast their vote electronically. The remote e-voting module shall be disabled by CDSL for voting thereafter. Once the vote on a Resolution is cast by the member, the member shall not be allowed to change it subsequently
- i. Any person who acquires shares of the Company and become member of the Company after dispatch of the Notice and holding shares as on the cut-off date i.e- 01st September, 2015 may follow the same instructions as mentioned above for remote e-voting.
 - ii. In case you have any queries or issues regarding remote e-voting, you may refer the Frequently Asked Questions ("FAQs") and remote e-voting manual available at www.evotingindia.com under help section or write an email to helpdesk.evoting@cDSLindia.com.
 - iii. Jaiprakash Singh & Associates, Practicing Company Secretary have been appointed as the



- Scrutinizer and Alternate scrutinizer to scrutinize the remote e-voting process and voting through Ballot paper in the meeting, in a fair and transparent manner.
- iv. The Scrutinizer, after scrutinising the votes cast at the meeting through ballot paper and through remote e-voting, will not later than three days of conclusion of the Meeting, make a consolidated scrutinizer's report and submit the same to the Chairman.
- v. In the event of poll, please note that the members who have exercised their right to vote through electronic means as above shall not be eligible to vote by way of poll at the meeting. The poll process shall be conducted and report thereon shall be prepared in accordance with Section 109 of the Act read with relevant rules. In such an event, votes cast under Poll taken together with the votes cast through remote e-voting shall be counted for the purpose of passing of resolution(s). No voting by show of hands will be allowed at the Meeting.
- vi. Subject to receipt of sufficient votes, the resolution(s) shall be deemed to be passed at the 9th Annual General Meeting of the Company scheduled to be held on Monday, 7th September, 2015. The Results shall be declared within three days from the conclusion of the meeting. The Results declared alongwith the Scrutinizer's Report shall be placed on the Company's website, www.valentineloungeweargroup.com and on CDSL's website, www.cdslindia.com within three days of passing of the Resolutions at the meeting and communicated to the Stock Exchanges.

By Order of the Board of Directors

For Ashapura Intimates Fashion Limited

12th August, 2015

Registered Office:
Unit No. 3-4, Ground Floor,
Pacific Plaza, Plot No. 570, TPS IV,
Off Bhawani Shankar Road,
Mahim Division, Dadar (West),
Mumbai – 400 028,
Maharashtra, India

Sd/-
Harshad Thakkar
Managing Director

EXPLANATORY STATEMENT PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013

The following Explanatory Statement sets out all material facts relating to the businesses mentioned under Item Nos.

SPECIAL BUSINESS

ITEM NO. 6

The Company is in the business of manufacturing and marketing of branded loungewear products relax wear & inner wear products. It is amongst the leading manufacturers and exporters of lounge wear, sportswear, bridal honeymoon sets and fashionable Inner wear in India.

In terms of Section 42, 62(1) of the Companies Act, 2013 and Regulation 72 of SEBI ICDR Regulations, any preferential allotment of securities needs to be approved by the shareholders by way of a special resolution.

The investment will be subject to customary conditions precedent including the execution of definitive documents and receipt of shareholders approval and applicable governmental and regulatory approvals.

The consent of the shareholder is being sought by a special resolution to enable the Board to issue the Warrants to Bennett Coleman and Company Limited in accordance with the provisions of the Companies Act, 2013 and the rules made thereunder, SEBI ICDR Regulations, as amended, listing agreement and any other applicable laws. The Board is also authorized to determine the pricing of equity shares in accordance with the method as prescribed in the resolution.

Further in terms of Regulation 73 of SEBI ICDR Regulations, the following disclosures are required to be made in the Explanatory Statement to the notice:

A. The object of the preferential issue:

The proceeds would be utilized for advertisement of the Company's products.

B. The proposal of the promoters, directors or key management personnel of the Company to subscribe to the offer:

None of the promoters, directors or key managerial personnel or relatives of the promoters, directors or key managerial personnel of the Company intend to subscribe to the issue.

C. The shareholding pattern of the Company before and after the preferential issue:

Sr.no	Category of Investors	Pre- issue*		Post- issue	
		No. of shares held	%	No. of shares held	%
A	Promoters and Promoters Group				
1.	Indians:				
	Individual	1,31,78,640	67.70%	1,31,78,640	65.61%
	Bodies Corporate	-	-	-	-
	Sub Total (A)	1,31,78,640	67.70%	1,31,78,640	65.61%
B	Non Promoters holding				
	Institutional investors				
	Mutual funds	6,40,000	3.29%	6,40,000	3.19%
	Financial institutions/bank	-	-	-	-
	Insurance companies	-	-	-	-
	Foreign Institutional Investors/ FFI	-	-	-	-
2.	Non Institutional				
	Corporate Bodies	7,94,302	4.08%	**14,12,425	7.03%
	Directors and Relative	9,24,600	4.75%	9,24,600	4.60%
	Indian Public	32,25,790	16.57%	32,25,790	16.06%
	Others (including NRIs)	7,03,908	3.62%	7,03,908	3.50%
	Sub Total	62,88,600	32.30%	69,06,723	34.39%
	Grand Total	1,94,67,240	100.00%	2,00,85,363	100.00%

* As on June 30, 2015

**Assuming 6,18,123 equity shares are allotted on exercise of Warrants at price of Rs.262.89 being price determined in accordance with Regulation 76 of SEBI ICDR Regulations and the holding of all other shareholders shall remain the same post- preferential issue, as they were on the date on which the pre-preferential issue shareholding is prepared.



D. The time within which the preferential issue shall be completed:

The allotment of the Warrants on preferential basis will be completed within a period of 15 days from the date of passing of the aforesaid special resolution. Provided that where any approval or permission by any regulatory authority for allotment is pending, the allotment of the Warrants shall be completed within 15 days from the date of such approval or permission.

E. Identity of the Proposed allottee :

1. BCCL is a company incorporated on 29 November, 1913 and is engaged in the business of printing, publishing, distribution of newspapers and broadcasting.
2. 74.33% of the share capital of BCCL is held by various companies listed on The Calcutta Stock Exchange Limited viz, Bharat Nidhi Ltd, PNB Finance and Industries Ltd, Camac Commercial Company Ltd, Arth Udyog Ltd and Ashoka Viniyoga Ltd.
3. The other corporate shareholders of BCCL comprise three companies i.e. Sanmati Properties Ltd with a stake of 9.75%, Jacaranda Corporate Services Ltd. with a stake of 8.93% and TM Investments Ltd with a stake of 5.96%.
4. The largest shareholder, viz. Bharat Nidhi Ltd. holds 24.41% of the total equity capital of BCCL. Therefore, none of the shareholders of BCCL hold controlling or ownership interest in BCCL in excess of the limits as set out in paragraph A4 of the SEBI circular dated January 24, 2013 and there exist no shareholders' or voting agreements between the shareholders of BCCL.
5. Pursuant to the allotment of the Warrants and the subsequent exercise of conversion, BCCL will be the legal and beneficial owner of upto 3.08% equity share capital of the Company.

The Board of Directors of BCCL is as under:

Sr No	Name
1.	Smt. Indu Jain
2.	Mr. Samir Jain
3.	Mr. Vineet Jain
4.	Mr. Satyan Gajwani
5.	Mr. Raj Kumar Jain
6.	Mr. Shrijeet Ramakanta Mishra
7.	Mr. Arunabh Das Sharma
8.	Ms. Kalpana Jaisingh Morparia
9.	Mr. Sanjay Kapoor
10.	Dr. Devi Prasad Shetty

Save and except proposed preferential issue in the resolution as set in the accompanying notice, the Company has made no other issue or allotment of securities on preferential basis during the year.

F. Change in control, if any, in the control of the Company consequent to the preferential issue:

There will be no change in control of the Company pursuant to the exercise of one or more Warrants by BCCL, as on exercise of all the five Warrants, their shareholding will be only up to the extent of 3.08% post issue shareholding.

G. Basis or justification of Price:

The pricing of the equity shares shall be higher of the following:

- i) Price as may be arrived at the accordance with the provisions of SEBI ICDR Regulations, as amended as on relevant date or:
- ii) Price per share equal to the volume weighted average of the closing prices of the shares quoted on BSE Limited during the 26 (Twenty Six) weeks preceding the expiry of 17 (seventeen) months from the date of allotment of the Warrants, after making adjustment for any bonus issue / split / consolidation.

H. Certificate from the statutory auditors

The Certificate of the statutory auditors of the Company to the effect that the present preferential offer is being made in accordance with the requirement contained in chapter VII of the SEBI ICDR Regulations shall be available for inspection at the registered office of the Company between 10.00 AM to 4.00 Pm from the relevant date upto the date of passing of the special resolution.

I. Relevant Date

The relevant date shall be 30 days prior to the date of passing of the special resolution i.e. September 7, 2015 which is the date of passing the resolution in accordance with Section 62(1) (c) of the act and the applicable rules thereunder.

J. Terms of Warrants to be issued to the allottee:

- i) At any time after 17th month from the Date of allotment of the Warrants but on or before expiry of 18th month from the date of the allotment of the Warrants, the Warrant holder will be entitled, to apply for and obtain allotment of such number of equity shares of Rs.10/-

each of the Company, aggregating to Rs. 16,25,00,000 (Rupees Sixteen Crore Twenty Five Lakhs Only) at a price calculated on the basis of para G above.

- ii) Upon exercise of one or more of the Warrants by the Warrant holder, the Board (or a committee authorised by the Board) shall allot such number of equity shares of face value of Rs.10/- each as may be required to be issued and allotted, as would be calculated on the basis of an price as determined above.
- iii) The equity shares issued pursuant to an exercise of the Warrant(s) will be subject to the Memorandum and Articles of Association of the Company and shall rank pari passu in all respects including with respect to dividend, with the then fully paid –up equity shares of the Company.
- iv) The equity shares to be allotted on exercise of the Warrant(s) will be subject to lock in for a period of one year from the date of receipt of trading approval from the stock exchange where the Company's equity shares are listed.

The Board believes that the proposed issue will be in the interest of the Company and its shareholders.

The Board recommends the special resolution mentioned at Item No. 6 of the notice for approval by the members.

None of the Directors and key managerial personnel of the Company or their relatives are concerned or interested financially or otherwise in the said resolution except to the extent of shareholding, if any held by them in the Company.

By Order of the Board of Directors
for Ashapura Intimates Fashion Limited

Sd/-
Harshad Thakkar
Managing Director

Registered Office:
Unit No. 3-4, Ground Floor,
Pacific Plaza, Plot No. 570, TPS IV,
Off Bhawani Shankar Road,
Mahim Division, Dadar (West),
Mumbai – 400 028,
Maharashtra, India
Mumbai
12th August, 2015



Directors' Report

To
The Members,

The Directors are pleased to present the 9th Annual Report of your Company together with the Audited Statement of Accounts and the Auditors' Report for the financial year ended, 31st March, 2015. The summarized financial results for the year ended 31st March, 2015 are as under:

FINANCIAL RESULTS

The working results of the Company for the year ended are as under: (In ₹ lakhs)

Particulars	Standalone		Consolidated	
	2013-14	2014-15	2013-14	2014-15
Total Revenue from Operation	16,755.00	17,918.75	19793.54	19846.71
Profit before depreciation and Taxation	1105.39	1721.29	1636.59	2321.24
Depreciation	250.35	141.71	290.78	199.22
Profit After Taxation	540.75	867.03	867.55	1219.28
Minority Interest	-	-	160.61	270.42

BUSINESS

Operational Revenue & Profit- during the Financial Year ended 31st March, 2015, the operational revenue from the company on a Standalone basis increased to Rs.17918.75 lacs from Rs.16755 lacs. Profit before tax Rs.1579.58 lacs vs. Rs. 855.03 Lacs in the previous year. While the Net Profit after Tax for the Financial Year ended 31st March 2015 was Rs. 867.03 as compared to Rs. 540.75 lacs the previous year.

COMPANY OWNED RETAIL STORES AND FRANCHISES ONE

During the year, your Company has come out with Exclusive Brand outlets Total 5 outlets 4 in Mumbai and 1 Exclusive Brand Outlets in Bangalore, all the objects are being achieved as per the planned targets and the same are reflected in the performance of the Company.

SUBSIDIARY COMPANY

As on 31st March, 2015, the Company is having only one subsidiary i.e MOMAI APPARELS LIMITED is listed on National Stock Exchange of India Limited (NSE). There are no associate companies within the meaning of Section 2(6) of the Companies Act, 2013. During the year under report, the Board of Directors reviewed the affairs of the Subsidiary. In accordance with Section 129(3) of the Companies Act, 2013, we have prepared consolidated financial statement of the company and its subsidiary company, which form part of the Annual Report. Further, a statement containing the salient features of the Financial Statements of our Subsidiary in the prescribed format AOC-1 is annexed as annexure II of the Boards Report.

In accordance with section 136 of the Companies Act, 2013, the audited financial statements including consolidated financial statements and related information of the company and audited accounts of subsidiary are available on companies' website i.e www.valentineloungewargroup.com. These documents will also be available for inspection during business hours at our registered office located at Dadar West, Mumbai.

KEY MANAGERIAL PERSONAL:

In accordance with the provisions of the act and the articles of association of the company ,

Mr. Hitesh Punjani retire by rotation ensuing Annual General Meeting and being eligible have offered themselves for reappointment.

Mr. Dinesh Sodha retire by rotation ensuing Annual General Meeting and being eligible have offered themselves for reappointment.

Sr. no	Name	Designation	Date of appointment	Date of Resignation/ withdrawal of Nomination
1	HARSHAD HIRJI THAKKAR	MANAGING DIRECTOR	17/07/2006	--
2	DINESH CHANUBHA SODHA	DIRECTOR	30/03/2012	--
3	HITESH SUBHASH PUNJANI	DIRECTOR	15/11/2013	--
4	RAMAKANT MADHAV NAYAK	INDEPENDENT DIRECTOR	19/12/2012	--
5	ANUPAMA MANOJ SHARMA	INDEPENDENT DIRECTOR	14/11/2014	--
6	RATAN NIHALCHAND THAKUR	INDEPENDENT DIRECTOR	14/02/2015	--
7	SONALI KRISHNAJI GAIKWAD	COMPANY SECRETARY	12/11/2012	11/06/2015
8	MOHIT AKHILESH SHAH	CFO	30/08/2014	--

Company Secretary Ms. Sonali Krishnaji Gaikwad has resigned w.e.f 11th June 2015 and the board places on record its appreciation for the valuable contribution made by Ms. Sonali Krishnaji Gaikwad during her tenure as a Company Secretary of the Company.

APPROPRIATIONS:

Dividend

Your Directors are pleased to recommend an equity dividend of Rs.1/- per equity share for the year ended March 31, 2015, subject to the approval of the shareholders at the ensuing Annual General Meeting.

TRANSFER TO RESERVES

The Company has transferred an amount of Rs. 632.49 lacs to Reserve Account during the Financial Year ended March, 2015.

SHARE CAPITAL

The equity share capital of the Company is listed on BSE Limited since 15th April, 2013

During the year there is no change in the share capital of the company .There was no right issue, bonus issue or preferential issue etc. during the year. The company has not issued shares with differential voting rights, sweat equity shares nor has it granted any stock options.

OPERATIONS

Detailed information on the operations of the different business lines of the Company and details on the state of affairs of the Company are covered in the Management Discussion and Analysis Report.

CREDIT RATING

The company's financial discipline and prudence is reflected in the credit rating assigned by CARE Rating Agency viz. Long Term Bank Facilities CARE BBB-.

DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to Section 134(3) (c) of the Companies Act, 2013 the Board of Directors of the Company confirms that-

1. In preparation of the Annual Accounts, the applicable accounting standards have been followed.
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 the profit or loss 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 to be followed by the Company and that such internal financial controls are adequate and were operating effectively
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.

DECLARATION BY INDEPENDENT DIRECTOR

The Company has received declaration from each Independent Director of the Company under Section 149(7) of the Companies Act, 2013 that the Independent Directors of the Company meet with the criteria of their Independence laid down in Section 149(6).

CORPORATE GOVERNANCE:

The company has complied and company is duly in process of Compliance with the requirements regarding Corporate Governance as required under the revised Clause 49 of the Listing Agreement with the Stock Exchange(s). The report on Corporate Governance, Management Discussion and Analysis, as well as the Auditors Certificate on the compliance of Corporate Governance form part of the Annual Report.

INFORMATION UNDER SECTION 134 OF THE COMPANIES ACT, 2013, READ WITH COMPANIES (DISCLOSURE OF PARTICULARS IN THE REPORT OF THE BOARD OF DIRECTORS) RULES 1988:

- (A) Conservation of Energy
- (B) Pollution Control
- (C) Technology, Absorption, Adaptations & Innovation
- (D) Foreign Exchange Earnings and Outgo

VIGIL MECHANISM

The Company is committed to adhere to the highest standards of ethical, moral and legal conduct of business operations and in order to maintain these standards, the Company encourages its employees who have genuine concerns about suspected misconduct to come forward and express these concerns without fear of punishment or unfair treatment.

The mechanism provides for adequate safeguards against victimization of Directors and employees to avail of the mechanism and Chairman of the Audit Committee shall have a direct access of the complaints and grievances under the mechanism.

LOANS, GUARANTEES OR INVESTMENTS IN SECURITIES

Your Directors report that the Company has not granted any Loans, Guarantees or Investment in Securities under Section 186 of the Companies Act, 2013 and has complied with the provisions of the Act and other relevant provisions as may be applicable.

CONTRACTS OR ARRANGEMENTS WITH THE RELATED PARTIES

There were no materially significant related parties contracts entered into by the Company with the Directors, Key Managerial Personnel or any other persons which may have a potential conflict with the interest of the Company

PARTICULAR OF RELATED PARTY TRANSACTION

All related party transactions are done by the Company during the financial year were at Arm's Length and in ordinary course of business. All related party transactions were placed in the meeting of Audit Committee and the board of directors for their necessary review and approval. During the financial year your Company has entered into material transaction (as per Clause 49 of the Listing Agreement). Disclosures pursuant to accounting standards on related party transactions have been made in notes to the financial Statements. To identify and monitor significant related party transactions Company has also framed a policy on related party transactions and the same is available on companies website: www.valentineloungeweargroup.com

AUDITORS

a. Statutory Auditors:

M/s.JDNG and Associates Chartered Accountants, Statutory Auditors having its office at F-30/31, Dreams Mall, First Floor, L.B.S Road, Near Bhandup Station, Bhandup West, Mumbai-400 078 will hold office till the conclusion of the ensuing Annual General Meeting and are eligible for re- appointment. The Company has received the consent from the Auditors and confirmation to that effect that they are not disqualified to be appointed as Auditors of the Company in terms of the provisions of the Companies Act, 2013 and rules made thereunder. Accordingly, the Board of Directors has recommended the re-appointment of M/s. JDNG and Associates, Chartered Accountants to hold office from the ensuing AGM till the conclusion of the next AGM on and remuneration to be mutually decided by the Board and the Auditor.

b. Secretarial Auditors:

Pursuant to section 204 of the Companies Act, 2013, your Company had appointed M/s. Jaiprakash R Singh & Associates, Practicing Company Secretaries, Mumbai as its Secretarial Auditor to conduct the Secretarial Audit of the Company for the FY 2014-15.

EXTRACT OF ANNUAL REPORT

Pursuant to Section 92(3) of the Companies Act, 2013 extract of the annual return is annexed to this report in the prescribed form MGT-9 as Annexure- I

MEETINGS OF THE BOARD

Your Directors report that the regular meetings of the Board are held to discuss and decide on various business policies, strategies and other businesses. The Board met Five (5) times during the year. Detailed information is given in the Corporate Governance Report

FOREIGN EXCHANGE EARNINGS AND OUTGO

Total Foreign Exchange	(Rs. In Lacs)
Outgo (Including Operating Expenses, Interest, etc)	Nil
Earning (Charter Hire Earning)	1150.06

CASH FLOW STATEMENT:

In conformity with the provisions of Clause 32 of the Listing Agreement with Stock Exchanges, the Cash Flow Statement for the year ended 31st March 2015 is annexed hereto

CONSOLIDATED FINANCIAL STATEMENTS:

In accordance with the requirements of Accounting Standards AS-21 notified under the Companies (Accounting Standard) Rules 2006, the Consolidated Accounts of the company and its subsidiaries are annexed to this Report.

STATUTORY DISCLOSURE

The summary of the key financial of the company's subsidiary is included in this Annual report. A copy of audited financial statements for the said company will be made available to the members of company seeking such information at any point of time. The Audited financial statements for the subsidiary company will be kept for inspection by any member of the company at its registered office during business hours.

FIXED DEPOSITS:

The Company has not accepted fixed deposits from public within the purview of Section 74 of the Companies Act, 2013 during the year under review.

COMMITTEES OF THE BOARD:

The Board has Committees as a part of best corporate practices and has complied with the requirements of the relevant provisions of applicable laws and statutes. Accordingly, the Board has formed the following Committees of the Board:

Audit Committee and Vigil Mechanism

Investor Grievance Committee

Nomination and Remuneration Committee

Corporate Social Responsibility Committee

AUDITORS REPORT:

The Auditors' Report for the financial year ended March 31, 2015 does not contain any qualification. The Notes on Financial Statements referred to in the Auditors' Report are self-explanatory.

ACKNOWLEDGEMENTS

Your Directors place on record their gratitude for the continuing support of Shareholders, Investors, Banks, various Government authorities & departments, Port trust authorities and Business allies & associates for their continuous support and co-operation. at all levels.

Your Directors would also appreciate and value the contributions made by all our employees and their families towards operation and growth of the Company.

**For and on behalf of the Board of the Directors
of ASHAPURA INTIMATES FASHION LTD**

Sd/-

Mr. HARSHAD THAKKAR

Chairman and Managing Director

DIN: 01869173

Date: 25th July, 2015

Place: Mumbai



Secretarial Audit Report

FOR THE FINANCIAL YEAR ENDED 31ST MARCH, 2015.

[Pursuant to Section 204 (1) of the Companies Act, 2013 and Rule No. 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To,

The Members

ASHAPURA INTIMATES FASHION LIMITED
SHOP NO 3, 4 GROUND FLOOR, PACIFIC PLAZA
PLOT NO 507 TPS IV OFF B.S.ROAD
MAHIM DIVISION DADAR (W)
MUMBAI, Maharashtra 400028

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

Based on my verification of **ASHAPURA INTIMATES FASHION LIMITED** books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, I hereby report that in my opinion, the Company has, during the audit period covering the financial year ended on **31st March, 2015**, complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

1. I have examined the books, papers, minute books, forms and returns filed and other records maintained by **ASHAPURA INTIMATES FASHION LIMITED** ("**The Company**") for the financial year ended on 31st March, 2015, according to the provisions of:
 - I. The Companies Act, 2013 (**the Act**) and the Rules made hereunder;
 - II. The Securities Contracts (Regulation) Act, 1956 ("**SCRA**") and the Rules made hereunder;
 - III. The Depositories Act, 1996 and the Regulations and Bye-laws framed there under;
 - IV. The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ("**SEBI Act**") as amended till date to the extent applicable to the Company:-
 - a) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992;
 - b) The Securities and Exchange Board of India (Substantial Acquisition of Share and Takeover) Regulations, 2011;
 - c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;
 - d) The Securities and Exchange Board of India (Registrar to an Issue and Sharetransfer Agents) Regulations, 1993, regarding the Companies Act and dealing with Clients.
 - e) Bye Laws of Stock exchange (Listing Agreement.)
 - V. Other applicable laws:
 - a) The Payment of Wages Act, 1936;
 - b) Employees State Insurance Act, 1948.
 - c) Professional Tax Act, 1975
 - d) Employee Provident fund Act, 1952

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

- i) Secretarial Standards issued by The Institute of Company Secretaries of India.
- ii) The Listing Agreement entered into by the Company with the BSE Limited.

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

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

During my audit, it was observed that the Company has applied for Service Tax registration and Rs. 459164 (includes Rupees 199460 for F.Y. 14-15) will be paid on the registration.

2. I further report that the Company has, in my opinion, complied with the provisions of the Companies Act, 1956 and the Rules made under that Act and the provisions of Companies Act, 2013 as notified by Ministry of Corporate Affairs and the Memorandum and Articles of Association of the Company, with regard to:
- a) maintenance of various statutory registers and documents and making necessary entries therein;
 - b) closure of the Register of Members;
 - c) forms, returns, documents and resolutions required to be filed with the Registrar of Companies and the Central Government;
 - d) service of documents by the Company on its Members, Auditors and the Registrar of Companies;
 - e) notice of Board meetings and Committee meetings of Directors;
 - f) the meetings of Directors and Committees of Directors including passing of resolutions by circulation;
 - g) the 8th Annual General Meeting held on 26th September 2014;
 - h) minutes of proceedings of General Meetings and of the Board and its Committee meetings;
 - i) approvals of the Members, the Board of Directors, the Committees of Directors and the government authorities, wherever required;
 - j) constitution of the Board of Directors / Committee(s) of Directors, appointment, retirement and reappointment of Directors including the Managing Director and Whole-time Directors;
 - k) payment of remuneration to Directors including the Managing Director;
 - l) appointment and remuneration of Auditors ;
 - m) declaration and payment of dividends;

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

3. I further report that:

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

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

Majority decision is carried through and none of the members have expressed their dissent.

4. I further report that:

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

Place: Mumbai

Date: 08.08.2015

Sd/-
CS Jaiprakash Singh
Jaiprakash R Singh & Associates
FCS No.:7391
C P No.:4412



Compliance Certificate

To,

The Members,

Ashapura Intimates Fashion Limited

We have examined the compliance of conditions of Corporate Governance by **Ashapura Intimates Fashion Limited** ('the Company'), for the year financial ended 31st March, 2015 as stipulated in Clause 49 of the Listing Agreement of the Company with the Stock Exchanges in India.

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

In our opinion and to the best of our information and according to the explanations given to us and based on the presentation made by the Directors and Management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above mentioned Listing Agreement.

We further state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.

FOR JAIPRAKASH R SINGH & ASSOCIATES

COMPANY SECRETARIES

Sd/-

Jaiprakash Singh

(Proprietor)

Membership no.7391

C.P.N. 4412

Place: Mumbai

Date: 20th May, 2015.

Declaration of compliance with the Code of Conduct

To the Members of
Ashapura Intimates Fashion Limited

I hereby confirm that all the members of the board and senior Management have affirmed compliance with the Code of Conduct framed by the Company.

For Ashapura Intimates Fashion Limited

Place: Mumbai
Date: 30th May, 2015

Sd/-
Harshad Thakkar
Managing Director

CEO /CFO CERTIFICATION TO THE BOARD

To,
The Board of Directors,
Ashapura Intimates Fashion Limited

We certify that,

- a. We have reviewed the financial statements and the Cash flow statement for the year 2014-15 and that to the best of our knowledge and belief:
 - These statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
 - These statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations;
- b. There are, to the best of our knowledge and belief, no transactions entered into by the Company during the year 2014-15 which are fraudulent, illegal or violative of the Company's code of conduct;

Further, we accept responsibility for establishing and maintaining internal controls and that we have evaluated the effectiveness of the internal control systems of the Company pertaining to financial reporting and have disclosed to the Statutory Auditors and the Audit Committee, wherever applicable:

- Deficiencies in the design or operation of the internal control, if any, which we are aware of and the steps we have taken or propose to take to rectify these deficiencies;
- Significant changes, if any, in the internal controls over the financial reporting during the year 2014-15;
- Significant changes, if any, in accounting policies during the year 2014-15 and that the same have been disclosed in the notes to the financial statements; and
- Instances of significant fraud of which we have become aware and the involvement therein, if any, of the management or an employee having a significant role in the Company's internal control system over the financial reporting.

Place: Mumbai
Date: 30th May 2015

Sd/-
Mohit Shah
(Chief Financial Officer)



ANNEXURE – I

Form No. MGT-9

EXTRACT OF ANNUAL RETURNAS ON THE FINANCIAL YEAR ENDED ON 31st March, 2015.

[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:

CIN	L17299MH2006PLC163133
Registration Date	17/07/2006
Name of the Company	ASHAPURA INTIMATES FASHION LIMITED
Category / Sub-Category of the Company	PUBLIC COMPANY
Address of the Registered office and contact details	3, 4, VALENTINE,PACIFIC PLAZA, GROUND FLOOR, PLOT NO.507, B.S.ROAD, MAHIM DIVISION, DADAR WEST MUMBAI- 400028
Whether listed company	Yes
Name, Address and Contact details of Registrar and Transfer Agent, if any	LINK INTIME INDIA PRIVATE LIMITED C-13, PANNALAL SILK MILLS COMPOUND, L.B.S.MARG, BHANDUP WEST, MUMBAI-400078 CONTACT NO.25963838 FAX: 25946969 EMAIL : mumbai@linkintime.co.in

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:-

Sr. No.	Name and Description of main products / services	NIC Code of the Product/ service	% to total turnover of the company
1	Division Manufacture of all kind of textile products (including wearing apparel).	18101	100

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

Sr. No.	Name And Address Of The Company	CIN/GLN	Holding/ Subsidiary /Associate	% of shares held	Applicable Section
	MOMAI APPARELS LIMITED	L18109MH2010PLC199178	SUBSIDIARY	20.03%	2(87)

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

i. Category-wise Share Holding

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoter									
1) Indian									
a) Individual/ HUF	13182840	0	13182840	67.72%	13267840	0	13267840	68.15%	0.43
b) Central Govt	0	0	0	0	0	0	0	0	0
c) State Govt(s)	0	0	0	0	0	0	0	0	0
d) Bodies Corp	0	0	0	0	0	0	0	0	0
e) Banks / FI	0	0	0	0	0	0	0	0	0
f) Any Other	0	0	0	0	0	0	0	0	0
Sub-total(A)(1):-	13182840	0	13182840	67.72%	13267840	0	13267840	68.15%	0.43
2) Foreign									
g) NRIs-Individuals	0	0	0	0	0	0	0	0	0
h) Other-Individuals	0	0	0	0	0	0	0	0	0
i) Bodies Corp.	0	0	0	0	0	0	0	0	0
j) Banks / FI	0	0	0	0	0	0	0	0	0
k) Any Other....	0	0	0	0	0	0	0	0	0
Sub-total (A)(2):-	0	0	0	0	0	0	0	0	0
Total A	13182840	0	13182840	67.72%	13267840	0	13267840	68.15%	0.43

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
B. Public Shareholding									
1. Institutions									
a) Mutual Funds	0	0	0	0	0	0	0	0	0
b) Banks / FI	0	0	0	0	0	0	0	0	0
c) Central Govt	0	0	0	0	0	0	0	0	0
d) State Govt(s)	0	0	0	0	0	0	0	0	0
e) Venture Capital Funds	0	0	0	0	0	0	0	0	0
f) Insurance Companies	0	0	0	0	0	0	0	0	0
g) FIs	0	0	0	0	0	0	0	0	0
h) Foreign Venture Capital Funds	0	0	0	0	0	0	0	0	0
i) Others (specify)	0	0	0	0	0	0	0	0	0
Sub-total (B)	0	0	0	0	0	0	0	0	0
2. Non Institutions									
a) Bodies Corp.	820100	0	820100	4.21%	855800	0	855800	4.4%	0.19
(i) Indian									
(ii) Overseas	0	0	0	0	0	0	0	0	0
b) Individuals									
(i) Individual shareholders holding nominal share capital upto Rs. 1 lakh	723200	0	723200	3.71%	796954	0	796954	4.09%	0.38
(ii) Individual shareholders holding nominal share capital in excess of Rs. 1 lakh	3942100	0	3942100	20.25%	3736800	0	3736800	19.20%	1.05
c) Others(Specify)									
Clearing Member	82000	0	82000	0.42%	59646	0	59646	0.31%	0.11
Non Resident Indian	0	0	0	0	33200	0	33200	0.17	0.17
Trusts	717000	0	717000	3.68%	717000	0	717000	3.68%	-
Sub-total (B)(2)	6284400	0	6284400	32.27%	6199400	0	6199400	31.85%	0.42
Total	19467240	0	19467240	100	19467240	0	19467240	100	---
C. Shares held by Custodian for GDRs & ADRs	0	0	0	0	0	0	0	0	
Grand Total (A+B+C)	19467240	0	19467240	100	19467240	0	19467240	100	0



ii. Shareholding of Promoters

Sr. No	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in share holding during the year
		No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	
1.	Harshad kumar Hirji Thakkar	11318440	58.14%	0.00%	11318440	58.14%	0.00	--
2.	Harshaben Hirji Thakkar	9,00,000	4.62%	0.00%	9,00,000	4.62%	0.00%	--
3.	Ranjan Rasiklal Thakkar	5,00,000	2.57%	0.00%	5,00,000	2.57%	0.00%	--
4.	Rupal Rasiklal Thakkar	3,60,000	1.85%	0.00%	3,60,000	1.85%	0.00%	--
5.	Darshana Harsahd Thakkar	1,03,200	0.53%	0.00%	1,03,200	0.53%	0.00%	--
6.	Rasiklal Thakkar	1200	0.006%	0.00%	86,200	0.44%	0.00%	0.434%
	Total	13182840	67.71%	0.00%	13267840	68.15%	0.00%	0.434%

iii. Change in Promoters' Shareholding (please specify, if there is no change

Sr. no		Shareholding at the beginning of the year		Cumulative Shareholding Cumulative 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	13182840	67.71	13182840	67.71
	Date wise Increase / Decrease in Promoters Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc):	85000 (Transfer between 30.05.2014 to 31.03.2015)	0.434	--	--
	At the End of the year	13267840	68.15	13267840	68.15

V. INDEBTEDNESS

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

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	565022485	0	0	565022485
ii) Interest due but not paid	1181435	0	0	1181435
iii) Interest accrued but not due	0	0	0	0
Total (i+ii+iii)	566203920	0	0	566203920
Change in Indebtedness during the financial year				
- Addition	0	0	0	0
- Reduction	87099663	0	0	87099663
Net Change	-87099663	0	0	-87099663
Indebtedness at the end of the financial year				
i) Principal Amount	436045864	5192349.9	0	441238214
ii) Interest due but not paid	731365	70485	0	801850
(iii) interest accrued but not due	0	0	0	0
Total (i+ii+iii)	436777229	5262834.9	0	442040064

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL
A. Remuneration to Managing Director, Whole-time Directors and/or Manager

Sl. No.	Particulars of Remuneration	Name of MD/WTD/ Manager			Total Amount
		HARSHAD THAKKAR	DINESH SODHA	HITESH PUNJANI	
	Gross salary				
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	3600000	1200000	600000	5400000
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	0	0	0	0
	(c) Profits in lieu of salary under section 17(3) Income- tax Act, 1961	0	0	0	0
	Stock Option	0	0	0	0
	Sweat Equity	0	0	0	0
	Commission - as % of profit - others, specify... Rent	3024000	0	0	3024000
	Others, please specify	0	0	0	0
	Total (A)	6624000	1200000	600000	8424000

Remuneration to other directors:

Sl. No.	Particulars of Remuneration <u>Independent Director</u>	Name of MD/WTD/ Manager			Total Amount
		Ratan Thakur	Ramakant Madahav Nayak	Anuapama Sharma	
	· Fee for attending board committee meetings		80000	20000	100000
	· Commission	-	-	-	-
	· Others, please specify	-	-	-	-
	Total (1)				
	Other Non-Executive Directors				
	· Fee for attending board committee meetings	-	-	-	-
	· Commission	-	-	-	-
	· Others, please specify	-	-	-	-
	Total (2)				
	Total (B)=(1+2)				
	Total Managerial Remuneration	0	80000	20000	100000
	Overall Ceiling as per the Act				

C. Remuneration to Key Managerial Personnel Other Than MD /Manager /WTD

Sl. no.	Particulars of Remuneration	Key Managerial Personnel		
		Company Secretary	CFO	Total
	Gross salary			
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961			
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961			
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961			
		311760	300000	611760
	Stock Option	0	0	0
	Sweat Equity	0	0	0
	Commission - as % of profit - others, specify...	0	333332	333332
	Others, please specify	0	0	
	Total	311760	633332	945092



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					
Penalty					
Punishment					
Compounding					
B. Directors					
Penalty					
Punishment			N.A.		
Compounding					
C. Other Officers In Default					
Penalty					
Punishment					
Compounding					

Annexure II

Form AOC-I

([Pursuant to first proviso to sub section (3) of section 129 of the Companies Act 2013,
read with rule 5 of the Companies (Accounts) Rules 2014-)

Statement containing the salient features of the financial statements of subsidiaries/associate Companies/joint ventures**Part " A" Subsidiaries**

Sr. No	Name of the Subsidiary	Momai Apparels Limited
1.	Financial year ended	31.03.2015
2.	Reporting currency of the subsidiary concerned	Indian Rupees
3.	Share Capital	144295350
4.	Reserves & Surplus	469883119
5.	Total Assets	1190932686
6.	Total Liabilities	576754217
7.	Investments	Nil
8.	Turnover	1231003067
9.	Profit / (Loss) before taxation	55668271
10.	Provision for Taxation	19018931
11.	Profit /(Loss) after Taxation	36649340
12.	Proposed dividend	0.75
13.	% of Shareholding	20.03

Part "B": Associates and Joint Ventures**Not Applicable**

**For and on behalf of the Board of the Directors
of ASHAPURA INTIMATES FASHION LTD**

Sd/-

Mr. HARSHAD THAKKAR**Chairman and Managing Director****DIN: 01869173**



FORM NO. AOC-2

(Pursuant to clause (h) of sub-section (3) of section 134 of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014.

Form for Disclosure of particulars of contracts/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 transaction under third proviso thereto.

1. Details of contracts or arrangements or transactions not at Arm's length basis.								
SN	Name (s) of the related party & nature of relationship	Nature of contracts/arrangements/transaction	Duration of the contracts/arrangements/transaction	Salient terms of the contracts or arrangements or transaction including the value, if any	Justification for entering into such contracts or arrangement or transactions	Date of approval by the Board	Amount paid as advances, if any	(INR in lakhs) Date on which the special resolution was passed in General meeting as required under first proviso to section 188
	NA	NA	NA	NA	NA	NA	NA	NA
2. Details of contracts or arrangements or transactions at Arm's length basis.								
SN	Name (s) of the related party	Nature of relationship	Nature of transaction	Duration of the contracts/arrangements/transaction	Salient terms of the contracts or arrangements or transaction including the value, if any	Date of approval by the Board	Amount paid/ (received) as advances, if any	(INR in lakhs) Date on which the special resolution was passed in General meeting as required under first proviso to section 188
1	Momai Apparels Limited	Subsidiary	Purchase	8 th April, 2011 -ongoing	--	14 th February, 2015	NIL	NIL

**For and on behalf of the Board of the Directors
of ASHAPURA INTIMATES FASHION LTD**

**Sd/-
Mr. HARSHAD THAKKAR
Chairman and Managing Director
DIN: 01869173**

Corporate Governance Report

The Company continues to lay great emphasis on the broad principle of corporate governance. The Company also has a strong legacy of fair, transparent and ethical practices which it believes are the essence of good corporate governance. For this purpose the company continuously strives to improve its level of overall efficiency through good corporate governance, which envisages transparency, professionalism and accountability in all its operations.

This report therefore states the Compliances as per the Requirement of the Companies Act, 2013 and Clause 49 of the Listing Agreement.

COMPANY'S PHILOSOPHY ON CODE OF CORPORATE GOVERNANCE

Corporate Governance encompasses a set of systems and practices to ensure that the company's affairs are managed in a manner which ensures accountability, transparency and fairness in all its transactions in the widest sense. It stems from the dynamic culture and positive mindset of the organization and focuses on commitment to values and adherence to ethical business practices. Thus, timely, adequate and accurate disclosure of information on performance and ownership, forms the cornerstones of Corporate Governance. We believe that every Corporate Strategy needs to be dynamic, vibrant and responsive to the changing economic scenario and flexible enough to absorb environment and fiscal fluctuation. It must be capable of harnessing inherent strengths of available resources and materials and have the capacity to learn from success or failure and more importantly, ensure growth with human face. This has always been the guiding philosophy in the Company and will continue to be so in future, as we continue to perceive Corporate Governance as an upward moving target that we collectively strive towards achieving.

BOARD OF DIRECTOR

In keeping with the commitment of the management to the principle of the integrity and transparency in business operations for good corporate governance, the company's policy is to have an appropriate blend of executive and independent directors to maintain the independence of the board and to separate the board functions of governance and management.

COMPOSITION

As on 31st March, 2015 the board of the company consist of six directors, of whom three whole time director (which includes one managing director and two executive directors) and three were non-executive director.

NUMBER OF MEETING OF THE BOARD

During the Financial Year 2014-15, the board of directors met 5 times, viz 20th May, 2014, 28th May, 2014, 30th August, 2014, 14th November, 2014 and 14th February , 2015.

The gap between any two meetings has been less than one hundred and twenty days.

ATTENDANCE RECORDS OF THE DIRECTOR

Name of the Director	Category	Directorship in other Indian Companies	Meeting attended	Whether attended last AGM
Harshad Thakkar	Managing director(Executive)	2	5	Yes
Dinesh Sodha	Whole time director	2	4	Yes
Hitesh Punjani	Whole time director	2	3	Yes
Ramakant Nayak	Non- executive, independent	7	5	Yes
Ratan Thakur*	Non- executive, independent	2	1	No
Anupama Sharma**	Non- executive, independent	2	2	No
Shrikant Maheshwari	Non- executive, independent	-	3	Yes
Sunil Manocha	Non- executive, independent	5	2	No

*Mr. Ratan Thakur was appointed as a Non – executive Independent director from 14th February 2015 in place of Mr. Sunil Manocha who has resigned from the post of the directorship

** Mrs. Anupama Sharma was appointed as a Non-Executive director from 14th November, 2014 in place of Mrs. Shrikant Maheshwari who has resigned from the post of the directorship.



CODE OF CONDUCT

The Company had adopted the Code of Conduct for all the Board members and senior management of the company. The Code of Conduct has been posted on the Company's website. Further, all the Board members and senior management personnel (as per Clause 49 of the Listing Agreement) have affirmed the compliance with the respective Code of Conduct. A declaration to this effect signed by the Managing Director has been obtained by the Company.

WHISTLE BLOWER POLICY/ VIGIL MECHANISM

The company has adopted its whistle Blower Policy pursuant to section 177 of the Companies Act, 2013 and Clause 49 of the Listing Agreement.

The Whistle Blower Policy/ Vigil Mechanism provide a mechanism for the director/ employee to report violations, without fear of victimization of any unethical behavior, suspected or actual fraud, violation of the code of conduct etc. Which are detrimental to the organization's interest. The mechanism protects whistle blower from any kind of discrimination, harassment, victimization or any other unfair employment practice.

The directors in all cases and employees in appropriate or exceptional cases will have direct access to the Chairman of Audit Committee. The said Policy is placed on the Company's website: www.Valentineloungeweargroup.com

SUBSIDIARY COMPANY

The Company has Momai Apparels Limited as its Listed Material Subsidiary In the year 2014-2015 Ashapura Intimates Fashion Limited has subscribed 24000 shares in the Initial Processing Officering of Momai Apparels Limited. Total Stake of Ashapura Intimates Fashion Limited in Momai Apparels Limited stood at 20.03% as on 31st March, 2015

RELATED PARTY TRANSACTION

All related party transactions which were entered into during the financial year were on arm's length basis and were in the ordinary course of business and did not apply provisions of Section 188 of the Companies Act, 2013 and were material RPTs under clause 49 of the listing agreement attached in the form AOC 2. The details thereof is also uploaded on website. Suitable disclosure as required by the Accounting Standard (AS18) has been made in the notes to the financial statements.

AUDIT COMMITTEE

CONSTITUTION AND COMPOSITION

The Company has set up its Audit Committee. To meet the addition additional requirement of the Companies Act, 2013 and Clause 49. The board has been reviewing the working of the committee from time to time to bring about Greater effectiveness in order to Comply with the various requirement under Companies Act, 2013.

MEETING AND ATTENDANCE

During 2014-15, the audit committee met three times: 30th August, 2014, 14th November, 2014 and 14th February, 2015. The meeting was schedule well in advance, and the meeting attended by heads of the finance and those executives who were considered necessary for proving inputs to the committee. The terms of reference of the audit committee as approved by board are as required under Companies Act, 2013

COMPOSITION OF THE AUDIT COMMITTEE AND ATTENDANCE RECORD OF MEMBER FOR 2014-15

Name of the Director	Category	Meeting attended
Harshad Thakkar	Executive director	3
Ramakant Nayak	Non Executive, Independent	3
Sunil Manocha*	Non Executive Independent	1
Anupama Sharma	Non Executive Independent	2

- Mr. Sunil Manocha who was Non Executive independent director who has resigned from the post of the directorship.

Term of Reference

1. Oversight of our Company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is 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. Reviewing the adequacy of internal audit function, discussing with internal auditors any significant findings and follow-up thereon, reviewing with the management annual and quarterly financial statements before submission to the board for approval
4. Approval or subsequent modification of any transactions of the company with related parties
5. Review and monitor the auditors independence and performance and effectiveness of the audit processes , scrutiny of inter corporate loans and investments, if any, evaluation of internal financial controls and risk management system; and reviewing the functioning of the Whistle Blower mechanism.

NOMINATION AND REMUNERATION COMMITTEE

The Company has set up its Nomination and Remuneration Committee. To meet the addition additional requirement of the Companies Act, 2013 and Clause 49. The board has been reviewing the working of the committee from time to time to bring about grater effectiveness in order to Comply with the various requirement under Companies Act, 2013

COMPOSITION OF THE NOMINATION AND REMUNERATION COMMITTEE AND ATTENDANCE RECORD OF MEMBER FOR 2014-15

Name of the Director	Category	Meeting attended
Harshad Thakkar	Executive Director	3
Ramakant Nayak	Non-Executive, Independent	3
Anupama Sharma	Non-Executive, Independent	2
Shrikant Maheshwari*	Non-Executive, Independent	1

*Mrs. Anupama Sharma Non Executive Independent Director was appointed in Place of the Mr. Shrikant Maheshwari.

Term of Reference

The Board Terms of reference of Nomination and Remuneration Committee are:

1. To identify persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria lay down and recommend to the board their appointment and removal and shall carry out evaluation of every Director's performance.
2. To Formulate of the criteria for determining qualifications, positive attributes and independence of a director and recommend to the Board a policy relating to the level and composition of remuneration of the directors, key managerial personnel and other employees;
3. Such other matter as may from time to time be required by any statutory, contractual or other regulatory requirement to be attended to by such committee.
4. The Nomination & Remuneration Committee shall, while formulating the policy under sub-section(3) ensure that-
 - (a) The level and composition of remuneration is reasonable and sufficient to attract, retain and motivate directors of the quality required to run the company successfully;
 - (b) Relationship of remuneration to performance is clear and meets appropriate performance benchmarks; and
 - (c) Remuneration to directors, key managerial personnel and senior management involves a balance between fixed and incentive pay reflecting short and long-term performance objectives appropriate to the working of the Company and its goals:



INVESTORS GRIEVANCE COMMITTEE

The board of the directors of the company constituted Investors Grievance Committee. This committee was constituted to specifically look into the Investors and shareholders complaints on matter relating to transfer of shares, non- receipt of annual report, non- receipt of dividend, payment of unclaimed dividends etc. In addition, the committee also looked into matters that can facilitate better investor services and relations.

COMPOSITION OF THE INVESTORS GRIEVANCE COMMITTEE AND ATTENDANCE RECORD OF MEMBER FOR 2014-15

Name of the Director	Category	Meeting attended
Harshad Thakkar	Executive Director	3
Ramakant Nayak	Non-Executive, Independent	3
Anupama Sharma	Non-Executive, Independent	2
Shrikant Maheshwari*	Non-Executive,Independent	1

***Note: Mrs. Anupama Sharma appointed in place of Mr. Shrikant Maheshwari.**

During the year under review, the committee met on 30th August, 2014, 14th November 2014 and 14th February 2015 interalia to review the status of investors services rendered. All members were present at the meeting. The committee expressed its satisfaction on the overall status of compliance and actions taken on various matters.

During the year under review, there were no pecuniary transactions with any non-executive directors of the Company.

NON- EXECUTIVE DIRECTORS

Non- executive directors are paid sitting fees.

MANAGING DIRECTOR

During the year under review, the Company has paid remuneration to Mr. Harshad Thakkar, Managing Director of the company in an Annexure in prescribed form MGT-9

Pursuant to Section 197(14) of the Companies Act, 2013, Harshad Thakkar, Managing Director has been paid remuneration of Rs. 24, 00,000 from its subsidiary Momai Apparels Limited.

REMUNERATION TO DIRECTORS

The Company has no stock options plans for the directors and hence, it does not form a part of the remuneration package payable to any executive and/ or non-executive director. During the year, none of the directors was paid any performance- linked incentives.

In 2014-15, the company did not advance any loans to any of the executive or non-executive directors or Managing Director. Details of remuneration paid/payable to directors during 2014-15 are provided in an annexure to the Directors' Report in form MGT-9

GENERAL BODY MEETINGS:

1. ANNUAL GENERAL MEETING:

The details of the Annual General Meetings of last three years are mentioned below:

Financial Year	Date	Time
6 th Annual General Meeting	September 28, 2012	Mumbai
7 th Annual General Meeting	September 28, 2013	Mumbai
8 th Annual General Meeting	September 26, 2014	Mumbai

2. EXTRA-ORDINARY GENERAL MEETING HELD:

One Extra Ordinary General Meeting was which was held on 14th March, 2015.

MEANS OF COMMUNICATION

- The Company's corporate website: www.valentineloungeweargroup.com, consists of Investor Relations section, which provides comprehensive information to the Shareholders.

2. Quarterly and Annual Financial results are made available on the Company's website: www.valentineloungegroup.com.
3. The Company's Annual Report is dispatched to all the shareholders of the company and also made available on the Company's website: www.valentineloungegroup.com.
4. The Company's Shareholding Pattern is filed on a quarterly basis with the Stock Exchanges and also displayed on the Company's website: www.valentineloungegroup.com.
5. Press Releases and Corporate Presentations are also displayed on the Company's website: www.valentineloungegroup.com

The investor complaints are processed in a Centralized web-based complaints redress system. The salient features of this system are: Centralized database of all complaints, online upload of Action Taken Reports (ATRs) by concerned companies and online viewing by investors of actions taken on the complaint and its current status.

One Complaint has been Received during the year from Shareholders and the same has been resolved.

PAYMENT OF LISTING FEES

Annual listing fee for the year 2014-15 had been paid by the Company to BSE.

PAYMENT OF DEPOSITORY FEES

Annual Custody/Issuer fee for the year 2014-15 will be paid by the Company to NSDL and CDSL on receipt of the invoices.

DISTRIBUTION OF SHAREHOLDING

(a) The Shareholding pattern as on 31st March, 2015 is as follows:-

SR No.	Category	No. of shares	%
1	Promoter	13267840	68.15
2	Body Corporate, Indian Public and others	6199400	31.85

(b) Distribution of shareholding as on 31st March, 2015

SHAREHOLDING OF NOMINAL SHARES	SHAREHOLDER	PERCENTAGE OF TOTAL	TOTALSHARES	PERCENTAGE OF TOTAL.
1 to 500	29	7.7748	8919	0.0458
501 to 1000	34	9.1153	27927	0.1435
1001 to 2000	60	16.0858	97000	0.4983
2001 to 3000	100	26.8097	297200	1.5267
3001 to 4000	18	4.8257	61954	0.3182
4001 to 5000	7	1.8767	33800	0.1736
5001 to 10000	42	11.2601	329000	1.6900
10001 to above	83	22.2520	18611440	95.6039
Total	373	100.00	19467240	100.00

CEO AND CFO CERTIFICATION

The Chairman & Managing Director and the Chief Financial Officer of the Company give annual certification on financial reporting and internal controls to the Board in terms of Clause 49 of the Listing Agreement. The Chairman & Managing Director and the Chief Financial Officer also give quarterly certification on financial results while placing the financial results before the Board in terms of Clause 49 of the Listing Agreement. The annual certificate given by the Chairman & Managing Director and the Chief Financial Officer is published in this Report.

COMPLIANCE CERTIFICATE OF THE PRACTICING COMPANY SECRETARIES

Certificate from the Company's Practicing Company secretaries, M/s. Jaiprakash R. Singh & Associates, confirming compliance with conditions of Corporate Governance as stipulated under Clause 49 of the Listing Agreement, is attached to the Directors' Report forming part of the Annual Report.



COMPLIANCE WITH MANDATORY AND NON-MANDATORY REQUIREMENTS OF CLAUSE 49:

The Company has complied with all the mandatory requirements laid down under the Listing Agreement and strives to adopt the Non-mandatory/Recommendatory requirements of the said clause. The status of adoption and compliance with the Non-mandatory requirements of clause 49 of the Listing Agreement is as follows:

- a) **Shareholders' Rights:** Quarterly, Half-yearly and Annual Results, shareholding information, statutory communication with stock exchanges are uploaded on the company's website.
- b) **Audit Qualification:** The Company believes in maintaining its Accounts in a transparent manner and aims at receiving unqualified report of the auditors on the financial statements of the Company. During the year under report, there is no audit qualification in its Financial Statements.

RECONCILIATION OF SHARE CAPITAL AUDIT:

Audit for reconciliation of share capital of the Company to reconcile the total admitted capital with National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) and Physical Shares with the total issued and listed capital. The audit confirmed that the total issued and listed capital. The audit confirmed that the total issued/ paid up capital is in agreement with the total number of shares in physical form and total number of dematerialized shares held with NSDL and CDSL.

MEANS OF COMMUNICATION:

Website: The Company's website (www.valentineloungegroup.com) contains a separate dedicated section "investors" where investor's information is available. The company's Annual Report is also available. The company's Annual Report is also available in a user friendly and downloadable form thereat.

Annual Report: The Annual Report containing inter-alia Audited Financial Statements, Consolidated Financial Statements, Director's Report, Auditor's Report and other important information, is circulated to members and others entitled thereto. The Management Discussion and Analysis Report forms part of this Annual Report and is displayed on the company's website (www.valentineloungegroup.com).

BSE Corporate Compliance and Listing Centre (the Listing Centre): BSE'S Listing Centre is a web-based application designed for corporates. All periodical compliance filings like shareholding pattern, corporate governance report, media releases among others are also filed electronically on the listing center.

SEBI Complaints Redress System(SCORE): The investor complaints are processed in a centralized web based complaints redress system. The salient features of this system are centralized data based of all complaints, online upload of action taken report (ATRs), by concerned companies and online viewing by investors of actions taken on the complaint and its current status.

Designated Exclusive Email Id: The company has designated the following e mail id exclusively for investor servicing : for any query ; ipo@valentineloungegroup.com .

COMPLIANCE OFFICER:

Ms. Manisha Pareek** Company Secretary is designated as Compliance Officer of Company.

Address: 3, 4 Valentine Pacific Plaza,

B.S. Road TPS IV, Plot No. 507,

Mahim Division, Dadar (W), Mumbai 400028

E mail address: ipo@valentineloungegroup.com

Phone: 24331552/53

Note: **Ms. Sonali Krishnaji Gaikwad has been resigned from her post as a company Secretary and Compliance Officer of the Company w.e.f. 11th June 2015 and Ms. Manisha Pareek has been appointed as Company Secretary and Compliance Office w.e.f 25th July 2015.

GENERAL SHAREHOLDER INFORMATION:

9th Annual General Meeting for the Financial Year 2014-15

Day: Monday

Date: 7th September 2015

Time: 10.00 am

Venue: Swami Gyan, Jivandas Road, Lokmanya Tilak Colony, Opp. Dadar Station, Dadar East, Mumbai, Maharashtra 400014

Financial Year: April 1 to March 31

Date of Book closure: 2nd September to 4th September 2015(both days are inclusive)

Dividend payment date: on and from 8th September, 2015

LISTING ON STOCK EXCHANGE: Companies equity shares are listed on BSE Ltd.

Scrip Code: 535467

ISIN Code: INE428O01016

REGISTRARS AND TRANSFER AGENTS:-

LINK INTIME INDIA PRIVATE LIMITED

C-13 Pannalal Silk Mills Compound, L B S MARG, Bhandup (West),

Mumbai - 400078.

Website : www.linkintime.co.in

DEMATERIALIZATION OF SHARES AND LIQUIDITY:

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

Number of shares held in dematerialized and physical mode as on 31st March 2015 are as follows:

Mode of Holding	No. of Shares	Percentage to total issued capital
CDSL	17250440	88.61 %
NSDL	2216800	11.39%
Physical	Nil	Nil
Total	19467240	100%

For Ashapura Intimates Fashion Limited

Sd/-

Harshad Thakkar

Managing Director

DIN: 01869173

Sd/-

Hitesh Punjani

Director

DIN: 03268480

Sd/-

Ratan Thakur

Director

DIN:07090064

Sd/-

Dinesh Sodha

Director

DIN: 02836240

Sd/-

Anupama Sharma

Director

DIN: 06974366

Sd/-

Ramakant Nayak

Director

DIN: 00129854

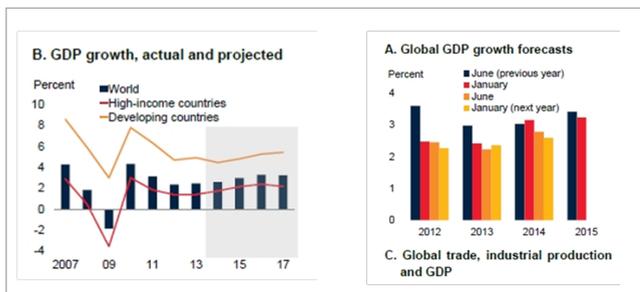


Management Discussion and Analysis

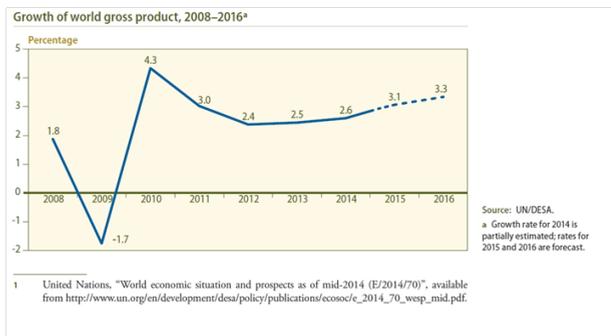
GLOBAL ECONOMY OVERVIEW

The global economy continued with its largely disappointing trend of growth over the past several years. The year 2014 saw strong headwinds adversely affecting growth in major economies in the form of geo-political tensions in Ukraine and the Middle East, as well as uncertainty led anxiety and trepidation due to the continuing debt-repayment crisis in Greece, and particularly the fallout of Grexit, which can also put the future of the euro as a currency in jeopardy.

According to the World Economic Outlook published in 2014 by the International Monetary Fund (IMF), the world economy grew at 3.4 % in 2014, similar to the growth rate in 2013.



As per the Global Economic Prospects published by the World Bank in January 2015, the real GDP of the world grew by 2.6 % in 2014 compared to 2.5 % in 2013.



While activity in the United States and the United Kingdom has gathered momentum due to the revival in labour market condition along with the fact that monetary policy remains extremely accommodative, the recovery has been muted in the Euro Area and Japan as legacies of the financial crisis linger,

intertwined with structural bottlenecks. Another key factor that dominated global headlines in 2014 was the drastic fall in oil prices during the latter half of the year. This had a benign effect on most oil-import dependent economies as low prices led to a surge in consumption.

2014 also saw major developing economies and emerging economies slow down. In China, growth slowed down to its lowest in the last three decades. For the year 2014, the Chinese GDP grew at 7.4 %, falling short of the government's target of 7.5 % for the year. China is expected to see a growth slowdown as a result of structural reforms, sustained housing crisis and increasing man power cost. Disappointing growth in other developing countries in 2014 clearly shows the weak external demand. Moreover, domestic policy tightening, political uncertainties and supply-side constraints were other key factors causing the growth to slow-down.

Several major forces are driving the global outlook: soft commodity prices; persistently low interest rates but increasingly divergent monetary policies across major economies; and weak world trade. In particular, the sharp decline in oil prices since mid-2014 will support global activity and help offset some of the headwinds to growth in oil-importing developing economies. However, it will dampen growth prospects for oil-exporting countries, with significant regional repercussions.

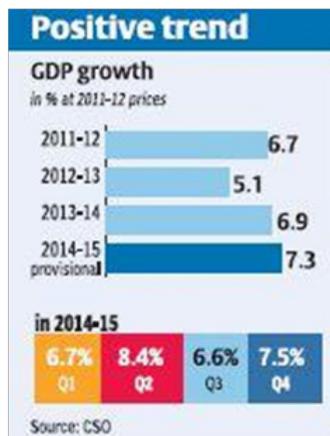
Overall, global growth is expected to rise moderately. High-income countries are likely to grow, on the back of gradually recovering labour markets, subsiding fiscal consolidation, and still-low financing costs. In developing countries, as the domestic headwinds that held back growth in 2014 ease and the recovery in high-income countries slowly strengthens, growth is projected to gradually accelerate. Lower oil prices will contribute to diverging prospects for oil-exporting and -importing countries, particularly in 2015.

Source: (International Monetary Fund, World Economic Outlook—Recovery Strengthens, Research & Markets, Business Wire.

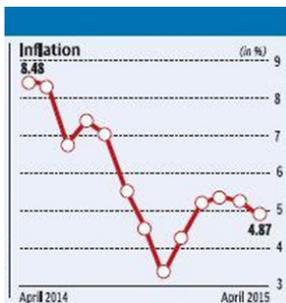
INDIAN ECONOMY OVERVIEW

2014 was a year that marked the distinct turnaround for the Indian economy. Spurred by structural reforms by the newly elected government in core sectors like banking, infrastructure, insurance and defence, the economy saw a marked resurgence during the year. India has become one of the most attractive destinations for investment owing to favourable government policies and reforms in the past few months. The approval of foreign direct investment (FDI) in several sectors has allowed investments to pour into the economy. According to the data provided by Department of Industrial Policy and Promotion (DIPP), the cumulative amount of FDI inflows in the country in the period April 2000-September 2014 was US\$ 345,073 million.

For the fiscal year 2014-15, the India GDP grew by 7.3 %, compared to 6.9 % in the previous fiscal year. This was according to the new GDP measuring methodology wherein the GDP henceforth would be measured on market prices instead of at factor cost. Also, the base year for measuring GDP was changed from 2004-05 to 2011-12. For the first time, the Indian GDP crossed the significant milestone of US\$ 2 trillion in 2014-15.

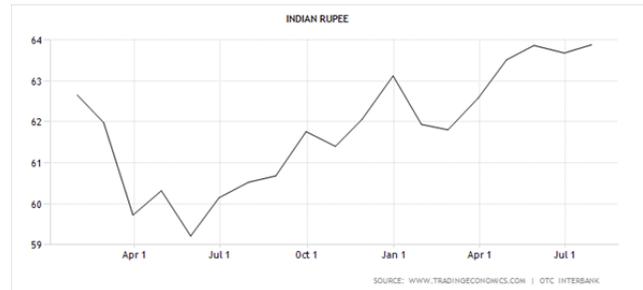


Inflation came down to desirable levels. Easing of inflation was also substantially helped by the global fall in oil prices in the second half of the year.



(Source : MOSPI)

The Indian Rupee remained largely firm against US dollar throughout FY2015 and was among one of the best performing currencies in the world. This is in sharp contrast to FY 2014, when the Indian Rupee had a bad run. The Indian Rupee remain within the range of 60 – 63 for most part of FY 2015.



The International Monetary Fund (IMF) estimated that the country’s economy is likely grow at 7.2% in FY15 and will exceed combined total of Japan and Germany by 2019. Using India’s new GDP series, the IMF expects growth to pick up to 7.2% this fiscal year and accelerate further to 7.5% next year, making India the fastest growing large economy in the world.

Sectors projected to do well in the coming years include automotive, technology, life sciences and consumer products. Engineering and research and development (ER&D) export revenue from India is expected to reach US\$ 37-45 billion by 2020, from an estimated US\$ 12.4 billion in FY14, according to Nasscom.

Furthermore, the US\$ 1.2 trillion investment that the government has planned for the infrastructure sector in the 12th Five-Year Plan is set to help in further improving the export performance of Indian companies and the Indian growth story, which will consequently improve the overall Indian economy.

According to the renowned rating agency Fitch, India is the only BRIC country, where growth will accelerate, to 8% in FY16 and 8.3% in FY17, based on revised data series. The agency’s earlier forecasts were 6.5% for 2015-16 and 6.8% for 2016-17, based on the old series.

A plenty of policy initiatives taken by the new Government will likely to have a positive effect on real GDP growth, including structural reforms and some fiscal and monetary policy loosening. However, the impact of such measures takes time to show up in higher growth.

Source: (IBEF, International Monetary Fund, World Economic Outlook Recovery Strengthens, Fitch rating Agency)



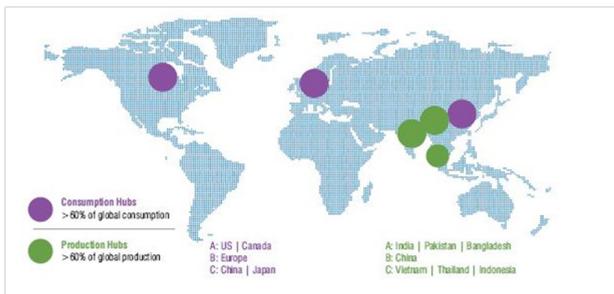
GLOBAL TEXTILE AND APPAREL MARKET OUTLOOK

The global Textile and Apparel market reached USD 662 billion in 2011 and is projected to reach USD 1,060 billion by 2021. Although the demand from developed economies has slowed down, the global Textile and Apparel industry will witness robust demand from developing economies.



Currently, the global Textile and Apparel industry has evolved through distinct consumption and production hubs. Production was earlier located in developed economies such as the US and UK but over the years manufacturing has shifted to developing economies like India, China, Bangladesh etc. due to the cost advantage offered by these countries. Developed economies have now emerged as major consuming hubs while developing economies are still evolving as consumers.

Global Production and Consumption hub



The USD 662 billion textile and apparel industry is undergoing structural changes to sustain itself in a dynamic environment. Till few years back, companies were focusing on organic growth to increase sales but in the face of increased competition, companies have now started to focus on growth through mergers and acquisitions. Inorganic growth enables companies to access new markets, enhance product portfolio, and achieve value chain integration in a shorter span of time.

A relatively newer trend that has attracted the attention of retailers and brands is multi-channel retailing. It was earlier perceived that consumers need to touch and feel products before they purchase but of late online retailing has emerged. Few retailers have even developed and invested in online retail to boost overall sales. Thus it is not surprising that apparel is among the top 3 products

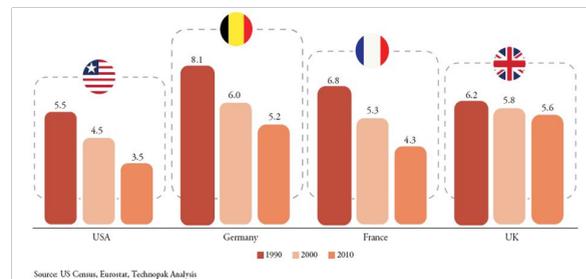
purchased online in the US and Western Europe.

Source: White Paper 2012 - Global & Indian T&A sector and the opportunities in the domestic market

The Steadily-Reducing Share of Apparel in Household Consumption in the US and EU

In the past few years, as a result of the global economic instability, it has been observed that the share of apparel in household consumption in the US and EU has been declining.

Share of Apparel and Footwear in Household Consumption (%)

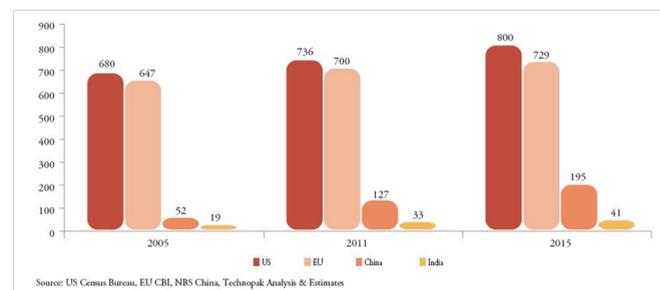


This can largely be attributed to shrinking economies, reduced disposable incomes, and a dented consumer confidence. If we look at one of the key indicators of an economy's health, viz. GDP growth rate, all major consuming economies, except China and India, are expected to register a rate below 5%. Apparel retailers have therefore started broadening their horizons, and are more than willing to look at foreign markets for their growth and profitability.

Higher Growth of Per Capita Apparel Consumption in Developing Countries

Developing countries like China, India, and Brazil are fast emerging as apparel retail markets, going beyond being just manufacturing hubs. They will form significant alternative markets to the US, EU, and Japan in the near future. It is projected that the per capita apparel consumption will increase by approximately 50% in China, and 25% in India, between 2011 and 2015.

Per Capita Apparel Consumption (USD)



Major retailers and brands based in the US, EU, and Japan, have also realized this trend and are now exploring international markets, especially in developing countries, and are expanding much more aggressively. This initiative is already showing positive results as retailers have started registering much higher growth in their revenues from overseas expansion.

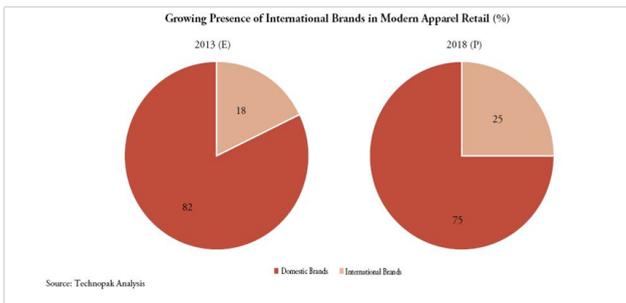
Source: White Paper 2014 - Textile and Apparel Retailing

INDIAN APPAREL INDUSTRY OUTLOOK

Indian Retail Industry

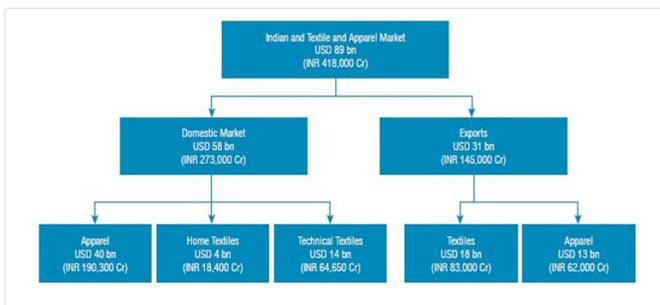
Within Indian retail, the major segments are food, clothing, consumer durables, and books and music. Again, within organized retail, clothing is the fastest-growing category, and parallels food. The growth in the apparel segment is predominantly driven by the development of modern retail.

The increased presence of organized retail has created an opportunity for such new retail formats as hypermarkets, cash & carry, and e-commerce. As a result, a large number of international apparel brands have forayed into India to leverage the potential. The consequent increase in competition has impelled international brands to customize their products and policies to suit Indian tastes and preferences.



Source: White Paper 2014 - Textile and Apparel Retailing

India's total textile and apparel industry size (domestic + exports) is estimated to be USD 89 billion in 2011 and is projected to grow at a CAGR of 9.5% to reach USD 221 billion by 2021.



The Indian Apparel Market

The Indian apparel market has demonstrated resilience and growth in an environment characterized by slow economic growth. The domestic apparel market, which was worth INR 207,400 crore (~USD 38 billion) as of 2012, is expected to grow at a compound average growth rate (CAGR) of 9% over the next decade. Further, the recent omission of excise duty on branded apparel has provided an impetus to retailers in terms of the overall market sentiment.

Mens Wear

With a market size of INR 87,500 crore (USD 16 billion) in 2012, menswear is the largest segment in India's apparel market, accounting for 42% of the overall market. In comparison, womenswear makes up 38%, while kidswear comprises 20%, of the market.

Market Size and Growth Projections:

The menswear market can be divided into various categories including woven shirts, trousers, denims, winterwear, innerwear, T-shirts, suits, activewear, ethnic wear and dailywear. The woven shirts category is the single largest within the menswear market, followed by trousers and denim. The menswear market is expected to grow at a CAGR of 8.5% over the next five years to reach INR 131,000 crore (USD 24 billion) by 2017.

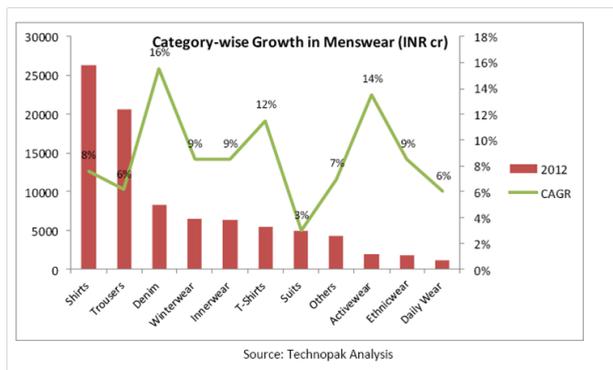


High Growth Categories:

Denim, activewear and T-shirts are high growth categories within menswear segment with CAGRs of 16%, 14%, and 12% respectively. Despite the not so optimistic economic scenario of 2012, the demand for denim is growing among men, especially with the younger generation. The entire denim market of India hinges around the men's denim segment which contributes 80% to the market. The heightened acceptance of casual or 'Friday' dressing, and the penetration of denim into Tier II and Tier III cities and rural India are contributing to the growth of men's denim in India. The activewear category primarily constitutes of sportswear, gymwear, and swimwear. Increasing health



consciousness has made sports, gym, jogging, swimming, yoga, etc. an essential part of modern life, especially in metros, as a result of which the demand for activewear is on the rise within Indian menswear market. The shift from formal attire to comfort-oriented casual attire is driving the market for men's T-shirts, alongside the demand for denim.



Market Trends:

Menswear consumers are in a phase of transition; they no longer want to stick to wearing apparel of defined styles and silhouette but also want to experiment with the look of the clothing. The demand for occasion-specific clothing is rising within the menswear segment, e.g., the modern Indian male can be seen in activewear at the gym, in the morning; in formal shirts, trousers, and suits during office hours; in smart casuals in the evening; and in dailywear/sleepwear at night. The demand for ethnic dressing at special occasions like marriages and social functions is also a distinct trend. Many brands have specifically forayed into men's ethnicwear to cater to this demand.

The menswear segment is also witnessing an increase in the demand for colored bottomwear. In addition to the traditional colors, viz. black, blue, brown and grey, Indian men have started experimenting with newer colours like red, green, orange, etc. Almost all domestic and international brands have started offering men's bottomwear in newer colors; they are also optimistic about the growth of colored trousers and denim. Another interesting trend in the menswear market is the steady growth in the premium tailoring segment comprising the fashion designers and the bespoke / luxury segment. Customers in the super premium segment are willing to pay a premium to ensure that their tailor-made clothing reflects their own personality and also helps them differentiate themselves and get noticed.

Womens Wear

The INR 78,500 crore (USD 14.4 billion) worth womenswear

market contributes 38% of the total apparel market of India. The growth of this market is more rapid than the menswear market. With the relatively lower penetration of brands, and the growing disposable income of modern women, this segment has become the focus of many Indian and international brands.

Market Size and Growth Projections:

The womenswear segment comprises various categories that include sarees, salwar kameez, innerwear, blouse, winterwear, sleepwear, tops/shirts, trousers, skirts, denim, T-shirts, etc. Indian ethnicwear, which includes saree, salwar kameez, and blouse, is the biggest category within the segment with a 75% share of the entire womenswear market. The market is expected to grow at a CAGR of 9% for the next five years to reach a figure of INR 121,400 crore (USD 22.3 billion) by 2017.



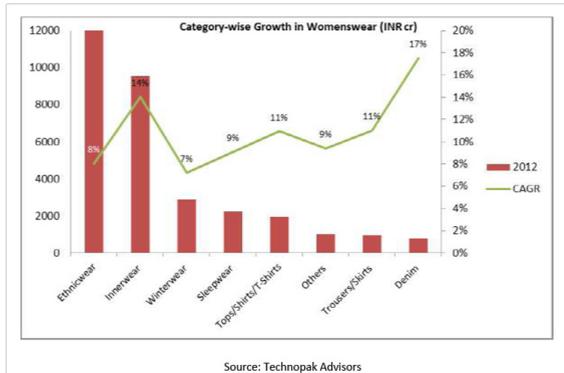
High Growth Categories:

Denim, innerwear, and tops/shirts/T-shirts are the high growth categories within the womenswear segment, a consequence of the growing acceptance of women's westernwear in the Indian market. Denim is growing at CAGR of 17%, women's innerwear at 14%, and tops/shirts/T-shirts at 11%. Denim is penetrating deeper among women in the metros and mini metros, especially among the younger generation. Even working women in smaller cities have started accepting denim as a casual outfit. The growing focus of retailers and brands on women's denim will also contribute to its further penetration. The high growth of the innerwear category is driven by the transition of innerwear from a utility-based product to an aspirational one.

Market Trends:

With increasing women in the workforce, and the growing economic independence of women, the demand for women's westernwear is at an all-time high, thanks to which women's westernwear is emerging a clear winner in the womenswear market. This trend is expected to continue as more women enter into the workforce or aspire to follow the lifestyle of working women. Within working women, there is a clear trend indicating the growing acceptance of women's dresses and western

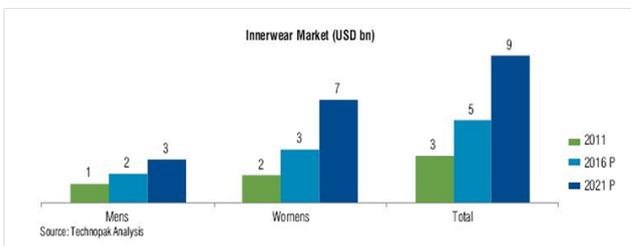
formalwear. The working women in the metros and mini metros, in addition to traditional sarees and salmarkameez, are moving towards dresses, formal suits, and business attire. Though these markets may remain relatively small, they are expected to grow rapidly.



Despite the trend of consumers moving away from ethnicwear, some sub-categories within women’s ethnicwear are emerging as promising business opportunities. The demand for contemporary ethnicwear with trendy look and comfort elements is accelerating. Even the traditional ethnicwear subcategory is witnessing the entrance of a growing number of organized players who assure the desired quality and right fit. The fusion of western style and cuts and even knitted fabrics with basic Indian ethnic designs is another noticeable trend in the womenswear market.

Inner Wear

Currently, the innerwear segment in India is estimated at about USD3 billion and is expected to grow at a CAGR of approximately 12% over the next decade. Men’s innerwear forms around 41% of the total market in value and is expected to grow at a CAGR of 9% whereas the women’s innerwear segment is expected to grow at a faster pace – CAGR of 14%, with the share increasing from the current 59% to 70% by 2020.



Innerwear has graduated from being just a functional category to a category that offers additional fashion quotient. It is shifting from a price sensitive category to a brand sensitive category.

The key growth driver for the segment is an increasing awareness among the population clubbed with higher purchasing power. Through rising media exposure, awareness about better fit, quality, colours, styling and accessories has increased manifold. Brands are also spending huge amounts on the marketing of these products through celebrity endorsements. There is a lot of effort being made to offer a better buying experience to the consumer and brands are being pushed to upgrade their retail imagery.

Men’s Innerwear

The men’s innerwear market, worth INR 6330 crore (USD 1.2 billion) is characterized by the presence of numerous Indian and international brands catering to different segments of the market. Though many fashion/apparel players have extended their existing brand labels in menswear to men’s innerwear as well, but the product recall of players with focus solely on innerwear products is comparatively higher. The various subcategories of men’s innerwear include vests, briefs/boxers, basic T-shirts, shorts/pyjamas, sleepwear, and activewear. Consumers mostly purchase branded products for vests and brief/boxers, which are the largest category offerings from leading innerwear brands.

On the basis of product pricing, this market is further subdivided into super premium, premium, medium, and economy segments. The economy segment contributes around 55% to the market, while the mid-price segment makes up 36%, the remaining 14% comes from premium and super premium segments. The premium and midprice segments are expected to witness a higher growth rate within this market. In these segments, the consumer seeks higher fashion orientation and higher comfort, as well as a strong brand name. The younger consumers in the metros engage with brands primarily within the premium segment. It has been observed that consumers in the Tier I cities play across segments, i.e. premium as well as mass segment; however, the premium segment largely fuels the aspiration quotient. In the mid-price and economy segments, value for money, easy availability, and comfort play a vital role in the consumers’ purchase decisions.

These consumers, of men’s innerwear, can be segregated into four groups on the basis of their attitude towards innerwear products and their buying behavior. These are: Young Aspirers, Discerning Urbanites, Optimistic Pursuers, and Corporate Climbers. The Young Aspirer group comprises men employed in high-paying jobs, who have high disposable incomes; they are ambitious and demonstrate a keenness to purchase branded

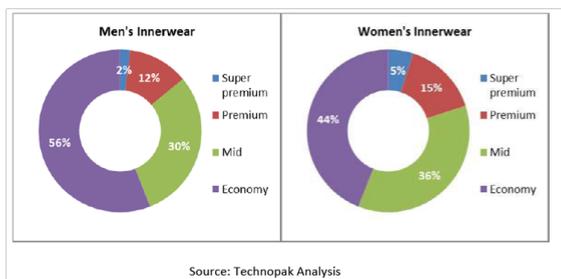


innerwear. The Discerning Urbanite group consists of men employed in well-paying jobs, but they evaluate value on a benefit and convenience metric rather than purely on price. They engage with innerwear brands for the promise of quality and show no qualms paying a premium when quality is assured. The Optimistic Pursuer group includes men from smaller cities who are eager to pursue a prosperous lifestyle; they aspire to have a metro-like life and they seek opportunities to experiment with aspirational brands. The Corporate Climber group of consumers is made up of men who dream big and are keen to make a place for themselves. They have high aspirations, thus they want to engage with brands. But with limited disposable incomes, these people are cautious buyers.

Women's Innerwear

The women's innerwear market, worth INR 9540 crore (USD 1.7 billion), is one of the fastest growing categories within women's apparel. This category is growing at a CAGR of 14%, and is expected to reach INR 18380 crore (USD 3.4 billion) by 2017. The women's innerwear market is considered to be more dynamic, with many design variation and the regular introduction of innovative products. Contrary to men's innerwear where a consumer comes across advertisements for several brands on a daily basis, brand promotion and advertising activities are comparatively lower in women's innerwear.

Price based Market Segmentation



The subcategories in women's innerwear include brassieres, panties, camisoles, basic T-shirts, shorts/pyjamas, sleepwear, activewear, and maternity wear. Consumers in this category mostly purchase branded brassieres and panties, which constitute more than 90% of the category mix. However, the penetration of brands is comparatively low for other subcategories like camisoles, sleepwear, etc.

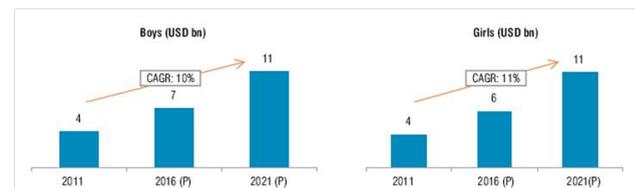
When it comes to price-wise segmentation, the women's innerwear market is dominated by products of mid-price and economy segment. These segments together contribute 80% of

the market, while the remaining 20% comes from the premium and super premium segments. Like men's innerwear, the mid-price and premium segments are expected to grow more rapidly within women's innerwear categories.

On the basis of demographics, behavior traits, lifestyle activities, and purchase patterns, the typical consumers of the women's innerwear market can be divided into three distinct categories: Urbane Enthusiasts, Exuberant Seekers, and Thriving Homemakers. The Urbane Enthusiasts consists of young women employed in well-paying jobs who engage themselves with brands. The consumers in the Exuberant Seekers category live in the mini metros and tend to be ambitious and keen to make a mark for themselves. They are normally keen to experience modern retail formats & try aspirational innerwear brands. Consumers belonging to the Thriving Homemaker category generally live in the smaller cities. As homemakers, they do not have high disposable incomes and are primarily value seekers.

Kids Wear

The kids wear segment can be divided into boys and girls. The overall size of boys market stands at Approximately USD 4 billion and the same is projected to grow at a CAGR of 10%. The girls' market is projected to grow at 11% amounting to USD 11 billion by 2021.



Source: Technopak Analysis

The kids wear market is expected to see a high growth rate in the years to come due to multiple factors. There is a shift in the family system towards more nuclear arrangements with double income parents. The willingness of parents to spend is higher and there are more options available in the kids wear space. Apart from the successful launch of international and domestic brands in the space, there are kids wear specialty stores such as Mom & Me, Mother care, etc. The segment still represents a large opportunity which is clearly untapped.

Growth Drivers

India has witnessed an average GDP growth of approximately 7% in the past decade and forms one of the largest emerging economies of the world. The majority stakeholder in this growth

is the mass consuming population of the country. Consumers today are much more evolved and their demands and needs are very different from those of consumers a decade ago.

Apart from the demographic and economic changes, there have been many other transformational changes that lead to a growth in the aspirations and wants of an average consumer:

- **Young population:** The median age of the Indian consumer is 26 years with maximum population lying in the age bracket of 15-60 years. It is expected that India will add another 140 million people in this consuming age group by 2020. This is one of the lowest median ages among the developing countries. This population has more aspiration, is more aware and has a higher spending power and will consume a greater number of categories than their parents.
- **Higher disposable income:** According to the Indian census report, the number of households with an annual income of USD 7000 or more is going to treble from about 30 million today to 100 million by 2020. There will be approximately 400 million individuals in the middle to high income bracket by 2020.
- **Growing media influence/exposure:** The role of technology has changed the way people receive/share information.
From social networking sites to electronic channels, information travels at the speed of light. The changing lifestyle and “western” culture has also influenced consumer demands and aspirations. People are willing to consume and develop a lifestyle akin to a developed world’s consumer.
- **Rising Eve power:** With the growing importance given to a girl’s education and financial independence, there has been a rise in the total number of working women. An estimated 40-50 million working women, in the age group of 20-40 years, will be part of urban India by 2016. This financial independence leads to higher decision making power in household and personal purchasing matters. There has thus been a surge in women spending in categories such as apparel, grooming, personal care, eating out and electronic gadgets.
- **Increasing time poverty:** People are spending more time at office, commuting to the workplace, on leisure and recreation, vacations, grooming and well-being, socializing etc. leading to limited time available for shopping and other activities. An increasing emphasis on reducing stress and time for routine activities (household chores, shopping, etc.) and maximizing time with families and friends has led to them looking out for alternate channels of shopping. Convenience is thus the key for consumers who prefer such

shopping destinations as ‘all under oneroof ’ and/or non-store retail formats.

The willingness of consumers to spend more and have a more modern and evolved lifestyle has opened a lot of doors for the domestic as well as international players to tap into this growing consuming class. Within the apparel category, there has been an even more elaborate classification of segments based on needs and occasions. Brands and retailers are catching up with the latest trends in no time and customizing their product offerings to match specific demands.

Online Apparel Retail

E-commerce, as a retail channel, has seen phenomenal growth over the last couple of years.

India has about one million online traders – small and large that sell their products through various e-commerce portals. The online retail industry in the country was worth USD 2 billion in 2013 and is projected to touch USD 70 billion by 2020.

It is driven by demand factors such as substantial rise in internet penetration, increasing speed of broadband connections, increasing use of smart phones etc. in the urban areas, and by supply factors such as increased proliferation of venture capitalists/private-equity funded e-commerce startups. Changing lifestyles, increasing time poverty and the convenience to buy things online has paved the way for Indian consumers to have a ‘consumer friendly & hassle-free online shopping experience’. ‘Convenience for shoppers’ is being given a whole new meaning by e-tailers while trying to win the loyalty of their customers. E-tailers are trying to ensure that shoppers are not only able to shop anytime and anywhere but also receive their deliveries at a time and place most convenient to them. The country’s major e-commerce players are attempting to improve on how they can deliver products, in some cases, even in as little as three hours.

Smartphone penetration in the country is growing at over 150% year on year. With internet connectivity through smartphones on the rise, more and more mobile users are expected to shop online. As compared to last year, there has been a 7% increase in the number of mobile users who shop via their mobile phones or smartphones on a weekly basis. Mobile phones are fast emerging as the main drivers of interaction between retailers and customers, which is in turn leading to growth in sales. Depending on the agility of the retailers, both offline and online, to adapt to this third major retail channel, it could be the next biggest disruptor in modern retail in India.

The other catalyst strengthening the e-commerce sector is the country’s favourable demography. While 1.25 billion people



always meant a big consumption market, being one of the youngest nations in the world also bodes well for this market. 65 % of the country's population is below the age of 35 years. The acceptance of e-commerce is expected to be higher among the younger generation which is more tech-savvy and open to experimentation.

Payments through online banking, credit and debit cards were the Initial methods used for online transactions. Newer modes of payment have now been introduced to make online purchases easier for prospective consumers that are uncomfortable with online payments or not covered by formal banking channels. As a result, cash on delivery (COD), a method wherein the customer pays in cash or via a card at the time of delivery of the product at his doorstep, has worked wonders for e-commerce. A significant number of transactions now happen through COD. Third-party wallet, a mechanism wherein money is stored in a prepaid wallet, has also emerged as a seamless instrument of payment. Customer experience has also become enhanced due to customer-friendly policies regarding the exchange of goods, quick delivery and others.

Apart from services, the online platform is fast catching up in other product categories, including the touch-and-feel experience categories such as 'apparel'. Platforms such as Myntra.com, Fashion & You, Zovi.com, etc. offer a lot of ease and convenience to customers in terms of variety of apparel, display, choice, discounts and ease of delivery. Retailers and brands such as Pantaloons, Shoppers Stop, FabIndia, Madame, etc. also operate a very active online sales channel and have seen a tremendous increase in the number of orders placed online. Customers can browse through more variety and can easily compare price and quality of merchandise online. The schemes and discounts offered to the customers is also an additional advantage.

From the retailers point of view, this sales channel offers no or very low real estate cost. The reach of the target group is much larger, accessible across multiple locations and no staff trainings are required. The most important investment required is in software technology, which can give the audience a comfortable virtual experience, equivalent or better than an in-store experience.

While in India, the online retail has become popular only over the past few years, online retail has been a part of global retail industry for almost a decade now. Despite this, global online retail constitutes only about 8 to 10% of the total retail. As a country with an emerging online retail category, India has a lot to learn from the global growth trajectory of the e-commerce and e-tailing industry.

Source: BBG Retail KPMG, IBEF Retail, Total Retail 2015 PwC, KnightFrank report

Opportunities and Threats

Opportunities	Threats
Domestic market growing at 11%	Increasing apparel imports from Bangladesh / China
Growing penetration of organized retail	Effect of Government policies like excise duty on branded garments and duty free imports from Bangladesh on sourcing by brands / retailers
Increasing presence and growth of global brands and retailers in India	Impact of global economic slowdown on India's consumption
Increasing local sourcing by global brands / retailers in India	Lack of Quality Real Estate and High Cost of Real Estate
Impending or expected FDI relaxation in multi brand retail & local sourcing clauses	Lack of Trained Manpower

Source: White Paper 2012 - Global & Indian T&A sector and the opportunities in the domestic market

It was yet another year of sterling performance delivered by your Company. In the face of challenging economic environment, we have been successful in growing our business both in terms of topline as well as margins.

- The total revenue for the year was Rs. 17,918.75 lakhs compared to Rs. 16,755.81 lakhs in the previous year
- EBIDTA for the year was Rs. 2,490.23 lakhs compared to Rs. 2,007.47 lakhs in the earlier year.
- PAT for the year was Rs. 867.02 lakhs compared to Rs. 540.75 lakhs in the previous year.
- EPS for the year was Rs. 4.45 per share compared to Rs. 2.78 per lakhs in the previous year.

A dividend for Re.1/- per share (10 per cent) has been recommended for the year.

Outlook

Simply put, the future of the apparel market, and the innerwear category, looks promising. At the same time, fashion retailers have to face some daunting challenges prior to tapping the extant opportunities. Rising real estate costs, increasing power tariffs, and supply chain inefficiencies are some of the issues that have to be tackled with utmost prudence. The growth story of Indian consumption is expected to revive in the medium to long term, but it will require improvements in the overall business performance and managerial prudence of the highest degree to benefit from this growth. To emerge a winner in a market marked by the presence of multiple players, brands and retailers have to optimize their business operations by addressing the challenges and harnessing market opportunities. Understanding the psyche of the Indian consumer, amalgamating the Indian style of

functioning with western management techniques, and tailoring fashion offerings to defined consumer segments, are some of the key areas upon which fashion and innerwear players have to focus.

RISK MANAGEMENT

Risk is an integral part of business. Successful companies are able to minimise or mitigate the effect risk with their prudent risk management policies. At AIFL, we constantly scan the horizon for any emergent risks that can impact the performance of our business. Accordingly, corrective and adequate measures are taken to tackle these risks.

Economical

The risk of the larger economy has does impact every business, and our business is no different. However, this risk is more a theoretical risk as the India economy is forecast to sustain its grown momentum to over 7.5 per cent for the next few years as per both the International Monetary Fund as well as the World Bank.

Competition

The fashion business all over the globe is growing at a significant rate, attracting new competition into the marketplace. Your Company believes that healthy competition is good for the industry as it offers more choice to consumers and grows the entire market. AIFL is the leading player in the fashionable intimate wear business, with a strong presence across the entire value chain. In addition, the Company also owns the VALENTINE brand, which is one of the most recognisable brands in the industry. The comprehensive product range as well as its in-house team of designers ensure that the Company enjoys a distinct competitive advantage over its competitors, and as such, will be able maintain its leadership position.

Unorganised Players

The intimate wear industry is still largely fragmented with a large number of small and unorganised players. However, these players are present in the non-branded segment or have at the most very local brands. Moreover, the entire demand is shifting towards fashionable intimate wear with a high emphasis on branding, positioning as style. AIFL products are differentiated and preferred by customers due to their strong youth connect brought in with a very vibrant and visible brand as well as regular introduction of new styles and designs. Thus, the Company's performance is not likely to be affected by the unorganised players.

Internal Control Systems and their Adequacy

The Company has appropriate and sufficient internal control systems in place commensurate with the size and the industry it

operates in. The Company has a well- laid framework of systems, processes, procedures and policies to ensure compliance to statues and laws, as well as to ensure optimum and sufficient use of resources. The Company monitors expenses on a regular basis to ensure that these are within the budgeted targets. Regular internal audit through external agency to test the adequacy and effectiveness of its internal control processes and also suggest improvement and upgrades to the management. All rules, policies, statues and legislations are strictly followed and adhered to by the Company. The Company specifically ensures that all environment protection norms are followed without any compromise.

MATERIAL DEVELOPMENTS IN HUMAN RESOURCES

The Company believes that the employees are the most valuable resource for any establishment and are the utmost valuable assets. The Company has laid down stringent measure to make sure that the safety and health of its employees are secured such as ensuring safety precautions at the construction site to avoid work injuries. The Company has a professional and healthy work culture built around strong corporate values. It also encourages and supports its employees to upgrade their skills on a continual basis through organising skill development programmes. Employees are also encouraged to participate in professional skills and training development courses.

The total number of employees as on March 31, 2015 was 91

CAUTIONARY STATEMENT

This report contains statements that may be "forward looking" including, but without limitation, statements relating to the implementation of strategic initiatives, and other statements relating to Company's future business developments and economic performance. While these forward looking statements indicate our assessment and future expectations concerning the development of our business, a number of risks, uncertainties and other unknown factors could cause actual developments and results to differ materially from our expectations. These factors include, but are not limited to, general market, macroeconomic, governmental and regulatory trends, movements in currency exchange and interest rates, competitive pressures, technological developments, changes in the financial conditions of third parties dealing with us, legislative developments, and other key factors that could affect our business and financial performance. Company undertakes no obligation to publicly revise any forward looking statements to reflect future / likely events or circumstances.



Auditor's Report

TO,
THE SHAREHOLDERS OF
ASHAPURA INTIMATES FASHION LIMITED
MUMBAI.

We have audited the accompanying financial statements of **M/S. ASHAPURA INTIMATES FASHION LIMITED (formerly known as ASHAPURA APPARELS PRIVATE LIMITED) as on 31st March, 2015** (the Company), which comprise the Balance Sheet as at March 31, 2015, the Statement of Profit and Loss and Cash Flow Statement for the year then ended and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation of these 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 Accounting Standards referred to in Section 133 of the Companies Act, 2013 (the Act). This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatements.

An audit involves performing procedures to obtain audit

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

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:

- (a) In the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2015;
- (b) In the case of the Statement of Profit and Loss, of the **profit** for the year ended on that date; and
- (c) In the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2015 issued by the Central Government of India in terms of Section 143(3) of the Act, and on the basis of such checks of the books and records of the company as we considered appropriate and

according to the information and explanation given to us, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order.

2. As required by Section 143(3) of the Act, we report that:

- a. We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
- b. In our opinion, proper books of account as required by law have been kept by the Company so far as 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 Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement dealt with by this report comply with the Accounting Standards referred to in section 133 of the Act;
- e. On the basis of the written representations received from the directors as on March 31, 2015, taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2015, from being appointed as a director in terms of Section 164(1) & 164(2) of the Act.

**For JDNG & ASSOCIATES
CHARTERED ACCOUNTANTS
FRN: 104315W**

Sd/-

**CA JAYESH S.RAWAL
PARTNER**

PLACE: **MUMBAI**
DATE: **12th May, 2015.**

Membership No: 104738



Annexure To The Independent Auditors' Report

Referred to in Paragraph 1 under the heading of "Report on other Legal and Regulatory Requirements" of our report of even date

1. a) The company is maintaining proper records showing full particulars, including Quantitative details and situation of fixed assets.
b) The fixed assets are physically verified by the management at reasonable intervals; no material discrepancies were noticed on such verification.
2. a) The inventories have been physically verified by the management during the Year at reasonable intervals, except materials lying with third parties, where Confirmations are obtained.
b) The procedure of physical verification of the inventories followed by the Management are reasonable and adequate in the relation to the size of the Company and nature of its business;
c) The Company has maintained proper records of inventories and discrepancies Noticed on physical verification of inventories as compared to books records were not material.
3. The company has not granted any loans, secured or unsecured to companies, firms or other parties covered in the register maintained under section 189 of the Companies Act.
4. In our opinion, and according to the Information and Explanations given to us, there is an adequate internal control system commensurate with the size of the company and the nature of its business, for the purchase of inventory and fixed assets and for the sale of goods and services. Further, on the basis of our examination of the books and records of the company, we have neither come across, nor have been informed of, any continuing failure to correct major weakness in the aforesaid internal control system.
5. The company has not accepted deposits, in respect of the directives issued by the Reserve Bank of India and the provisions of sections 73 to 76 or any other relevant provisions of the Companies Act and the rules framed there under is not applicable.
6. We have broadly reviewed the books of accounts maintained by the company in respect of products where, pursuant to the rules made by the central government of India, the Maintenance of cost records has been prescribed under clause (d) of sub-section (1) of section 209 of the Act, and are of the opinion that, prima facie, the prescribed accounts and records have been made and maintained. We have not, however made a detailed examination of the records with a view to determine whether they are accurate or complete.
7. According to the information and explanation given to us and the records of the company examined by us, in our opinion, the company is regular in depositing undisputed statutory dues including provident fund, employees' state insurance, income-tax, sales-tax, wealth tax, duty of customs, duty of excise, value added tax, cess and any other statutory dues with the appropriate authorities except the following:

Name of the Statue	Nature of Dues	Amount (Rs)	Period to which the amount relates	Reason for non payment of dues
Service tax under Finance Act, 1994	Service tax	2,59,704	2013-2014	The Company has applied for the Service tax number to the Service tax authorities but the same is pending to be allotted and hence the same is unpaid and will be paid on receipt of the said registration.
		1,99,460	2014-2015	
		4,59,164		

- b) According to the information and explanation given to us, there is no Disputed Income tax, Sales tax, Wealth tax, Service tax, Customs Duty and Excise Duty.

8. The company has no accumulated losses at the end of the financial year and it has not incurred any cash losses in the financial year ended on that date or in the immediately preceding financial year;
9. According to the records of the company examined by us and the Information and explanation given to us, the company has not defaulted in repayment of dues to any financial institution or bank as at the balance sheet date.
10. According to the Information and explanation given to us, The company has given guarantee for loans taken by others from bank or financial institutions, the terms and conditions whereof are not prejudicial to the interest of the company.
11. According to the Information and explanation given to us and the records of the company examined by us, the term loans taken by the company were applied for the purpose for which the loans were obtained;
12. During the course of our examination of the books and records of the company, carried out in accordance with the generally accepted auditing practices in India, and according to the Information and explanation given to us, we have neither come across any instance of material fraud on or by the company, noticed or reported during the year, nor have we been informed of any such case by the Management.

**For JDNG & ASSOCIATES
CHARTERED ACCOUNTANTS
FRN: 104315W**

Sd/-

**CA JAYESH S.RAWAL
PARTNER**

Membership No: 104738

**PLACE: MUMBAI
DATE: 12th May, 2015**



Statement of Assets and Liabilities

(In ₹ lakhs)

Particulars	Note No	As at 31st March, 2015	As at 31st March, 2014
I. EQUITY AND LIABILITIES			
(1) Shareholder's Funds			
(a) Share Capital	1	1,946.72	1,946.72
(b) Reserves and Surplus	2	2,973.30	2,340.81
(2) Share application money pending allotment			
(3) Non-Current Liabilities			
(a) Long-term borrowings	3	910.48	920.60
(b) Other Long term liabilities	4	238.85	217.35
(4) Current Liabilities			
(a) Short-term borrowings	5	5,009.93	4,741.44
(b) Trade payables	6	3,239.30	2,047.95
(c) Other current liabilities	7	238.84	178.28
(d) Short-term provisions	8	1,244.86	806.57
Total		15,802.28	13,199.73
II.Assets			
(1) Non-current assets			
(a) Fixed assets			
(i) Tangible assets	9	1,030.06	908.35
(ii) Capital work-in-progress		20.36	23.00
(b) Non-Current Investment	10	177.97	159.25
(c) Deffered Tax Asset(Net)		29.70	27.34
(2) Current assets			
(a) Inventories	11	6,867.35	5,953.56
(b) Trade receivables	12	6,369.44	4,138.18
(c) Cash and cash equivalents	13	286.61	1,360.55
(d) Short-term loans and advances	14	104.32	41.75
(e) Other current assets	15	916.47	587.74
Total		15,802.28	13,199.73

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

FOR ASHAPURA INTIMATES FASHION LTD.

(CA JAYESH S. RAWAL)

PARTNER
M.NO.104738
PLACE : MUMBAI
DATED : 12th May,2015

Sd/-
Company Secretary

Sd/-
Chairman

Sd/-
Chief Financial Officer

Audited Financial Results

For The Year Ended 31st March,2015

(In ₹ lakhs)

Particulars	Note No	As at 31st March, 2015	As at 31st March, 2014
I. Revenue from operations	16	17,744.22	16,569.58
II. Other Income	17	174.53	185.42
III. Total Revenue (I + II)		17,918.75	16,755.00
IV. Expenses:			
Cost of materials consumed	18	15,841.09	15,230.42
Changes in inventories of finished goods, work-in-progress and Stock-in-Trade	19	(1,656.20)	(1,670.92)
Employee benefit expense	20	361.85	276.56
Financial costs	21	768.95	902.09
Depreciation and amortization expense	22	141.71	250.35
Other expenses	23	881.78	911.46
Total Expenses		16,339.17	15,899.96
V. Profit before exceptional and extraordinary items and tax	(III - IV)	1,579.58	855.04
VI. Exceptional Items		-	-
VII. Profit before extraordinary items and tax	(V - VI)	1,579.58	855.04
VIII. Extraordinary Items		-	-
IX. Profit before tax	(VII - VIII)	1,579.58	855.04
X. Tax expense:			
(1) Current tax		600.00	350.00
(2) Deferred tax		(2.36)	(33.18)
(3) Short/Excess Provision of Previous Year		(114.91)	2.54
XI. Profit(Loss) for the period from continuing operations		867.03	540.75
XII. Profit/(Loss) from discontinuing operations		-	-
XIII. Tax expense of discounting operations		-	-
XIV. Profit/(Loss) from Discontinuing operations	(XII - XIII)	-	-
XV. Profit/(Loss) for the period	(XI + XIV)	867.03	540.75
XVI. Earning per equity share:			
(1) Basic		4.45	2.78
(2) Diluted		4.45	2.78

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

FOR ASHAPURA INTIMATES FASHION LTD.

(CA JAYESH S. RAWAL)

PARTNER
M.NO.104738
PLACE : MUMBAI
DATED : 12th May,2015

Sd/-
Company Secretary

Sd/-
Chairman

Sd/-
Chief Financial Officer



Cash Flow Statement for the year ending 31st March, 2015

(In ₹ lakhs)

Particulars	As at 31st March, 2015	As at 31st March, 2014
A. CASH FLOW FROM OPERATING ACTIVITIES		
Net Profit before taxation and extraordinary items:	1,579.58	855.03
Adjustments for:		
Depreciation	141.71	114.12
Finance Charges	768.95	902.09
Interest Received	(8.72)	(84.19)
Dividend Received	(14.24)	-
Rent Received	(26.43)	(21.01)
Miscellaneous Expenses Written Off	-	136.23
Cash generated from operations before Working Capital Changes	2,440.84	1,902.27
Adjustments for:		
Changes in Trade and Other Receivables	(3,505.35)	4,382.33
Changes in Trade and Other Payables	1,224.74	(4,915.10)
Cash generated from/(used in) Operations	160.24	1,369.50
Income Taxes paid (net)	(322.66)	(222.31)
Net Cash Flow from / (used in) Operating Activities	(162.43)	1,147.19
B. CASH FLOW FROM/ (USED IN) INVESTING ACTIVITIES		
Purchase of Fixed Assets	(260.78)	(154.76)
Investment in Shares of Subsidiary	(18.72)	(159.25)
Loans Given	-	(31.27)
Interest Received	8.72	84.19
Dividend Received	14.24	-
Rent Received	26.43	21.01
Net Cash from / (used in) Investing Activities	(230.11)	(240.08)
C. CASH FLOW FROM/ (USED IN) FINANCING ACTIVITIES		
Proceeds from Issue of Shares/Share Application Money.	-	2,100.00
Proceeds/(Repayment) from/of Short Term borrowings (net)	(1,231.51)	(410.96)
Proceeds/(Repayment) from/of Long Term Borrowings (net)	1,489.87	(220.82)
Dividend Paid	(170.81)	(113.88)
Finance Charges Paid	(768.95)	(902.09)
Preliminary Expenses Paid	-	(120.79)
Net Cash from / (used in) Financing Activities	(681.40)	331.46
Net increase / (decrease) in Cash and Cash Equivalents	(1,073.94)	1,238.57
Cash and Cash Equivalents at the beginning of the year	1,360.55	121.98
Cash and Cash Equivalents at the end of the year	286.61	1,360.55
Components of cash and cash equivalent		
- Cash and cheques on hand	37.53	7.47
- With banks		
- On current account	249.07	381.06
- On deposit account unrestricted	-	972.02

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

FOR ASHAPURA INTIMATES FASHION LTD.

(CA JAYESH S. RAWAL)

PARTNER
M.NO.104738
PLACE : MUMBAI
DATED : 12th May,2015

Sd/-
Company Secretary

Sd/-
Chairman

Sd/-
Chief Financial Officer

Notes Forming Part Of The Financial Statements

I. CORPORATE INFORMATION

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

II. SIGNIFICANT ACCOUNTING POLICIES:

(A) BASIS OF PREPARATION

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

(B) USE OF ESTIMATES

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

(C) REVENUE RECOGNITION

Revenue is recognized when the significant risks and rewards of ownership of goods have been passed to the buyer. Sales are recognized on inward of goods at customer's end, where applicable as per terms of sale (for domestic) and on the date of bill of lading (for exports).

(D) DEPRECIATION

Depreciation on fixed assets other than on freehold land has been provided on written down value method at the rate and in the manner specified in schedule II of the Companies Act, 2013.

(E) TAXATION

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

(F) PROVISION, CONTINGENT LIABILITIES AND CONTINGENT ASSETS

Provisions involving substantial degree of estimation in measurement are recognized when there is a present obligation as a result of past events and it is probable that there will be an outflow of resources. Contingent liabilities are not recognized in the books of accounts and disclosed as notes to accounts. Contingent assets are neither recognized nor disclosed in the financial statements.

(G) IMPAIRMENT OF ASSETS

No material Impairment of Assets has been identified by the Company and as such no provision is required as per Accounting Standards (AS 28) notified under the Companies (Accounting Standard) Rules, 2006 (as amended).

(H) INVENTORIES

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

(I) RETIREMENT BENEFITS

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



Notes Forming Part Of The Financial Statements

a) **Gratuity and Retirement Benefits**

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

b) **Provident Fund & Pension**

Retirement benefit in the form of provident fund is a defined contribution scheme. The contributions to the provident fund are charged to the statement of profit and loss for the year when the contributions are due. The company has no obligation, other than the contribution payable to the provident fund.

(J) **SEGMENT REPORTING**

Identification of segments

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

Allocation of common costs

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

Unallocated items

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

Segment accounting policies

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

(K) **EARNING PER SHARE**

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

(L) **DEFERED REVENUE EXPENDITURE**

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

III. **NOTES TO ACCOUNTS:**

1. **SEGMENT REPORTING**

Primary Segment Information

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

Secondary Segment information

Secondary information is reported geographically. The Company has identified two geographical segments "Domestic Segment" and "Export Segment". Domestic Segment represents sale of lounge wear in the Indian Markets and Export Segment represents sale of lounge wear globally except India.

Notes Forming Part Of The Financial Statements

Rs. In lacs

Particulars	Year ended 31st March , 2015	Year ended 31st March , 2014
Revenue by geographical market		
Domestic	16,594	15,552
Export	1,150	1,017
Unallocated	175	185
Total revenue	17,919	16,754
Carrying amount of Segment assets		
Domestic	5,856	3,864
Export	514	273
Unallocated	9,433	9,035
Total assets	15,803	13,172
Capital expenditure: Unallocated		
Tangible assets	263	132

2. FOREIGN CURRENCY TRANSACTIONS AND BALANCES

i. Initial recognition

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

ii. Conversion

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

iii. Exchange differences

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

- Exchange differences arising on a monetary item that, in substance, forms part of the company's net investment in a non-integral foreign operation is accumulated in the foreign currency translation reserve until the disposal of the net investment. On the disposal of such net investment, the cumulative amount of the exchange differences which have been deferred and which relate to that investment is recognized as income or as expenses in the same period in which the gain or loss on disposal is recognized.
- Exchange differences arising on long-term foreign currency monetary items related to acquisition of a fixed asset are capitalized and depreciated over the remaining useful life of the asset. For this purpose, the company treats a foreign monetary item as "long-term foreign currency monetary item", if it has a term of 12 months or more at the date of its origination.
- Exchange differences arising on other long-term foreign currency monetary items are accumulated in the "Foreign Currency Monetary Item Translation Difference Account" and amortized over the remaining life of the concerned monetary item.
- All other exchange differences are recognized as income or as expenses in the period in which they arise.



Notes Forming Part Of The Financial Statements

3. UNHEDGED FOREIGN CURRENCY RESERVES

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

Particulars	As at 3 1 st March, 2015	As at 31 st March, 2014
Export trade receivable (US\$ in lacs)	8.25	4.36
Export trade receivable (INR in lacs)	515.04	273.82

4. DUES TO MICRO, SMALL AND MEDIUM ENTERPRISES:

The Classification of the suppliers under micro, small and medium enterprises Development Act 2006 is made on the basis of information made available to the company. No principal amount or interest amount remain unpaid to such Micro and Small enterprises as on as at March 31, 2015. Also, the company has not paid any interest in terms of section 16 of the above mentioned act or otherwise.

5. RELATED PARTY DISCLOSURE

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

Name	Relation
Harshad Thakkar	Director
Hitesh Punjani	Director
Dinesh C. Sodha	Director
Momai Apparels Limited	Subsidiary

(B) Transactions with Related Parties :

Name	Amount	Rs.in lacs
Mr. Harshad H. Thakkar	Director's remuneration	36.00
Mr. Harshad H. Thakkar	Rent paid	9.00
Mr. Dinesh C. Sodha	Director's remuneration	12.00
Mr. Hitesh Punjani	Director's remuneration	6.00
Momai Apparels Limited	Purchases	10346.82
Momai Apparels Limited	Rent Received	21.01

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

Particulars	Rs.in lacs	
	Year ended 3 1 st March, 2015	Year ended 31 st March, 2014
Consumption of Raw Materials	15,381	14,974
Consumable, Tools and Components	211	117
Value of Import on CIF Basis	NIL	NIL
Earning in Foreign Exchange (FOB Value of Export Sales)	1,150	1,017

7. PAYMENT TO DIRECTORS

Particulars	Rs in lacs	
	Year ended 31 st March, 2015	Year ended 31 st March, 2014
Director Remuneration	54	60

Notes Forming Part Of The Financial Statements

8. AUDITOR'S REMUNERATION

Rs in lacs

Particulars	Year ended 31 st March, 2015	Year ended 31 st March, 2014
Audit Fees	7.87	6.55
Taxation & Other Matters	-	1.31

- Figures are inclusive of Service Tax

9. CAPITAL & OTHER COMMITMENTS

Particulars	Year ended 31 st March, 2015	Year ended 31 st March, 2014
Estimated amount of Contracts remaining to be executed on Capital	3.50	29.79

10. CONTINGENT LIABILITIES

Rs. in lacs

Particulars	Year ended 31 st March, 2015	Year ended 31 st March, 2014
Guarantees given by Company on behalf of Subsidiary Company	200	200

11. The Company has not spent any expense towards Corporate social responsibility as required under Sec 135 of Companies Act, 2013.



NOTES FORMING PART OF BALANCE SHEET AND PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31st March, 2015

III] NOTES ON ACCOUNTS

Note : 1 Share Capital

Rs in Lakhs

Particulars	As at 31st March, 2015	As at 31st March, 2014
AUTHORISED SHARE CAPITAL 2,30,00,000 Equity Shares Of Rs. 10/- each (Previous Year - 2,30,00,000 Equity Shares Of Rs. 10/- each)	2,300.00	2,300.00
ISSUED, SUBSCRIBED & PAID UP CAPITAL 1,94,67,240 Equity Shares of Rs. 10/- fully paid (Previous Year - 1,94,67,240 Equity Shares of Rs. 10/- fully paid)	1,946.72	1,946.72
	1,946.72	1,946.72

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

1.2 Details of Number of Shares during the year :- (Amt in Lakhs)

Particulars	Opening Balance	Changes during the year	Closing Balance
Balance as on 01/04/14	1946.72	-	1,946.72
Fresh Issue	-	-	-
Bonus Issue	-	-	-
Total	1,946.72	-	1946.72

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

Name of Share Holder	As at 31st March,2015		As at 31st March,2014	
	No.of Shares held(FV Rs.10)	% holding in that class of shares	No.of Shares held(FV Rs.10)	% holding in that class of shares
Harshad H. Thakker	1,13,18,440	58.14%	1,13,18,440	58.14%

Note : 2 Reserves & Surplus

Particulars	As at 31st March, 2015	As at 31st March, 2014
Share Premium Account		
Opening Balance	1,575.00	-
Additions During the year	-	1,575.00
		1,575.00
Less: Transfer to Share Capital	-	-
Total (A)	1,575.00	1,575.00
Profit and loss account		
Opening Balance	765.80	395.88
Additions During the year	867.03	540.75
Less: Appropriations		
Issue of Bonus Shares	-	-
Proposed Dividend	194.67	146.00
Dividend Distribution Tax	39.86	24.81
(B)	1,398.30	765.81
(A) + (B)	2,973.30	2,340.81

2.2 The Board of Directors at its meeting has recommended a final dividend of Re.1 per equity share(Pr.Year 0.75ps)

NOTES FORMING PART OF BALANCE SHEET AND PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31st March, 2015
Note : 3 Long Term Borrowings

Particulars	As at 31st March, 2015	As at 31st March, 2014
Secured		-
Punjab National Bank - Term Loan (Secured against Factory Premises and personally guaranteed by Directors)		
Car Loan from bank (Secured against Motor Car)	57.59	16.64
From Financial Institution (Secured against hypothecation of movable assets & personal guarantee of Directors & their relatives)	852.89	903.97
	910.48	920.60

Note : 4 Other Long Term Liabilities

Particulars	As at 31st March, 2015	As at 31st March, 2014
Dealer Deposits	238.85	217.35
	238.85	217.35

Note : 5 Short Term Borrowings

Particulars	As at 31st March, 2015	As at 31st March, 2014
Secured		
Punjab National Bank - CC Account		-
Punjab National Bank - Packing Credit Loan (Secured against stock and book debts and personally guaranteed by Directors)		-
From Banks	3457.30	3,870.44
Cash Credit Account (Secured against Stock & Book Debts. Equitable mortgage of Factory Premises, Residential Premises of Directors, Office Premises, Plant & Machinery & Personally guaranteed by Directors.)		
Overdraft Account	0.00	871.00
(Secured against Fixed Deposit)		
Loan from Bank	1500	-
(Secured against Stocks and Book Debts & personal guarantee of Directors)		
	4,957.30	4,741.44
Unsecured		
Loans from Bank and Financial Institutions	52.63	-
	5,009.93	4,741.44

Note : 6 Trade Payables

Particulars	As at 31st March, 2015	As at 31st March, 2014
Sundry Creditors	3,183.40	2,015.78
Sundry Creditors for Capital Goods	55.90	32.17
	3,239.30	2,047.95

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

Note : 7 Other Current Liabilities

Particulars	As at 31st March, 2015	As at 31st March, 2014
Expenses Payable	44.17	32.28
Proposed Dividend	194.67	146.00
	238.84	178.28

Note : 8 Short Term Provisions

Particulars	As at 31st March, 2015	As at 31st March, 2014
Provision for Taxation	1,244.86	806.57
	1,244.86	806.57



NOTES FORMING PART OF BALANCE SHEET AND PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31st March, 2015

Notes : 9 Tangible Assets:-

PARTICULARS	RATES OF DEPRECIATION	GROSS BLOCK			DEPRECIATION			NET BLOCK		
		As On 01.04.2014	Additions	Deductions	As On 31.03.2015	As On 01.04.2014	For the year	Deductions	As On 31.03.2015	As On 01.04.2014
Factory Premises	10.00%	8,44,33,309	47,16,821	-	8,91,50,130.40	1,73,73,035.14	70,48,800	-	2,44,21,835	6,70,60,274
Plant & Machinery, Factory Equipment, Electrical Fitting etc	13.91%	1,32,11,521	3,56,866	-	1,35,68,386.50	43,14,495.24	12,60,348	-	55,74,843	88,97,025
Office Equipments	13.91%	24,05,913	14,53,949	-	38,59,861.57	8,32,446.42	2,98,684	-	11,31,130	27,28,731
Furniture & Fixtures	18.10%	1,08,23,897	81,56,580	-	1,89,80,476.90	38,16,095.80	17,72,050	-	55,88,146	1,33,92,331
Computer & Printer	40.00%	24,60,795	45,33,975	-	69,94,769.89	16,61,759.31	11,53,007	-	28,14,766	41,80,004
Motor Car	25.89%	45,39,530	55,76,579	-	1,01,16,108.60	29,39,275.82	18,58,082	-	47,97,358	16,00,254
Garment Rack	18.10%	58,75,322	15,47,550	-	74,22,872.00	19,78,556.27	7,79,903	-	27,58,459	38,96,766
TOTAL		12,37,50,286	2,63,42,320	-	15,00,92,605.86	3,29,15,664.00	1,41,70,874	-	4,70,86,538	10,30,06,068
Previous Year		11,05,73,956	1,31,76,330	-	12,37,50,286	2,15,03,616	1,14,12,048	-	3,29,15,664	9,08,34,622

Fixed assets are recorded at cost of acquisition inclusive of relevant levies, transportation and other expenses incidental to acquisition and installation. Depreciation on fixed assets has been provided on WRITTEN DOWN VALUE METHOD at the rate and in the manner specified in schedule XIV of the Companies Act, 1956.

NOTES FORMING PART OF BALANCE SHEET AND PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31st March, 2015

Note : 10 Non-Current Investments

Particulars	As at 31st March, 2015	As at 31st March, 2014
Investment in Equity instruments		
28,90,500 shares of Rs. 10 each fully paid up in Momai Apparels Ltd	177.97	159.25
	177.97	159.25

Other Non - Current Assets**Miscellaneous Expenditure (To the extent not-written off)**

Particulars	As at 31st March, 2015	As at 31st March, 2014
Preliminary Expenses		
Opening Balance	-	15.44
Add: Incurred During the year	-	120.79
Less : Written off During the Year	-	136.23
	-	-

Note : 11 Inventories

Particulars	As at 31st March, 2015	As at 31st March, 2014
(Accepted As Cerified By The Management)		
Raw Material & Accessories	517.52	1,259.93
Semi - Finished Goods	-	600.69
Finished Goods	6,349.83	4,092.94
	6,867.35	5,953.56

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

Note : 12 Trade Receivables

Particulars	As at 31st March, 2015	As at 31st March, 2014
Sundry Debtors		
(UNSECURED, CONSIDERED GOOD)		
Outstanding for	280.00	270.66
More than Six Months	6089.44	3,867.52
Other Debts		
	6,369.44	4,138.18

Note : 13 Cash & Cash Equivalents

Particulars	As at 31st March, 2015	As at 31st March, 2014
Cash on hand	37.53	7.47
Bank Balance with Scheduled Banks in Current A/c	249.07	381.06
Bank Balance with Scheduled Banks in Fixed Deposit	-	972.02
	286.61	1,360.55

Cash in hand is accepted as per books of accounts.

Note : 14 Short Term Loans & Advances

Particulars	As at 31st March, 2015	As at 31st March, 2014
Loan & Advances		
(UNSECURED, CONSIDERED GOOD)		
Advance recoverable in cash or in kind of value to be received	104.32	41.75
	104.32	41.75



NOTES FORMING PART OF BALANCE SHEET AND PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31st March, 2015

Note : 15 Other current Assets

Particulars	As at 31st March, 2015	As at 31st March, 2014
Advance recoverable in cash or in kind of value to be received	916.47	587.74
	916.47	587.74

Note : 16 Revenue from Operations

Particulars	As at 31st March, 2015	As at 31st March, 2014
Sales less returns		
Domestic Sales	16,594.16	15,552.32
Export Sales	1,150.06	1,017.26
	17,744.22	16,569.58

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

Note : 17 Other Income

Particulars	As at 31st March, 2015	As at 31st March, 2014
Duty Drawback Received	88.66	81.37
Interest Received	8.72	84.19
Rent Received	26.43	21.01
Miscellaneous Income	0.12	0.23
Vat Refund	8.32	-
Dividend Received	14.24	-
Royalty Fees Received	10.00	-
Exchange Rate Difference (Net)	18.04	(1.39)
	174.53	185.42

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

Note : 18 Cost of Materials Consumed

Particulars	As at 31st March, 2015	As at 31st March, 2014
Opening Stock	1,259.93	3,056.84
Add : Purchases During the year	14,639.04	13,177.42
Packing Materials & Consumables	211.45	117.33
Labour Charges	7.35	2.07
Sales Tax on Purchase / Expenses	240.84	136.69
Total	16,358.61	16,490.35
Less : Closing Stock	517.52	1,259.93
Cost of Materials Consumed	15,841.09	15,230.42

NOTES FORMING PART OF BALANCE SHEET AND PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31st March, 2015

Note : 19 Changes in inventories of finished goods, work-in-progress and Stock-in-Trade

Particulars	As at 31st March, 2015	As at 31st March, 2014
Opening Stock		
Finished Goods	4,092.94	2,049.72
Semi Finished Goods	600.69	972.99
(A)	4,693.63	3,022.71
Less : Closing Stock		
Finished Goods	6,349.83	4,092.94
Semi Finished Goods	-	600.69
(B)	6,349.83	4,693.63
(A) - (B)	(1,656.20)	(1,670.92)

Note : 20 Employee Benefit Expenses

Particulars	As at 31st March, 2015	As at 31st March, 2014
Staff Welfare Expenses	61.12	52.97
Wages & Salaries Paid	245.64	162.64
Directors Remuneration	54.00	60.00
Director Sitting Fees	1.09	0.94
	361.85	276.56

Note : 21 Financial Costs

Particulars	As at 31st March, 2015	As at 31st March, 2014
Bank Interest	569.10	662.25
Interest on Loan	151.54	214.60
Bank Charges	28.62	24.75
Interest on Secutiry Deposit	19.70	0.50
	768.95	902.09

NOTE : 22 Depreciation & Amortization Expenses

Particulars	As at 31st March, 2015	As at 31st March, 2014
Depreciation	141.71	114.12
Preliminary Expenses W/off	-	136.23
	141.71	250.35



NOTES FORMING PART OF BALANCE SHEET AND PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31st March, 2015

Note : 23 Other expenses

Particulars	As at 31st March, 2015	As at 31st March, 2014
Auditor's Remuneration		
Audit Fees	7.87	7.87
TAX Audit fees		
VAT Audit fees		
Accounting charges		
Advertisement & Sales Promotion Expenses	138.59	350.94
Catalogue Expenses		
Clearing & Forwarding Charges		
Commission Paid	32.82	41.60
Conveyance Charges		
Electricity Charges	15.07	12.64
Fair Stall Charges	-	42.97
Issue Expenses	12.10	12.54
Insurance Charges	70.22	21.15
Legal and Professional Charges		
Magazine Add. Expenses		
Model Charges Paid		
Photography & Shooting Expenses		
Poster Expenses	14.78	8.81
Power & Fuel Expenses	20.84	10.19
Printing & Stationary	57.36	33.31
Rent Paid	61.07	17.22
Repairs & Maintainace		
Sales Promotion Expenses	11.28	8.20
Security Charges	12.61	10.33
Telephone Expenses	87.14	68.64
Tour & Tavelling Expenses	94.27	75.42
Transport Charges	245.75	189.63
Miscellaneous Expenses	6.35	2.19
	881.78	911.46

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

FOR ASHAPURA INTIMATES FASHION LTD.

(CA JAYESH S. RAWAL)

**PARTNER
M.NO.104738
PLACE : MUMBAI
DATED : 12th May,2015**

**Sd/-
Company Secretary**

**Sd/-
Chairman**

**Sd/-
Chief Financial Officer**

Auditor's Report on Consolidated Financial Statement

TO,
THE SHAREHOLDERS OF
ASHAPURA INTIMATES FASHION LIMITED
MUMBAI.

We have audited the accompanying consolidated financial statements of **M/S. ASHAPURA INTIMATES FASHION LIMITED (formerly known as ASHAPURA APPARELS PRIVATE LIMITED) as on 31st March, 2015** (the Company) & its subsidiaries (the company and its subsidiaries constitute the "Group"), which comprise the Consolidated Balance Sheet as at March 31, 2015, the Statement of Consolidated Profit and Loss and Consolidated Cash Flow Statement for the year ended and other explanatory information.

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. The Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatements.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments; the auditor considers internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures

that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:

- (a) In the case of the Consolidated Balance Sheet, of the state of affairs of the Group as at March 31, 2015;
- (b) In the case of the Consolidated Statement of Profit and Loss, of the profit of the Group for the year ended on that date; and
- (c) In the case of the Consolidated Cash Flow Statement, of the cash flows of the Group for the year ended on that date.

Other Matter

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

Our Report is not qualified in respect of this matter.

**For JDNG & ASSOCIATES
CHARTERED ACCOUNTANTS
FRN: 104315W**

Sd/-

**CA JAYESH S.RAWAL
PARTNER**

**PLACE: MUMBAI
DATE: 29th May, 2015.**

Membership No: 104738



Consolidated Statement of Assets and Liabilities

(In ₹ lakhs)

Particulars	As at 31st March, 2015	As at 31st March, 2014
I. EQUITY AND LIABILITIES		
(1) Shareholder's Funds		
(a) Share Capital	1946.72	1946.72
(b) Reserves and Surplus	3310.39	2808.75
(2) Share application money pending allotment	-	-
(3) Minority Interest	5626.73	1129.10
(4) Non-Current Liabilities		
(a) Long-term borrowings	1442.11	1576.68
(b) Other Long term liabilities	238.85	224.62
(5) Current Liabilities		
(a) Short-term borrowings	7783.82	7415.72
(b) Trade payables	2962.34	2502.73
(c) Other current liabilities	383.49	354.60
(d) Short-term provisions	1579.14	934.11
Total	25273.58	18893.04
II.Assets		
(1) Non-current assets		
(a) Fixed assets		
(i) Tangible assets	1813.96	1748.61
(ii) Capital work-in-progress	20.36	23.00
(c) Deffered Tax Asset(Net)	17.46	15.24
(d) Other Non Current Assets	2.69	0.00
(2) Current assets		
(a) Inventories	11884.72	10066.01
(b) Trade receivables	7964.78	4639.35
(c) Cash and cash equivalents	1024.30	1761.33
(d) Short-term loans and advances	1625.98	48.75
(e) Other current assets	919.34	590.75
Total	25273.58	18893.04

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

FOR ASHAPURA INTIMATES FASHION LTD.

(CA JAYESH S. RAWAL)

PARTNER
M.NO.104738
PLACE : MUMBAI
DATED : 12th May,2015

Sd/-
Company Secretary

Sd/-
Chairman

Sd/-
Chief Financial Officer

Consolidated Audited Financial Results

(In ₹ lakhs)

Particulars	As at 31st March, 2015	As at 31st March, 2014
I. Revenue from operations	19,677.43	19,611.54
II. Other Income	169.28	182.00
III. Total Revenue (I +II)	19,846.71	19,793.54
IV. Expenses:		
Cost of materials consumed	17,382.31	20,629.00
Changes in inventories of finished goods, work-in-progress and Stock-in-Trade	(2,561.13)	(5,107.82)
Employee benefit expense	516.09	388.07
Financial costs	1,214.16	1,263.96
Depreciation and amortization expense	199.22	290.78
Other expenses	974.05	983.74
Total Expenses	17,724.69	18,447.73
V. Profit before exceptional and extraordinary items and tax	2,122.02	1,345.81
VI. Exceptional Items	-	-
VII. Profit before extraordinary items and tax	2,122.02	1,345.81
VIII. Extraordinary Items	-	-
IX. Profit before tax	2,122.02	1,345.81
X. Tax expense:		
(1) Current tax	790.05	501.83
(2) Deferred tax	(2.22)	(21.04)
(3) Short/Excess Provision of Previous Year	(114.91)	2.54
XI. Profit(Loss) for the period before Minority Interest	1,219.28	867.55
XII. Minority Interest	270.42	160.61
XIII. Profit/(Loss) for the period	948.86	706.94
XVI. Earning per equity share:		
(1) Basic	4.87	3.63
(2) Diluted	4.87	

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

FOR ASHAPURA INTIMATES FASHION LTD.

(CA JAYESH S. RAWAL)

PARTNER
M.NO.104738
PLACE : MUMBAI
DATED : 12th May,2015

Sd/-
Company Secretary

Sd/-
Chairman

Sd/-
Chief Financial Officer



Consolidated Cash Flow Statement for the year ending 31st March, 2015

(In ₹ lakhs)

Particulars	As at 31st March, 2015	As at 31st March, 2014
A. CASH FLOW FROM OPERATING ACTIVITIES		
Net Profit before taxation and extraordinary items:	2,122.02	1,345.81
Adjustments for:		
Depreciation	199.11	154.44
Finance Charges	1,214.16	1,263.96
Interest Received	(8.72)	(84.19)
Rent Received	(5.42)	-
Miscellaneous Expenses Written Off	-	136.34
Cash generated from operations before Working Capital Changes	3,521.14	2,816.36
Adjustments for:		
Changes in Trade and Other Receivables	(8,162.29)	3,895.63
Changes in Trade and Other Payables	1,568.30	(5,125.18)
Cash generated from/(used in) Operations	(3,072.85)	1,586.81
Income Taxes paid (net)	(322.66)	(376.22)
Net Cash Flow from /(used in) Operating Activities	(3,395.51)	1,210.59
B. CASH FLOW FROM/ (USED IN) INVESTING ACTIVITIES		
Purchase of Fixed Assets	(261.81)	(527.69)
Investment in Shares of Subsidiary	-	(153.90)
Loans Given	-	(31.27)
Interest Received	8.72	84.19
Rent Received	5.42	-
Preliminary and preoperative expenses	(0.64)	-
Net Cash from / (used in) Investing Activities	(248.31)	(628.67)
C. CASH FLOW FROM/ (USED IN) FINANCING ACTIVITIES		
Proceeds from Issue of Shares/Share Application Money.	4,169.91	2,978.54
Proceeds/(Repayment) from/of Short Term borrowings (net)	268.49	564.10
Proceeds/(Repayment) from/of Long Term Borrowings (net)	(33.70)	(986.30)
Dividend Paid	(283.89)	(113.88)
Finance Charges Paid	(1,214.16)	(1,257.10)
Preliminary Expenses Paid	0.14	(127.92)
Net Cash from / (used in) Financing Activities	2,906.79	1,057.43
Net increase / (decrease) in Cash and Cash Equivalents	(737.03)	1,639.36
Cash and Cash Equivalents at the beginning of the year	1,761.33	121.97
Cash and Cash Equivalents at the end of the year	1,024.30	1,761.33
Components of cash and cash equivalent		
- Cash and cheques on hand	51.87	15.65
- With banks		
- On current account	251.16	773.65
- On deposit account unrestricted	721.27	972.02

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

FOR ASHAPURA INTIMATES FASHION LTD.

(CA JAYESH S. RAWAL)

**PARTNER
M.NO.104738
PLACE : MUMBAI
DATED : 12th May,2015**

**Sd/-
Company Secretary**

**Sd/-
Chairman**

**Sd/-
Chief Financial Officer**

NOTES FORMING PART OF BALANCE SHEET AND PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31st March, 2015

III] NOTES ON ACCOUNTS

Note : 1 Share Capital

Rs in Lakhs

Particulars	As at 31st March, 2015	As at 31st March, 2014
AUTHORISED SHARE CAPITAL		
2,30,00,000 Equity Shares Of Rs. 10/- each (Previous Year - 2,30,00,000 Equity Shares Of Rs. 10/- each)	2,300.00	2,300.00
ISSUED, SUBSCRIBED & PAID UP CAPITAL		
1,94,67,240 Equity Shares of Rs. 10/- fully paid (Previous Year - 1,94,67,240 Equity Shares of Rs. 10/- fully paid)	1,946.72	1,946.72
	1,946.72	1,946.72

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

1.2 Details of Number of Shares during the year :- (Amt in Lakhs)

Particulars	Opening Balance	Changes during the year	Closing Balance
Balance as on 01/04/14	1946.72	-	1,946.72
Fresh Issue	-	-	-
Bonus Issue	-	-	-
Total	1,946.72	-	1946.72

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

Name of Share Holder	As at 31st March,2015		As at 31st March,2014	
	No. of Shares held (FV Rs.10)	% holding in that class of shares	No. of Shares held (FV Rs.10)	% holding in that class of shares
Harshad H. Thakker	1,13,18,440	58.14%	1,13,18,440	58.14%

Note : 2 Reserves & Surplus

Particulars	As at 31st March, 2015	As at 31st March, 2014
Share Premium Account		
Opening Balance	1,748.38	-
Additions During the year	-	1,575.00
Adjustment of Securities Premium of Shares issued by Subsidiary	-	178.67
Less: Utilise	144.43	-
Total (A)	1,603.95	1,753.67
Profit and loss account		
Opening Balance	885.74	395.87
Additions During the year	852.79	540.75
Adjustment of Post Acquisition Profits (net)	25.15	126.90
Less: Appropriations		
Issue of Bonus Shares	-	-
Proposed Dividend	194.67	146.00
Dividend Distribution Tax	39.86	24.81
(B)	1,529.14	892.70
Capital Reserve (On Consolidation)	205.73	162.38
(C)	(28.42)	
(A) + (B) + (C)	3,310.39	2,808.75

2.2 The Board of Directors at its meeting has recommended a final dividend of Re.1 per equity share (Pr. Year 0.75ps)



NOTES FORMING PART OF BALANCE SHEET AND PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31st March, 2015

Note : 3 Long Term Borrowings

Particulars	As at 31st March, 2015	As at 31st March, 2014
Secured		
Punjab National Bank - Term Loan (Secured against Factory Premises and personally guaranteed by Directors)		-
Car Loan from bank (Secured against Motor Car)	57.59	16.64
From Financial Institution (Secured against hypothecation of movable assets & personal guarantee of Directors & their relatives)	852.89	1,552.47
Unsecured		
From Financial Institution	531.64	7.57
	1,442.11	1,576.68

Note : 4 Other Long Term Liabilities

Particulars	As at 31st March, 2015	As at 31st March, 2014
Dealer Deposits	238.85	224.62
	238.85	224.62

Note : 5 Short Term Borrowings

Particulars	As at 31st March, 2015	As at 31st March, 2014
Secured		
Punjab National Bank - CC Account		-
Punjab National Bank - Packing Credit Loan (Secured against stock and book debts and personally guaranteed by Directors)		-
<u>From Banks</u>		
Cash Credit Account (Secured against Stock & Book Debts. Equitable mortgage of Factory Premises, Residential Premises of Directors, Office Premises, Plant & Machinery & Personally guaranteed by Directors.)	3,457.30	3,870.44
Overdraft Account (Secured against Fixed Deposit)	-	3,545.28
Loan from Bank (Secured against Stocks and Book Debts & personal guarantee of Directors)	1,500.00	
(A)	4,957.30	7,415.72
Unsecured		
Loans from Bank and Financial Institutions	2,826.52	-
(B)	2,826.52	-
(A) + (B)	7,783.82	7,415.72

Note : 6 Trade Payables

Particulars	As at 31st March, 2015	As at 31st March, 2014
Sundry Creditors	935.59	2,460.55
Sundry Creditors for Capital Goods	2,026.75	42.17
	2,962.34	2,502.73

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

NOTES FORMING PART OF BALANCE SHEET AND PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31st March, 2015

Note : 7 Other Current Liabilities

Particulars	As at 31st March, 2015	As at 31st March, 2014
Expenses Payable	44.17	82.53
Proposed Dividend	194.67	146.00
	144.64	126.06
	383.49	354.60

Note : 8 Short Term Provisions

Particulars	As at 31st March, 2015	As at 31st March, 2014
Provision for Taxation	1,579.14	934.11
	1,579.14	934.11

Other Non - Current Assets**Miscellaneous Expenditure (To the extent not-written off)**

Particulars	As at 31st March, 2015	As at 31st March, 2014
Preliminary Expenses		
Opening Balance	0.53	17.48
Add: Incurred During the year	-	120.79
Less : Written off During the Year	(0.11)	136.23
	2.26	
	2.69	274.51

Note : 11 Inventories

Particulars	As at 31st March, 2015	As at 31st March, 2014
<u>(Accepted As Certified By The Management)</u>		
Raw Material & Accessories	517.52	5,372.38
Semi - Finished Goods	-	600.69
Finished Goods	11,367.21	4,092.94
	11,884.72	10,066.01

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

Note : 12 Trade Receivables

Particulars	As at 31st March, 2015	As at 31st March, 2014
Sundry Debtors (UNSECURED, CONSIDERED GOOD)		
Outstanding for		
More than Six Months	730.74	270.66
Other Debts	7,234.04	4,368.69
	7,964.78	4,639.35

Note : 13 Cash & Cash Equivalents

Particulars	As at 31st March, 2015	As at 31st March, 2014
Cash on hand	51.87	408.25
Bank Balance with Scheduled Banks in Current A/c	251.16	381.06
Bank Balance with Scheduled Banks in Fixed Deposit	721.27	972.02
	1,024.30	1,761.33

Cash in hand is accepted as per books of accounts.



NOTES FORMING PART OF BALANCE SHEET AND PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31st March, 2015

Note : 14 Short Term Loans & Advances

Particulars	As at 31st March, 2015	As at 31st March, 2014
Loan & Advances		
(UNSECURED, CONSIDERED GOOD)		
Advance recoverable in cash or in kind of value to be received	1,625.98	48.75
	1,625.98	48.75

Note : 15 Other current Assets

Particulars	As at 31st March, 2015	As at 31st March, 2014
Advance recoverable in cash or in kind of value to be received	919.34	590.75
	919.34	590.75

Note : 16 Revenue from Operations

Particulars	As at 31st March, 2015	As at 31st March, 2014
Sales less returns		
Domestic Sales	28,874.19	18,594.28
Export Sales	1,150.06	1,017.26
	30,024.25	19,611.54

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

Note : 17 Other Income

Particulars	As at 31st March, 2015	As at 31st March, 2014
Duty Drawback Received	88.66	81.37
Interest Received	8.72	84.19
Rent Received	26.43	
Miscellaneous Income	0.12	17.01
Vat Refund	8.32	(0.57)
Dividend Received	-	
Royalty Fees Received	10.00	
Exchange Rate Difference (Net)	18.04	
	30.00	
	190.29	182.00

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

Note : 18 Cost of Materials Consumed

Particulars	As at 31st March, 2015	As at 31st March, 2014
Opening Stock	1,259.93	3,056.84
Add : Purchases During the year	26,548.09	26,664.33
Packing Materials & Consumables	211.45	117.33
Labour Charges	7.35	2.07
Manufacturing		598.29
Sales Tax on Purchase / Expenses	240.84	136.69
Total	28,267.66	30,575.55
		8,686.62
Less : Closing Stock	517.52	1,259.93
Cost of Materials Consumed	27,750.14	20,629.00

NOTES FORMING PART OF BALANCE SHEET AND PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31st March, 2015

Note : 19 Changes in inventories of finished goods, work-in-progress and Stock-in-Trade

Particulars	As at 31st March, 2015	As at 31st March, 2014
<u>Opening Stock</u>		
Finished Goods	8,205.40	2,725.28
Semi Finished Goods	600.69	972.99
(A)	8,806.08	3,698.27
<u>Less : Closing Stock</u>		
Finished Goods	11,367.21	8,205.40
Semi Finished Goods	-	600.69
(B)	11,367.21	8,806.08
(A) - (B)	(2,561.13)	(5,107.82)

Note : 20 Employee Benefit Expenses

Particulars	As at 31st March, 2015	As at 31st March, 2014
Staff Welfare Expenses	96.30	73.04
Wages & Salaries Paid	322.70	205.70
Directors Remuneration	96.00	108.00
Director Sitting Fees	1.09	1.33
	516.09	388.07

Note : 21 Financial Costs

Particulars	As at 31st March, 2015	As at 31st March, 2014
Bank Interest	591.79	662.25
Interest on Loan	555.53	574.69
Bank Charges	47.14	26.52
Interest on Secutiry Deposit	19.70	0.50
	1,214.16	1,263.96

NOTE : 22 Depreciation & Amortization Expenses

Particulars	As at 31st March, 2015	As at 31st March, 2014
Depreciation	199.11	154.44
Preliminary Expenses W/off	0.11	136.34
	199.22	290.78



NOTES FORMING PART OF BALANCE SHEET AND PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31st March, 2015

Note : 23 Other expenses

Particulars	As at 31st March, 2015	As at 31st March, 2014
<u>Auditor's Remuneration</u>		
Audit Fees	7.87	8.80
TAX Audit fees	-	
VAT Audit fees	-	
Taxation & Other Matters	-	1.31
Advertisement & Sales Promotion Expenses	138.59	352.61
Catalouge Expenses	-	
Clearing & Forwarding Charges	-	
Commission Paid	32.82	41.62
Conveyance Charges	-	
Electricity Charges	15.07	12.64
Exchange Rate Difference (Net)	-	1.39
Issue Expenses	-	42.97
Insurance Charges	12.10	18.47
Legal and Professional Charges	70.22	42.61
Magazine Add. Expenses	-	
Model Charges Paid	-	
Photography & Shooting Expenses	-	
Poster Expenses	-	
Power & Fuel Expenses	14.78	8.81
Printing & Stationary	20.84	10.40
Rent Paid	57.36	33.31
Repairs & Maintainace	61.07	18.10
ROC fees paid	-	5.33
Sales Promotion Expenses	-	
Security Charges	11.28	10.80
Telephone Expenses	12.61	11.10
Tour & Tavelling Expenses	87.14	75.32
Transport Charges	94.27	89.97
Miscellaneous Expenses	245.75	27.57
	92.27	170.59
	974.05	983.74

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

FOR ASHAPURA INTIMATES FASHION LTD.

(CA JAYESH S. RAWAL)

**PARTNER
M.NO.104738
PLACE : MUMBAI
DATED : 12th May,2015**

**Sd/-
Company Secretary**

**Sd/-
Chairman**

**Sd/-
Chief Financial Officer**



ASHAPURA INTIMATES FASHION LIMITED

CIN: L17299MH2006PLC163133

Regd. Office: Unit no. 3, 4 Pacific Plaza, Plot no. 570, Masjid Gali, Off Bhavani Shankar Road, Dadar(W), Mumbai- 400028

Phone: 022-24331552/53

Email: ipo@valentineloungegroup.com Website: www.valentineloungegroup.com

NINTH ANNUAL GENERAL MEETING ON 7TH SEPTEMBER, 2015

FORM MGT 11

Pursuant to section 105(6) of the Companies Act, 2013 and rule 19(3) of the companies (Management and Administration) Rules, 2014]

PROXY FORM

NAME OF THE MEMBER(S)

Registered Address:

Name of e-mail Id:

Folio No/*Client Id./ DP Id:

I/We being the member (s) of _____ shares of Ashapura Intimates Fashion Ltd, hereby Appoint:

- 1) _____ of _____ having e mail id _____ or failing him
- 2) _____ of _____ having e mail id _____ or failing him
- 3) _____ of _____ having e mail id _____

And whose signature(s) are appended below as my/our proxy to attend and vote (on a poll) for me/us and my/our behalf at the **9th Annual General Meeting** of the company, to be held on Monday, September 7, 2015 at 10 am at Ground Floor, Kohinoor Bhavan, Kohinoor Road, Dadar East, Mumbai - 400014, Opposite Dadar (East) Railway station Mumbai-400014 and at any adjournment thereof in respect of such resolutions as are indicated below:

Ordinary business

1. Consideration and adoption of the Audited Balance sheet as at 31st March, 2015 and the audited Profit & Loss Account and the audited Cash flow statement Consideration and adoption of the Consolidated Audited Balance sheet as at 31st March, 2015 and the audited Profit & Loss Account and the audited Cash flow statement
2. Declaration of Dividend on Equity Shares for the year ended March 31st, 2015
3. Re-appointment of Mr.Dinesh Sodha , who retire by rotation
4. Re-appointment of Mr. Hitesh Punjani, who retire by rotation.
5. Appointment of Statutory Auditor of the Company

Special Business

6. Preferential issue of warrants

Signed this _____ day of _____, 2015

Signature of Member: _____

Signature of Proxy holder(s)

Note:

1. This form of proxy in order to be effective should be duly completed and deposited at the registered office of the Company, not less than 48 hours before the Commencement of the Meeting.
2. For the Resolutions, the Explanatory Statement and notes, please refer to the notice of the 9th Annual General Meeting.

Affix
Revenue
Stamp
of Rs.1/-



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ATTENDANCE SLIP

PLEASE FILL ATTENDANCE SLIP AND HAND IT OVER AT THE ENTRANCE OF THE MEETING HALL

DP Id*	
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Folio No.	
-----------	--

Client Id*	
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No. of Shares	
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NAME OF THE SHAREHOLDER(S)/PROXYHOLDER : _____

I hereby record my presence at the **NINTH ANNUAL GENERAL MEETING** of the Company held on Monday, on **7TH SEPTEMBER, 2015** at 10.00 a.m. at Kohinoor Bhavan, Kohinoor Road, Opposite Dadar (East) Railway station Mumbai-400014.

Signature of Shareholder / Proxy

Note:

1. Members are requested to bring their Attendance Slip, sign the same at the place provided and hand it over at the entrance of the venue.



ASHAPURA
INTIMATES FASHION LTD

Ashapura Intimates Fashion Limited

3-4, Pacific Plaza, Ground Floor,
Off B. S. Road, Mahim Division,
Dadar (West), Mumbai - 400 028

Phone : 022-24331552 / 53

Website : www.valentineloungeweargroup.com